NEWSCOPE CAPITAL CORPORATION

INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS

Three and Six Months Ended November 30, 2020

(Expressed in Canadian Dollars)

Dated: January 27, 2021

INTRODUCTION

PharmaTher Inc. ("PharmaTher") was incorporated under the Business Corporations Act (Ontario) on April 1, 2020. The registered head office of the Company is 82 Richmond Street East, Toronto, Ontario M5C 1P1.

PharmaTher is a specialty pharmaceutical company focused on the research and development of psychedelic pharmaceuticals to treat mental health, neurological and pain disorders.

Newscope Capital Corporation ("Newscope" or the "Company") was incorporated under the Business Corporations Act (British Columbia) on March 20, 2019. The registered head office of the Company is 1055 West Georgia Street, 1500 Royal Centre, P.O. Box 11117, Vancouver B.C. V6E 4N7, Canada.

On June 10, 2020, Newscope issued 47,240,000 common shares as consideration for acquisition of all of the issued and outstanding common shares in the capital of PharmaTher at a deemed price of $0.10 per share for an aggregate purchase price of $4,724,000 (the "Acquisition"). In addition, Newscope issued an aggregate of 1,007,200 warrants in exchange for the issued and outstanding warrants of PharmaTher. Each warrant entitles the holder thereof to acquire one common share in the capital of Newscope at an exercise price of $0.05 for a period of 24 months from the original date of issuance. The Acquisition was accounted for as a reverse takeover ("RTO") whereby PharmaTher was identified as the acquirer for accounting purpose and the resulting financial statements are presented as a continuance of PharmaTher and the comparative figures presented in the condensed interim consolidated financial statements after the RTO are those of PharmaTher. After the RTO, the combined entity of Newscope and PharmaTher is referred to also as " the Company" in this interim MD&A.

The Canadian Dollar is the Company's functional and reporting currency. Unless otherwise noted, all dollar amounts are expressed in Canadian Dollars.

The following interim Management's Discussion & Analysis ("Interim MD&A") of the Company for the three and six months ended November 30, 2020 has been prepared to provide material updates to the business operations, liquidity and capital resources of the Company since its last annual management's discussion & analysis, being the Management's Discussion & Analysis ("Annual MD&A") for the fiscal year ended May 31, 2020. This Interim MD&A does not provide a general update to the Annual MD&A, or reflect any non-material events since the date of the Annual MD&A.

This Interim MD&A has been prepared in compliance with section 2.2.1 of Form 51-102F1, in accordance with National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with the Annual MD&A and audited annual consolidated financial statements of the Company for the years ended May 31, 2020, and period from March 20, 2019 (date of incorporation) to May 31, 2019, together with the notes thereto, and unaudited condensed interim consolidated financial statements of the Company for the three and six months ended November 30, 2020, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The Company's financial statements and the financial information contained in this Interim MD&A are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee. The unaudited condensed interim consolidated financial statements have been prepared in accordance with International Standard 34, Interim Financial Reporting. Accordingly, information contained herein is presented as of January 27, 2021, unless otherwise indicated.

Further information about the Company and its operations can be obtained from the offices of the Company.

CAUTIONARY NOTE REGARDING FORWARD LOOKING INFORMATION

This Interim MD&A contains forward-looking information and statements ("forward-looking statements") which may include, but are not limited to, statements with respect to the future financial or operating performance of the Company. Forward-looking statements reflect the current expectations of management regarding the Company's future growth, results of operations, performance and business prospects and opportunities. Wherever possible, words such as "may", "would", "could", "will", "anticipate", "believe", "plan", "expect", "intend", "estimate" and similar expressions have been used to identify these forward-looking statements. These statements reflect management's current beliefs with respect to future events and are based on information currently available to management. Forward-looking statements involve significant risks, uncertainties and assumptions. Many factors could cause the actual results, performance or events to be materially different from any future results, performance or events that may be expressed or implied by such forward-looking statements, including, without limitation, those listed in the "Risk Factors" section of this Interim MD&A. Although the Company has attempted to identify important factors that could cause actual results, performance or events to differ materially from those described in the forward-looking statements, there could be other factors unknown to management or which management believes are immaterial that could cause actual results, performance or events to differ from those anticipated, estimated or intended. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results, performance or events may vary materially from those expressed or implied by the forward-looking statements contained in this Interim MD&A. These factors should be considered carefully, and readers should not place undue reliance on the forward-looking statements. Forward-looking statements contained herein are made as of the date of this Interim MD&A and the Company assumes no responsibility to update forward looking statements, whether as a result of new information or otherwise, other than as may be required by applicable securities laws.

Forward-Looking Statements	Assumptions	Risk Factors
The Company's (i) development of product candidates, (ii) demonstration of such product candidates' safety and efficacy in clinical trials, and (iii) obtaining regulatory approval to commercialize these product candidates.	Financing will be available for development of new product candidates and conducting clinical studies; the actual results of the clinical trials will be favourable; development costs will not exceed the Company's expectations; the Company will be able to retain and attract skilled staff; the Company will be able to recruit suitable patients for clinical trials; all requisite regulatory and governmental approvals to commercialize the product candidates will be received on a timely basis upon terms acceptable to the Company; applicable economic conditions are favourable to the Company.	Availability of financing in the amount and time frame needed for the development and clinical trials may not be favourable; increases in costs; uncertainties of COVID-19 pandemic; the Company's ability to retain and attract skilled staff; the Company's ability to recruit suitable patients for clinical trials; timely and favourable regulatory and governmental compliance, acceptances, and approvals; interest rate and exchange rate fluctuations; changes in economic conditions.
The Company's ability to obtain the substantial capital it requires to fund research and operations.	Financing will be available for the Company's research and operations and the results thereof will be favourable; debt and equity markets, exchange and interest rates and other applicable economic conditions are favourable to the Company.	Changes in debt and equity markets; uncertainties of COVID-19 pandemic; timing and availability of external financing on acceptable terms; increases in cost of research and operations; interest rate and exchange rate fluctuations; adverse changes in economic conditions.
Factors affecting pre-clinical research, clinical trials and regulatory approval process of	Actual costs of pre-clinical research, clinical and regulatory processes will be consistent with the Company's current	The Company's product candidates may require time-consuming and costly pre-clinical and clinical studies

Forward-Looking Statements	Assumptions	Risk Factors
the Company's product candidates.	expectations; the Company will be able to retain and attract skilled staff; the Company will be able to recruit suitable patients for clinical trials; the Company will be able to complete pre-clinical research and clinical studies on a timely basis with favourable results; all applicable regulatory and governmental approvals for product candidates will be received on a timely basis with terms acceptable to the Company; debt and equity markets, exchange and interest rates, and other applicable economic and political conditions are favourable to the Company; there will be a ready market for the product candidates.	and testing and regulatory approvals before commercialization; the Company's ability to retain and attract skilled staff; uncertainties of COVID-19 pandemic; the Company's ability to recruit suitable patients for clinical trials; adverse changes in regulatory and governmental processes; interest rate and exchange rate fluctuations; changes in economic and political conditions; the Company will not be adversely affected by market competition.
The Company's ability to commercialize on its own or find and enter into agreements with potential partners to bring viable product candidates to commercialization.	The Company will be able to commercialize on its own or to find a suitable partner and enter into agreements to bring product candidates to market within a reasonable time frame and on favourable terms; the costs of commercializing on its own or entering into a partnership will be consistent with the Company's expectations; partners will provide necessary financing and expertise to bring product candidates to market successfully and profitably.	The Company will not be able to commercialize on its own or find a partner and/or enter into agreements within a reasonable time frame; if the Company enters into agreements, these agreements may not be on favourable terms to the Company; costs of entering into agreements may be excessive; uncertainties of COVID-19 pandemic; potential partners will not have the necessary financing or expertise to bring product candidates to market successfully or profitably.
The Company's ability to obtain and protect the Company's intellectual property rights and not infringe on the intellectual property rights of others.	Patents and other intellectual property rights will be obtained for viable product candidates; patents and other intellectual property rights obtained will not infringe on others.	The Company will not be able to obtain appropriate patents and other intellectual property rights for viable product candidates; patents and other intellectual property rights obtained will be contested by third parties; no proof that acquiring a patent will make the product more competitive.
The Company's ability to source markets which have demand for its products and successfully supply those markets in order to generate sales.	The anticipated markets for the Company's potential products and technologies will continue to exist and expand; the Company's products will be commercially viable, and it will successfully compete with other research teams who are also examining potential products.	The anticipated market for the Company's potential products and technologies will not continue to exist and expand for a variety of reasons, including competition from other products and the degree of commercial viability of the potential product.
Future actions with respect to and potential impacts of pending claims.	The Company will be able to settle or otherwise obtain disposition of claims against it on favourable terms.	The Company may will not be able to settle pending claims on favourable terms; claims may be adjudicated in

Forward-Looking Statements	Assumptions	Risk Factors
		a manner that is not favourable to the Company.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company's ability to predict or control. Please also make reference to those risk factors referenced in the "Risk Factors" section below. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this Interim MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

BUSINESS OVERVIEW

Newscope, who through its wholly owned subsidiary, PharmaTher, is a specialty life sciences company focused on the research and development of a next generation transdermal delivery of psychedelic pharmaceuticals to treat mental health, neurological and pain disorders. PharmaTher also seeks to discover novel uses of psychedelic-derived drugs through its drug repurposing artificial intelligence platform, PanaceAI™. PharmaTher's patent portfolio includes granted and provisional patents on method of uses and combination formulations of ketamine and psilocybin, and microneedle drug delivery systems for psychedelic pharmaceuticals, Currently, PharmaTher's product pipeline targets Parkinson's disease, depression, neuropathic pain, traumatic brain injury, and stroke. PharmaTher aims to leverage the attractive U.S. Food and Drug Administration ("FDA") regulatory incentives for expedited approvals, such as the FDA 505(b)(2) regulatory pathway orphan drug, fast track and breakthrough designations. In addition, the Company actively seeks licensing, acquisition or partnership opportunities from industry and academia.

CORPORATE HIGHLIGHTS

On June 1, 2020, the Company entered into a Sponsored Research Program (the "Agreement") with University Health Network ("UHN"). Pursuant to the Agreement, the Company will provide financial support in the amount of $140,000 to UHN to conduct research activities that will give the Company exclusive early access to research findings and an option to commercialize intellectual property in such research finding.

On June 4, 2020, Newscope announced that it has entered into an arm's length exchange agreement dated June 3, 2020 (the "Agreement") with PharmaTher Inc. Pursuant to the Agreement, Newscope will acquire all of the issued and outstanding common shares in the capital of PharmaTher in exchange for the issuance of an aggregate of 47,240,000 common shares in the capital of Newscope (the "Consolidation Shares) at a price of $0.10 per Consolidation Share for an aggregate purchase price of $4,724,000 In addition, the Company will issue an aggregate of 1,007,200 warrants (the "Consideration Warrants") in exchange for the currently issued and outstanding warrants of PharmaTher. Each Consideration Warrant will entitle the holder thereof to acquire one common share in the capital of Newscope at an exercise price of $0.05 for a period of 24 months from the original date of issuance.

Pursuant to the Agreement, Newscope and PharmaTher jointly prepared, and Newscope filed, a non-offering prospectus in connection with Newscope's application for listing on the Canadian Securities Exchange (CSE).

On June 8, 2020, PharmaTher completed a private placement for the issuance of 12,940,000 common shares at $0.05 per share for gross proceeds of $647,000. The Company paid cash commission of $50,360 and issued 1,007,200 finder's warrants of with each finder's warrant exercisable for one common share of the Company at $0.05 per share until June 8, 2022.

On June 10, 2020, Newscope issued 47,240,000 common shares as consideration for acquisition of all of the issued and outstanding common shares in the capital of PharmaTher at a deemed price of $0.10 per share for an aggregate purchase price of $4,724,000. In addition, Newscope issued an aggregate of 1,007,200 warrants in exchange for the issued and outstanding warrants of PharmaTher.

On July 8, 2020, the Company issued 10,000,000 common shares at $0.10 per share for gross proceeds of $1,000,000 and 680,000 warrants with each warrant exercisable into one common share of the Company at $0.10 per share expiring in two years from the date of issuance.

On July 16, 2020, the Company granted 4,500,000 stock options to certain directors, officers and consultants with each stock option exercisable for one common share of the Company at an exercise price of $0.10 per share. These stock options expire in five years from the date of grant and vested immediately upon grant.

On October 1, 2020, the Company's common shares were approved for listing on the CSE and began trading on the CSE under the trading symbol "PHRM" as of market open on October 9, 2020.

On October 9, 2020, the Company granted 1,000,000 stock options to certain consultants with each stock option exercisable for one common share of the Company at an exercise price of $0.195 per share. These stock options expire in five years from the date of grant and vested immediately upon grant.

On October 13, 2020, the Company engaged Clarus Securities Inc. as its capital markets advisor to assist the Company with investment community awareness and introductions to capital market participants and/or institutional investors that are seeking quality investment opportunities in the psychedelic medicine industry.

On October 15, 2020, the Company announced that the Company has entered into an exclusive license agreement with the University of Arizona for the development and commercialization of ketamine in the treatment of Parkinson's disease.

On October 20, 2020, the Company filed an application with the U.S. Food and Drug Administration ("FDA") to receive Orphan Drug Designation ("ODD") for ketamine in the treatment of levodopa-induced dyskinesia associated with Parkinson's Disease ("LID-PD").

On October 22, 2020, the Company announced that the Company has entered into an exclusive license agreement (the "Agreement") with BioRAE, Inc., for the development and commercialization of a novel biocompatible and biodegradable gelatin methacryloyl microneedle ("GelMA-MN") delivery technology developed at the University of California, Los Angeles ("UCLA") for use with psychedelic pharmaceuticals, including, but not limited to Psilocybin, Ketamine, Ibogaine, LSD, MDMA, DMT, and Cannabinoids.

On October 27, 2020, the Company announced it has filed an application with the U.S. Food and Drug Administration ("FDA") to receive Orphan Drug Designation ("ODD") for ketamine in the treatment of Postherpetic neuralgia ("PHN"), a chronic neuropathic pain syndrome resulting from an outbreak of the herpes zoster virus, also known as shingles. On October 29, 2020, the Company announced the appointment of Dr. Robert A. Hauser, MD, MBA, as a scientific and clinical advisor to the Company. Dr. Hauser currently serves as Professor of Neurology and Director of the University of South Florida Parkinson's Disease and Movement Disorders Center.

On November 11, 2020, the Company announced the appointment of Dr. Alberto J. Espay, MD, MSc, FAAN, as a scientific and clinical advisor to the Company. Dr. Espay currently serves as Professor and Endowed Chair of the University of Cincinnati James J. and Joan A. Gardner Family Center for Parkinson's Disease and Movement Disorders.

On November 16, 2020, the Company announced that it has filed a provisional patent application with the U.S. Patent and Trademark Office outlining the potential novel use of psilocybin to treat cancer, which was discovered by panaceAI™, the Company's proprietary psychedelic drug repurposing artificial intelligence platform. The patent application, entitled "Use of Psilocybin in the Treatment of Cancers", outlines psilocybin's use of significant unmet medical needs for Liver Carcinoma, Melanoma, Breast Neoplasms, Kidney Neoplasms and Acute Myeloid Leukemia. On November 18, 2020, the Company announced it has entered into an exclusive research collaboration agreement with Revive Therapeutics Ltd. ("Revive") (CSE: RVV, USA: RVVTF), a specialty life sciences company focused on the research and development of therapeutics for unmet medical needs, to expand Revive's development plans with psilocybin to treat cancer and to discover novel uses of undisclosed psychedelic compounds.

On November 24, 2020, the Company provided a corporate update on its psychedelic pharmaceuticals program. Since its inception, the Company has built a unique product pipeline for novel uses of ketamine, psilocybin and undisclosed psychedelics. PharmaTher is positioning itself to partner its psilocybin program and panaceAI™ and focus on advancing its novel ketamine product pipeline in Parkinson's disease, depression and pain via the U.S. FDA regulatory pathway.

On December 1, 2020, the Company announced that it has amended its sponsored research agreement with University Health Network ("UHN") for the development of panaceAI™, the Company's drug repurposing platform, to also include the development of a digital therapeutics platform to combine with potential psychedelic therapies, including the Company's ketamine and psilocybin focused product pipeline for disorders of the brain and nervous system.

On December 3, 2020, the Company issued 686,071 common shares value at $96,050 in settlement of accounts payable of $96,050.

On December 8, 2020, the Company announced that it has filed its pre-Investigational New Drug ("pre-IND") meeting request and complete pre-IND briefing documents with the U.S. Food and Drug Administration ("FDA") to support the clinical development of ketamine in Parkinson's disease and to evaluate the proposed Phase 2 clinical study for ketamine in the treatment of levodopa-induced dyskinesia associated with Parkinson's disease ("LID-PD"). On December 10, 2020, the Company announced that it has been granted a Pre-Investigational New Drug ("PIND") meeting with the U.S. Food and Drug Administration ("FDA") for the clinical development of ketamine in Parkinson's disease and its proposed Phase 2 clinical study for ketamine in the treatment of levodopa-induced dyskinesia associated with Parkinson's disease ("LID-PD").

On December 15, 2020, the Company announced that it has filed a provisional patent application with the U.S. Patent and Trademark Office outlining the potential for novel combinations of psilocybin and U.S. Food and Drug Administration ("FDA") approved drugs to treat neurological disorders.

On December 16, 2020, 850,000 stock options were exercised for 850,000 common shares of the Company for proceeds of $85,000.

On December 17, 2020, 1,000 stock options were exercised for 1,000 common shares of the Company for proceeds of $100.

On December 21, 2020, the Company entered into a non-binding letter of intent (the "LOI") to sell the full rights to PharmaTher's intellectual property pertaining to psilocybin to Revive Therapeutics Ltd.

On January 13, 2021, the common shares of the Company were approved for trading on the OTCQB® Venture Market ("OTCQB"). The Company's U.S. listing will trade under the symbol "PHRRF" while the Company's primary Canadian listing will continue to trade on the Canadian Securities Exchange under "PHRM".

On January 19, 2021, the Company announced that PharmaTher has entered into an Exclusive Worldwide License Agreement (the "Agreement") with the National Health Research Institutes ("NHRI") for the development and commercialization of a patented combination formulation of FDA-approved ketamine and betaine ("KETABET™") as a potential next-generation ketamine treatment for mental health, neurological and pain disorders.

RESEARCH AND DEVELOPMENT

The Company is focused on the research and development of a next generation transdermal delivery of psychedelic pharmaceuticals to treat mental health, neurological and pain disorders. PharmaTher also discovers novel uses of psychedelic-derived drugs and drug combinations through its drug repurposing artificial intelligence platform, PanaceAI™. PharmaTher's patent portfolio includes granted and provisional patents on method of uses and combination formulations of ketamine and psilocybin, and microneedle drug delivery systems for psychedelic pharmaceuticals. PharmaTher aims to leverage the attractive U.S. Food and Drug Administration ("FDA") regulatory incentives for expedited approvals, such as the FDA 505(b)(2) regulatory pathway and orphan drug, fast track and breakthrough designations.

Microneedle Delivery System

The Company entered into an exclusive license agreement with BioRAE, Inc., for the development and commercialization of a novel biocompatible and biodegradable gelatin methacryloyl microneedle ("GelMA-MN") delivery technology developed at the University of California, Los Angeles ("UCLA") for use with psychedelic pharmaceuticals, including, but not limited to Psilocybin, Ketamine, Ibogaine, LSD, MDMA, DMT, and Cannabinoids.

The GelMA-MN delivery technology was invented and developed by the members of the Khademhosseini Lab at UCLA. Studies have shown that GelMA can be used for the fabrication of MN arrays and the delivery of both water-soluble and insoluble drugs with desirable release profiles. GelMA is derived from the natural polymer gelatin with crosslinkable methacrylate group making it an ideal candidate for MN fabrication and various other biomedical applications. The GelMA-MNs are biocompatible and biodegradable, can efficiently penetrate the stratum corneum layer (outer layer of the skin), enable flexible drug load capacity and combinations, and control-release delivery. MNs are considered as a promising way to achieve systemic effects by transdermal delivery of drugs. In addition to applications on the skin, MNs may be applied in other organs and tissues like the eyes and mucosal surfaces. MNs are minimally invasive, painless, and may overcome the potential drawbacks of oral administration, subcutaneous injections and other transdermal delivery systems.

Ketamine

Ketamine was approved by the FDA in 1970 and is clinically used for analgesia, sedation, and anesthetic induction. Ketamine is emerging as a viable treatment option for depression. Recent clinical studies have shown that low dose ketamine produces a rapid-acting and sustained antidepressant effect in major depressive disorder, bipolar depression, depression with suicidal ideation and post-traumatic stress disorder. Despite this, the potential for abuse and misuse of ketamine and the adverse mental effects of ketamine uses such as dissociative, hallucinogenic, and amnesic effects leads to its limited clinical use and discontinuation.

Ketamine in the Treatment of Parkinson's disease

Parkinson's disease is a debilitating disorder that affects over 1 million people in the U.S. and more than 7 million people worldwide. There is currently no cure for Parkinson's disease, although some drug combinations are used to treat the disease symptoms. Levodopa is the gold standard for Parkinson's disease treatment but features significant drawbacks, including the major side effect of dyskinesia and a loss of effectiveness over time. Approximately 50% of patients with PD will develop Levodopa-induced dyskinesia ("LID") 4-5 years after the initiation of levodopa therapy, and this number rises to 80% after 10-12 years of levodopa treatment. LID may interfere with motor function, cause or aggravate pain and is known to worsen the quality of life significantly. Individuals with Parkinson's disease may experience a host of non-motor symptoms such as autonomic dysfunction, psychiatric (depression), cognitive and sensory symptoms (pain). Therefore, there is an urgent need for alternative treatments and has been identified by the regulatory authorities, patient advocacy groups such as Michael J. Fox Foundation, and key opinion leaders as a substantial unmet medical need.

PharmaTher has entered into an exclusive license agreement with the University of Arizona for the development and commercialization of ketamine in the treatment of Parkinson's disease. Ketamine is an FDA-approved drug with a known safety profile. Prior clinical reports suggest that low-dose ketamine infusions are well tolerated and can improve pain and depression, both often comorbidities in Parkinson's disease patients. Inventors Dr. Scott Sherman and Dr. Torsten Falk, both associate professors at The University of Arizona College of Medicine – Tucson, are working with Tech Launch Arizona to patent the results from preclinical data and five case studies in Parkinson's disease patients showing that low-dose sub-anesthetic ketamine infusion indicates tolerability, safety and the potential of long-term therapeutic benefit to reduce Levodopa-induced dyskinesia, improve on time, and reduce depression.[1-5]

Pharmather will seek U.S. Food and Drug Administration ("FDA") approval of an investigational new drug ("IND") application to conduct a Phase II clinical study this year.

KETABET™ in the Treatment of Mental Health and Pain

PharmaTher entered into an Exclusive Worldwide License Agreement with the National Health Research Institutes ("NHRI") for the development and commercialization of a patented combination formulation of FDA-approved ketamine and betaine ("KETABET™") as a potential next-generation ketamine treatment for mental health, neurological and pain disorders. KETABET™ has shown in clinical research to enhance the antidepressant effect while having the potential to significantly reduce the known negative side effects of ketamine.[6] Side effects such as hallucinations, confusion, memory loss and abuse liability compromise the compliance and potential therapeutic value of ketamine.

1. UA Clinical Trial to Repurpose Ketamine for Parkinson's Patients.
2. US20190060254A1— Compositions and methods for treating motor disorders.
3. Bartlett, et al, 2020. Preclinical evidence in support of repurposing sub-anesthetic ketamine as a treatment for L-DOPA-induced dyskinesia. Experimental Neurology. Volume 333.
4. Bartlett, M.J., Joseph, R.M., LePoidevin, L.M., Parent, K.L., Laude, N.D., Lazarus, L.B., Heien, M.L., Estevez, M., Sherman, S.J., Falk, T., 2016. Long-term effect of sub-anesthetic ketamine in reducing L-DOPA-induced dyskinesias in a preclinical model.
5. Sherman, S.J., Estevez, M., Magill, A.B., Falk, T., 2016. Case reports showing a long-term effect of subanesthetic ketamine infusion in reducing L-DOPA-induced dyskinesias. Case Rep. Neurol. 8, 53–58.
6. J.-C. Lin, M.-Y. Lee, M.-H. Chan, Y.-C. Chen, H.-H. Chen, Betaine enhances antidepressant-like, but blocks psychotomimetic effects of ketamine in mice, Psychopharmacology (Berl). 233 (2016) 3223–32

Through a proprietary microneedle ("MN") patch, KETABET™ aims to empower patients to dose their medication remotely, safely and conveniently rather than being under supervision by a healthcare provider at a certified medical office. KETABET™ MN patch has the potential to incorporate anti-tampering and anti-abuse features because of the combined presence of ketamine and betaine and the delivery format of the product that would parallel the approach used for the tamper-resistant transdermal fentanyl patch.

Betaine anhydrous (CYSTADANE®) was approved by the FDA in 1996 for the treatment of homocystinuria to decrease elevated homocysteine blood concentrations. There is growing evidence that betaine plays a critical role in regulating brain functions and has an antidepressant-like effect.7 Betaine has been reported to prevent seizures in rodents8, to improve symptoms of Rett syndrome9, and to delay the onset of neurologic impairment due to vitamin B12 deficiency10 clinically. Furthermore, betaine attenuates memory deficits induced by homocysteine.11

Based on preclinical studies that supported the granted patent (Taiwan patent: I648049) and patent applications International Publication Number: WO2017205666A1) of KETABET™, the combination of ketamine and betaine produced more robust antidepressant-like responses than their individual effects and that the combination blocked the psychotomimetic effects of ketamine.6 This suggests that betaine can be considered as an add-on therapy to ketamine or as a fixed-dose combination therapy for treatment-resistant depression, treatment-resistant bipolar disorder, post-traumatic stress disorder, obsessive-compulsive disorder and chronic pain.

PharmaTher will seek FDA approval to conduct a Phase II clinical study for KETABET™ targeting the more than 300 million people who suffer from major depressive disorder and 100 million people who are resistant to available treatments worldwide.

Development of panaceAI™

PharmaTher is advancing research and development through the discovery of drug repurposed candidates with panaceAI™, the Company's drug repurposing platform. The Company has entered into a sponsored research partnership with University Health Network ("UHN") for the development of panaceAI™. The current focus of panaceAI™ is finding effective uses of drugs for rare disorders, infectious diseases and effectives uses of psychedelic- derived medicines. Under the agreement, the research team at UHN will build out panaceAI™ to serve as a software suite that leverages machine learning to curate and rank the most relevant drug interactions, binding affinities, drug- disease similarities and structural comparison tools to make data-driven drug predictions. In addition, UHN is exploring the use of bioengineered artificial human brain tissue (cerebral organoids) that mirror many aspects of the human brain. These tools allow us to explore the structural and molecular changes serotonin (5-

7. Freed 1984;
8. Kim et al. 2013; Di Pierro et al. 2015
9. Percy and Lane 2005
10. van der Westhuyzen and Metz 1984
11. Chai. Et al 2013

hydroxytryptamine; 5-HT) 2A receptors, such as psilocybin, can induce in neural tissue and will help generate proprietary data to expand the Company's product pipeline in psychedelic-derived medicines, file provisional patents, obtain orphan drug designations and provide new data for panaceAI™ to learn and integrate into its datasets. panaceAI™ aims to serve as the Company's product pipeline engine and upon further validation, panaceAI™ will be commercialized to acquire partnership opportunities with biotechnology and pharmaceutical companies globally. PharmaTher has filed a provisional patent application with the U.S. Patent and Trademark Office for panaceAI™ titled "Method of Identifying New Medical Indications for Pharmaceuticals".

Psilocybin Program

PharmaTher is exploring the use of psilocybin for the potential treatment of traumatic brain injury (i.e., concussion) and stroke. PharmaTher has entered into a service agreement with the NHRI to conduct pre-clinical research to validate psilocybin in the potential treatment for traumatic brain injury and stroke. PharmaTher has filed a provisional patent application with the U.S. Patent and Trademark Office titled "Use of Psilocybin in the Treatment of Neurological Brain Injury and Migraines".

PharmaTher has filed a provisional patent application with the U.S. Patent and Trademark Office titled "Use of Psilocybin in the Treatment of Cancers" outlining the potential novel use of psilocybin to treat certain cancers such as Liver Carcinoma, Melanoma, Breast Neoplasms, Kidney Neoplasms and Acute Myeloid Leukemia. PharmaTher entered into an exclusive research collaboration with Revive Therapeutics Ltd. for psilocybin to treat cancer. Revive intends to advance the research and development of psilocybin for cancer with leading U.S. research institutions with the objective to complete IND-enabling studies and to file an IND application with the FDA.

TRENDS AND ECONOMIC CONDITIONS

(a) Management regularly monitors economic conditions and estimates their impact on the Company's operations and incorporates these estimates in both short-term operating and longer-term strategic decisions.

(b) Due to the worldwide COVID-19 outbreak, material uncertainties may come into existence that could influence management's going concern assumption. Management cannot accurately predict the future impact COVID-19 may have on:

- The severity and the length of potential measures taken by governments to manage the spread of the virus, and their effect on service provider availability;
- Purchasing power of the Canadian dollar; or
- Ability to obtain funding.

At the date of this Interim MD&A, the Canadian government has not introduced measures which impede the activities of the Company. Management believes the business will continue and accordingly the current situation bears no impact on management's going concern assumption. However, it is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

(c) Apart from these and the risk factors noted under the heading "Risk Factors" and "Cautionary Note Regarding Forward-Looking Information", management is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company's business, financial condition or results of operations.

FINANCIAL RESULTS

The Company reported a net loss of $1,166,385 for the three months ended November 30, 2020 which is comprised of $12,556 research, $292,325 professional fees, $283,887 consulting fees, $391,527 stock-based compensation, $72,486 shareholder information and filing fees and $113,604 office and general.

The Company reported a net loss of $1,975,417 for the six months ended November 30, 2020 which is comprised of $204,164 research, $316,185 professional fees, $352,887 consulting fees, $535,501 stock-based compensation, $332,174 RTO transaction cost, $83,438 shareholder information and filing fees and $151,068 office and general.

LIQUIDITY AND CAPITAL RESOURCES

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or as a result of conditions specific to the Company. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance of liquidity. As the Company does not presently generate revenue to cover its costs, managing liquidity risk is dependent upon the ability to secure additional financing. The recoverability of the carrying value of the assets and the Company's continued existence is dependent upon the achievement of profitable operations, or the ability of the Company to raise alternative financing, as necessary. While management and the Board have been successful in raising the necessary capital, it cannot provide assurance that it will be able to execute on its business strategy or be successful in future financing activities.

As of November 30, 2020, the Company had a cash balance of $997,237 to settle current liabilities of $252,376. The Company has not yet realized profitable operations and has incurred losses to date resulting in a cumulative deficit of $1,999,233 as of November 30, 2020.

As of November 30, 2020, based on current projections, the Company's working capital of $814,006, which is comprised of current assets less current liabilities, is sufficient to meet its planned development activities for the financial year ending May 31, 2021. The table below outlines the Company's planned uses of working capital:

Use of Capital [(1)]	Estimated Cost	Spent to date (approx.)	Remaining Funds to Spend or (excess)
General and administrative [(1)]	$275,000	$nil	$275,000
Sales and marketing	$25,000	$nil	$25,000
Research and development [(2)]	$500,000	$nil	$500,000
Total	**$800,000**	**$nil**	**$800,000**

Notes:

(1) This figure is for a forecasted period from December 1, 2020 to May 31, 2021 and is comprised of consulting fees in the amount of approximately $150,000, professionals' fees in the amount of approximately $50,000, transfer agent and regulatory fees in the amount of approximately $25,000, and insurance and office expenses in the amount of approximately $50,000.

(2) This figure is for a forecasted period from December 1, 2020 to May 31, 2021 and is comprised of costs of $75,000 in connection with the sponsored research agreement with UHN, entered into to complete

the development of panaceAI™, costs of $75,000 in connection with the research agreement with NHRI, entered into to complete of pre-clinical stage testing for traumatic brain injury and stroke, anticipated costs of $350,000 for the Company's ketamine program and for general research and development.

The Company used the net proceeds from the Special Warrant Private Placement to pursue the identification and evaluation of assets or businesses with a view to completing an acquisition.

It is anticipated that the Company will have sufficient cash available to execute its business plan and to pay its operating and administrative costs for at least twelve months after the completion of the Listing.

Unallocated funds will be deposited in the Company's bank account and added to the working capital of the Company. The CFO of the Company will be responsible for the supervision of all financial assets of the Company. Based on the Company's cash flow requirements, management will determine the appropriate level of liquidity required for operations and will draw down such funds as necessary.

There may be circumstances, where for business reasons, a reallocation of funds may be necessary in order for the Company to achieve its stated business objectives. To date, the COVID-19 pandemic has not had an impact on the Company's available funds or the anticipated use of such funds.

The Company had negative cash flow from operating activities for the financial year ended May 31, 2020 and for the six months ended November 30, 2020. The Company cannot guarantee it will have a cash flow positive status from operating activities in future periods. As a result, the Company continues to rely on the issuance of securities or other sources of financing to generate sufficient funds to fund its working capital requirements and for corporate expenditures. The Company may continue to have negative cash flow from operating activities until sufficient levels of sales are achieved. To the extent that the Company has negative cash flow from operating activities in future periods, the Company may need to use a portion of proceeds from any offering to fund such negative cash flow.

RELATED PARTY TRANSACTIONS

(a) Related party balances and transactions

Related parties include the directors of the Company, close family members and enterprises which are controlled by these individuals as well as persons performing similar functions.

Names	Three months ended November 30, 2020 ($)	Six months ended November 30, 2020 ($)
Fabiotech Inc. (i)	43,000	82,000
Marrelli Support Services Inc. ("MSSI") (ii)	20,177	29,497
DSA Corporate Services Inc. ("DSA") (iii)	6,534	6,534
Total	**69,711**	**118,031**

(i) Fees are related to services of Fabio Chianelli to act as the Chief Executive Officer ("CEO") of the Company. Fabio Chianelli is the owner of Fabiotech Inc. As at November 30, 2020, $nil was owed to the CEO.

(ii) Fees are related to services of Carmelo Marrelli to act as the Chief Financial Officer ("CFO") of the Company. Carmelo Marrelli is the Managing Director of MSSI. Services were incurred for bookkeeping, accounting and CFO services. As at November 30, 2020, MSSI was owed $2,237 (May 31, 2020 - $nil) and this amount was included in accounts payable and accrued liabilities. This amount is unsecured and non-interest bearing.

(iii) The CFO of the Company is an officer of DSA. Fees are related to corporate secretarial and filing services provided by DSA. As of November 30, 2020, DSA was owed $1,969 (May 31, 2020 - $nil) and this amount was included in accounts payable and accrued liabilities. This amount is unsecured and non-interest bearing.

(iv) During the six months ended November 30, 2020, one of the officers of the Company paid research and development expenses in the amount of $2,608 on behalf of the Company. As of November 30, 2020, the Company owed $2,593 to the officer.

(b) Remuneration of directors and key management

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company. Remuneration of management of the Company was as follows:

Names	Three months ended November 30, 2020 ($)	Six months ended November 30, 2020 ($)
Stock-based compensation	nil	52,790

(c) Major shareholders

To the knowledge of the directors and senior officers of the Company, as of November 30, 2020, no person or corporation beneficially owns or exercises control over common shares of the Company carrying more than 10% of the voting rights attached to all common shares of the Company other than Mr. Fabio Chianelli who owns 22.40% of the Company. The holding can change at any time at the discretion of the owners.

None of the Company's major shareholders have different voting rights compared to holders of the Company's common shares.

The Company is not aware of any arrangements the operation of which may at a subsequent date result in a change in control of the Company. To the knowledge of the Company, it is not directly or indirectly owned or controlled by another corporation, by any government or by any natural or legal person severally or jointly.

REVERSE TAKEOVER

The share capital of each company prior to the RTO was as follows:

Newscope	Number of common shares	Amount ($)
Balance, May 31, 2020 and June 10, 2020, prior to the RTO	7,100,000	382,424

PharmaTher	Number of common shares	Amount ($)
Balance, May 31, 2020	34,300,000	15,001
Balance, June 10, 2020, prior to the RTO	47,240,000	573,284

On June 10, 2020, Newscope issued 47,240,000 common shares as consideration for acquisition of all of the issued and outstanding common shares in the capital of PharmaTher at a deemed price of $0.10 per share for an aggregate purchase price of $4,724,000. In addition, Newscope issued an aggregate of 1,007,200 warrants in exchange for the issued and outstanding warrants of PharmaTher.

In accordance with IFRS 3, Business Combination, the substance of the transaction is a reverse takeover of a non-operating company. The transaction does not constitute a business combination as Newscope does not meet the definition of a business under the standard. As a result, the transaction is accounted for as a capital transaction with PharmaTher being identified as the acquirer and the equity consideration being measured at fair value. The resulting unaudited condensed interim consolidated statement of financial position is presented as a continuance of PharmaTher and comparative figures presented in the unaudited condensed interim consolidated financial statements after the reverse takeover are those of PharmaTher.

IFRS 2, Share-based Payment, applies to transactions where an entity grants equity instruments and cannot identify specifically some or all of the goods or services received in return. Because PharmaTher would have issued shares with a value in excess of the net assets received, the difference is recognised in comprehensive loss as an RTO cost. The amount assigned to the transaction cost of $208,412 is the difference between the fair value of the consideration and the net identifiable assets of Newscope acquired by PharmaTher and included in the unaudited condensed interim consolidated statement of loss and comprehensive loss.

The fair value of the consideration is determined based on the percentage of ownership the legal parent's shareholders have in the combined entity after the transaction. This represents the fair value of the shares that PharmaTher would have had to issue for the ratio of ownership interest in the combined entity to be the same, if the transaction had taken the legal form of PharmaTher acquiring 100% of the shares in Newscope. The percentage of ownership Newscope shareholders had in the combined entity is 13% after the issue of 47,240,000 Newscope shares. The fair value of the consideration in the RTO is equivalent to the fair value of the 7,100,000 Newscope shares controlled by original Newscope shareholders, 375,000 stock options to Newscope stock options holders, 115,000 warrants to Newscope warrant holders and 1,036,000 special warrants to Newscope special warrant holders. The fair value of the shares controlled by original Newscope shareholders was estimated to be $355,000 based on the fair market value of $0.05 per share in the private placement of PharmaTher on the date of June 8, 2020. The fair value of the stock options was estimated to be $4,563 using the Black-Scholes valuation model on the following assumptions: dividend yield 0%; volatility 100%; risk-free interest rates of 0.28%; and expected lives of 1.44 years. The fair value of the warrants was estimated to be $1,511 using the Black-Scholes valuation model on the following assumptions: dividend yield 0%; volatility 100%; risk-free interest rate 0.28%; and an expected life of 1.53 to 1.63 years. The fair value of the special warrants was estimated to be $51,800 based on the fair market value of $0.05 per share in the private placement of PharmaTher on the date of June 8, 2020 as each special warrant entitled the holder thereof to automatically receive, without payment of additional consideration and without further action on the part of the holder, one common share of the Company upon filing of the final prospectus for listing of its shares on TSX Venture Exchange. The Company also incurred $123,762 professional fees related to the RTO which had been included in the consideration.

Based on the unaudited condensed interim statement of financial position of Newscope at the time of the RTO, the net assets at estimated fair value that were acquired by PharmaTher were $204,462 and the resulting transaction cost charged to the unaudited condensed interim consolidated statement of loss and comprehensive loss is as follows:

Consideration	
Common shares	$355,000
Warrants	1,511
Stock options	4,563
Special warrants	51,800
Professional fees incurred for RTO	123,761
Total consideration	**$536,636**
Identifiable assets acquired	
Cash	$219,034
Amounts receivable	1,441
Accounts payable and accrued liabilities	(16,013)
Total identifiable assets acquired	204,462
Unidentifiable assets acquired	
Transaction cost	332,174
Total net identifiable assets and transaction cost	**$536,636**

SHARE CAPITAL STRUCTURE

As at the date of this document, the Company had 69,609,865 issued and outstanding common shares and 1,802,200 warrants and broker warrants and 4,999,000 stock options.

CAPITAL MANAGEMENT

The Company considers its capital to be its shareholders' equity. As at November 30, 2020, the Company had shareholders' equity of $814,006. The Company's objective when managing its capital is to seek continuous improvement in the return to its shareholders while maintaining a moderate to high tolerance for risk. The objective is achieved by prudently managing the capital generated through internal growth and profitability, through the use of lower cost capital, including raising share capital or debt when required to fund opportunities as they arise. The Company may also return capital to shareholders through the repurchase of shares, pay dividends or reduce debt where it determines any of these to be an effective method of achieving the above objective. The Company does not use ratios in the management of its capital. There have been no changes to management's approach to managing its capital during the period ended November 30, 2020.

OFF-BALANCE SHEET ARRANGEMENTS

As of the date of this filing, the Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company including, without limitation, such considerations as liquidity and capital resources that have not previously been discussed.

RISK FACTORS

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position. Please refer to the section entitled "Risk Factors " in the Company's Annual MD&A for the period from April 1, 2020 (Date of Incorporation) to May 31, 2020.