
**PHARMATHER HOLDINGS LTD.
(FORMERLY NEWSCOPE CAPITAL CORPORATION)
UNAUDITED CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS
THREE AND NINE MONTHS ENDED
FEBRUARY 28, 2021
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)**

Notice To Reader

The accompanying unaudited condensed interim consolidated financial statements of PharmaTher Holdings Ltd. (formerly Newscope Capital Corporation) (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed interim consolidated financial statements have not been reviewed by the Company's auditors.

PharmaTher Holdings Ltd.
(Formerly Newscope Capital Corporation)
Condensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)
(Unaudited)

| | February 28, 2021 | May 31, 2020 |
|---|----------------------|-------------------|
| ASSETS | | |
| Current assets | | |
| Cash | \$ 3,639,367 | \$ 388,382 |
| Amounts receivable | 62,753 | 2,051 |
| Investment (note 3) | 3,400,000 | - |
| Total current assets | 7,102,120 | 390,433 |
| Non-current assets | | |
| Equipment, net | 4,088 | - |
| Total assets | \$ 7,106,208 | \$ 390,433 |
| LIABILITIES AND EQUITY | | |
| Current liabilities | | |
| Accounts payable and accrued liabilities | \$ 126,268 | \$ 10,748 |
| Due to related party (note 12(iv)) | 2,537 | - |
| Income tax payable | 1,330,574 | - |
| Total liabilities | 1,459,379 | 10,748 |
| Equity | | |
| Share capital (note 4) | 2,564,128 | 15,001 |
| Shares to be issued | - | 388,500 |
| Warrants and special warrants (notes 6 and 7) | 39,895 | - |
| Contributed surplus (note 8) | 464,612 | - |
| Retained earnings (deficit) | 2,578,194 | (23,816) |
| Total equity | 5,646,829 | 379,685 |
| Total liabilities and equity | \$ 7,106,208 | \$ 390,433 |

The accompanying notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.

Business of the Company and going concern (note 1)
Subsequent events (note 13)

On Behalf of the Board:

"Fabio Chianelli"
Director

"Carlo Sansalone"
Director

PharmaTher Holdings Ltd.
(Formerly Newscope Capital Corporation)
Condensed Interim Consolidated Statements of Income and Comprehensive Income
(Expressed in Canadian Dollars)
(Unaudited)

| | Three Months Ended February 28, 2021 | Nine Months Ended February 28, 2021 |
|---|---|--|
| Expenses | | |
| Research (note 12(a)(ii)) | \$ 144,764 | \$ 348,928 |
| Professional fees | 15,468 | 331,653 |
| Consulting fees (note 12(a)(i)) | 108,090 | 460,977 |
| Stock-based compensation (notes 8 and 12) | - | 535,501 |
| General and administrative | 88,724 | 239,792 |
| Shareholder information and filing fees | 73,037 | 156,475 |
| RTO transaction cost (note 5) | - | 332,174 |
| Depreciation | 178 | 178 |
| Comprehensive loss before below items | (430,261) | (2,405,678) |
| Income from sale of intellectual property (note 9) | 7,000,000 | 7,000,000 |
| Loss on settlement of debt (note 4(b)(vii)) | (61,746) | (61,746) |
| Unrealized loss on investment (note 3) | (600,000) | (600,000) |
| Interest income | 8 | 8 |
| Net income before income tax | \$ 5,908,001 | \$ 3,932,584 |
| Income tax expense | 1,330,574 | 1,330,574 |
| Net income and comprehensive income for the period | \$ 4,577,427 | \$ 2,602,010 |
| Basic net income for the period (note 11) | \$ 0.07 | \$ 0.04 |
| Diluted net income for the period (note 11) | \$ 0.06 | \$ 0.04 |
| Weighted average number of common shares outstanding - basic | 69,477,363 | 64,547,143 |
| Weighted average number of common shares outstanding - diluted | 74,401,938 | 66,954,248 |

The accompanying notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.

PharmaTher Holdings Ltd.
(Formerly Newscope Capital Corporation)
Condensed Interim Consolidated Statements of Changes in Equity
February 28, 2021
(Expressed in Canadian Dollars)
(Unaudited)

| | Share Capital | | Shares to be issued | Warrants and special warrants | Contributed Surplus | Retained earnings (Deficit) | Total |
|--|-------------------|---------------------|---------------------|-------------------------------|---------------------|-----------------------------|---------------------|
| | Number of shares | Amount | | | | | |
| Balance, April 1, 2020 (date of incorporation) | - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Issuance of shares for seed capital | 34,000,000 | 1 | - | - | - | - | 1 |
| Shares issued for professional services | 300,000 | 15,000 | - | - | - | - | 15,000 |
| Proceeds received for shares to be issued | - | - | 388,500 | - | - | - | 388,500 |
| Net loss for the period | - | - | - | - | - | (23,816) | (23,816) |
| Balance, May 31, 2020 | 34,300,000 | 15,001 | 388,500 | - | - | (23,816) | 379,685 |
| Private placements (note 4(b)) | 22,940,000 | 1,647,000 | (388,500) | - | - | - | 1,258,500 |
| Issuance of warrants and broker warrants (note 4(b)) | - | (38,384) | - | 38,384 | - | - | - |
| Share issuance costs (note 4(b)) | - | (116,137) | - | - | - | - | (116,137) |
| Elimination of PharmaTher shares (note 5) | (47,240,000) | - | - | - | - | - | - |
| Conversion of PharmaTher shares (note 5) | 47,240,000 | - | - | - | - | - | - |
| Conversion of Newscope shares and consideration for RTO (note 5) | 7,100,000 | 355,000 | - | 53,311 | 4,563 | - | 412,874 |
| Exercise of special warrants | 1,036,000 | 51,800 | - | (51,800) | - | - | - |
| Exercise of stock options | 1,101,000 | 110,100 | - | - | - | - | 110,100 |
| Reclassification of fair value of stock options exercised | - | 75,452 | - | - | (75,452) | - | - |
| Common shares issued in settlement of debt (note 4(b)) | 3,257,865 | 464,296 | - | - | - | - | 464,296 |
| Stock based compensation (note 8) | - | - | - | - | 535,501 | - | 535,501 |
| Net loss for the period | - | - | - | - | - | 2,602,010 | 2,602,010 |
| Balance, February 28, 2021 | 69,734,865 | \$ 2,564,128 | \$ - | \$ 39,895 | \$ 464,612 | \$ 2,578,194 | \$ 5,646,829 |

The accompanying notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.

PharmaTher Holdings Ltd.
(Formerly Newscope Capital Corporation)
Condensed Interim Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)

| Nine months ended February 28, | 2021 |
|--|---------------------|
| Operating activities | |
| Net income for the period | \$ 2,602,010 |
| Stock based compensation (note 8) | 535,501 |
| RTO transaction cost (note 5) | 208,412 |
| Shares issued for settlement of debt | 306,500 |
| Depreciation | 178 |
| Non-cash income from sale of intellectual property | (4,000,000) |
| Unrealized loss on investment | 600,000 |
| Loss on settlement of debt | 61,746 |
| Non-cash working capital items: | |
| Amounts receivable | (59,261) |
| Accounts payable and accrued liabilities | 195,557 |
| Income tax payable | 1,330,574 |
| Due to related party | 2,537 |
| Net cash provided by operating activities | 1,783,754 |
| Investing activities | |
| Cash obtained from RTO (note 5) | 219,034 |
| Purchase of equipment | (4,266) |
| Net cash provided by investing activities | 214,768 |
| Financing activities | |
| Proceeds from private placements, net of costs | 1,142,363 |
| Exercise of stock options | 110,100 |
| Net cash provided by financing activities | 1,252,463 |
| Net change in cash | 3,250,985 |
| Cash, beginning of period | 388,382 |
| Cash, end of period | \$ 3,639,367 |

The accompanying notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.

PharmaTher Holdings Ltd.
(Formerly Newscope Capital Corporation)
Notes to Condensed Interim Consolidated Consolidated Financial Statements
February 28, 2021
(Expressed in Canadian Dollars)
(Unaudited)

1. Business of the Company

PharmaTher Inc. ("PharmaTher" or "the Company") 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 psychedelic pharmaceutical company focused on the research, development and commercialization of ketamine and novel microneedle patches for delivering psychedelics to treat neuropsychiatric, neurodegenerative and pain disorders.

PharmaTher Holdings Ltd. (formerly Newscope Capital Corporation ("Newscope")) 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 condensed interim consolidated 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 these unaudited condensed interim consolidated financial statements.

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

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".

The Company had no commercial operations and incurred a net income and comprehensive income of \$2,602,010 for the nine months ended February 28, 2021 and as of February 28, 2021, the Company's retained earnings were \$2,578,194.

On April 8, 2021, the Company filed an application notice with BC Registry Services changing the name of the Company to PharmaTher Holdings Ltd.

Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. 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.

PharmaTher Holdings Ltd.
(Formerly Newscope Capital Corporation)
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2. Basis of Presentation

Statement of compliance

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full audited annual financial statements.

The policies applied in these unaudited condensed interim consolidated financial statements are based on IFRS issued and outstanding as of April 28, 2021, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim consolidated financial statements as compared with the most recent financial statements as at and for the period from April 1, 2020 (date of incorporation) to May 31, 2020, except as noted below. Any subsequent changes to IFRS that are given effect in the Company's annual consolidated financial statements for the year ending May 31, 2021 could result in restatement of these unaudited condensed interim consolidated financial statements.

Investment

Purchases and sales of investments are recognized on a trade date basis. Public and non-public investments at fair value through profit or loss are initially recognized at fair value, with changes in fair value reported in income (loss). At the end of each financial reporting period, the Company's management estimates the fair value of investment based on the quoted closing prices at the statement of financial position date or the closing price on the last day the security traded if there were no trades at the statement of financial position date and reflects such changes in valuations in the consolidated statements of income (loss) and comprehensive income (loss).

3. Investment

During the three and nine months ended February 28, 2021, the Company received 6,666,667 shares of Revive Therapeutics Ltd. ("Revive") in the amount of \$4,000,000 for sale of the full rights to PharmaTher's intellectual property pertaining to psilocybin (note 9). As at February 28, 2021, the fair value of investment in Revive shares was \$3,400,000.

PharmaTher Holdings Ltd.
(Formerly Newscope Capital Corporation)
Notes to Condensed Interim Consolidated Consolidated Financial Statements
February 28, 2021
(Expressed in Canadian Dollars)
(Unaudited)

4. Share capital

a) Authorized share capital

Authorized unlimited common shares and unlimited number of preferred shares

b) Common shares issued

| | Number of Common Shares | Amount (\$) |
|---|-------------------------------|------------------|
| Balance, as at April 1, 2020 (date of incorporation) | - | - |
| Issuance of shares for seed capital | 34,000,000 | 1 |
| Shares issued for professional services (i) | 300,000 | 15,000 |
| Balance, May 31, 2020 | 34,300,000 | 15,001 |
| Private placements (ii)(iv) | 22,940,000 | 1,647,000 |
| Issuance of warrants and broker warrants (ii)(iv) | - | (38,384) |
| Share issuance costs (ii)(iv) | - | (116,137) |
| Elimination of PharmaTher shares (iii) | (47,240,000) | - |
| Conversion of PharmaTher shares (iii) | 47,240,000 | - |
| Conversion of Newscope shares and consideration for RTO | 7,100,000 | 355,000 |
| Exercise of special warrants (v) | 1,036,000 | 51,800 |
| Exercise of stock options | 1,101,000 | 110,100 |
| Reclassification of fair value of stock options exercised | - | 75,452 |
| Common shares issued for settlement of debt (vi)(vii) | 3,257,865 | 464,296 |
| Balance, February 28, 2021 | 69,734,865 | 2,564,128 |

(i) On May 8, 2020, PharmaTher issued 300,000 common shares to settle accrued professional fees of \$15,000.

(ii) 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. The fair value of the finder's warrants was estimated at \$26,280 using Black-Scholes stock option valuation model using the following assumptions: stock price of \$0.05, risk-free interest rate of 0.28%, expected stock price volatility of 100%, expected dividend yield of 0% and expected life of 2 years.

(iii) 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 condensed interim consolidated 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.

(iv) 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. The fair value of the warrants was estimated at \$12,104 using Black-Scholes stock option valuation model using the following assumptions: stock price of \$0.05, risk-free interest rate of 0.29%, expected stock price volatility of 100%, expected dividend yield of 0% and expected life of 2 years.

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February 28, 2021
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4. Share capital (continued)

b) Common shares issued (continued)

(v) On October 1, 2020, upon listing of the Company's common shares on the CSE, 1,036,000 special warrants were exercised to 1,036,000 common shares.

(vi) On October 29, 2020, the Company issued 2,571,794 common shares valued at \$306,500 in settlement of accounts payable of \$306,500.

(vii) On December 3, 2020, the Company issued 686,071 common shares value at \$157,796 in settlement of accounts payable of \$96,050, resulting in a loss on settlement of debt of \$61,746.

5. 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 a 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.

PharmaTher Holdings Ltd.
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5. Reverse takeover (continued)

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 |

PharmaTher Holdings Ltd.
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6. Special warrants

During the period ended May 31, 2019, Newscope issued 1,036,000 special warrants for proceeds of \$93,600 which was received subsequent to May 31, 2019. 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 Newscope upon filing of the final prospectus for listing of its shares on TSX Venture Exchange. The 1,036,000 special warrants include 936,000 special warrants issued for cash proceeds of \$93,600 and 100,000 special warrants issued to an agent as transaction costs. Newscope also incurred a transaction cost of \$7,641. On June 10, 2020, PharmaTher took over the special warrants after the RTO with Newscope (note 5). On October 1, 2020, the 1,036,000 special warrants were exercised into 1,036,000 common shares of the Company.

7. Warrants and broker warrants

The Company issued warrants and broker warrants to acquire common shares as follows:

| | Number of Warrants | Weighted Average Exercise Price (\$) |
|--|-----------------------|---|
| Balance, May 31, 2020 | - | - |
| Issued (note 4(ii)(iv)) | 3,687,200 | 0.14 |
| Issued as consideration for the RTO (note 5) | 115,000 | 0.10 |
| Exercised | (2,000,000) | 0.195 |
| Balance, February 28, 2021 | 1,802,200 | 0.07 |

The following table reflects the warrants and broker warrants issued and outstanding as of February 28, 2021:

| Expiry Date | Exercise Price (\$) | Weighted Average Remaining Contractual Life (years) | Number of Warrants Outstanding |
|-------------------|------------------------|--|--------------------------------------|
| December 20, 2021 | 0.10 | 0.81 | 85,000 |
| January 27, 2022 | 0.10 | 0.91 | 30,000 |
| June 8, 2022 | 0.05 | 1.27 | 1,007,200 |
| July 8, 2022 | 0.10 | 1.36 | 680,000 |
| | 0.07 | 1.28 | 1,802,200 |

PharmaTher Holdings Ltd.

(Formerly Newscope Capital Corporation)

Notes to Condensed Interim Consolidated Consolidated Financial Statements

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(Expressed in Canadian Dollars)

(Unaudited)

8. Stock options

The Company issued stock options to acquire common shares as follows:

| | Number of Stock Options | Weighted Average Exercise Price (\$) |
|--|----------------------------|---|
| Balance, May 31, 2020 | - | - |
| Granted | 1,375,000 | 0.17 |
| Issued as consideration for the RTO (note 5) | 4,600,000 | 0.10 |
| Exercised | (1,101,000) | 0.10 |
| Balance, February 28, 2021 | 4,874,000 | 0.12 |

The following table reflects the actual stock options issued and outstanding as of February 28, 2021:

| Expiry Date | Exercise Price (\$) | Weighted Average Remaining Contractual Life (years) | Number of Options Outstanding | Number of Options Vested (Exercisable) |
|-------------------|------------------------|--|-------------------------------------|---|
| November 19, 2021 | 0.10 | 0.72 | 125,000 | 125,000 |
| July 16, 2025 | 0.10 | 4.38 | 3,749,000 | 3,749,000 |
| October 9, 2025 | 0.195 | 4.61 | 1,000,000 | 1,000,000 |
| | 0.12 | 4.32 | 4,874,000 | 4,874,000 |

On July 16, 2020, the Company granted 4,600,000 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. The fair value of these stock options was estimated at \$143,974 using Black-Scholes stock option valuation model using the following assumptions: stock price of \$0.05, risk-free interest rate of 0.33%, expected stock price volatility of 100%, expected dividend yield of 0% and expected life of 5 years. The Company recorded stock-based compensation of \$143,974 in the unaudited condensed interim consolidated statements of loss and comprehensive loss.

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. The fair value of these stock options was estimated at \$144,094 using Black-Scholes stock option valuation model using the following assumptions: stock price of \$0.195, risk-free interest rate of 0.38%, expected stock price volatility of 100%, expected dividend yield of 0% and expected life of 5 years. The Company recorded stock-based compensation of \$144,094 in the unaudited condensed interim consolidated statements of loss and comprehensive loss.

9. Sale of psilocybin program

During the three and nine months ended February 28, 2021, the Company entered into an asset purchase agreement (the "Agreement") with Revive to sell the full rights to PharmaTher's intellectual property (the "Acquired Assets") pertaining to psilocybin (the "Acquisition").

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9. Sale of psilocybin program (continued)

Pursuant to the Agreement, Revive will pay aggregate consideration of up to \$10 million (the "Purchase Price"). The Purchase Price will be satisfied as follows: (i) \$3 million in cash will be paid on the closing date (paid); (ii) \$4 million will be satisfied through the issuance of securities in the capital of Revive and (iii) up to \$3 million, in either cash or securities in the capital of Revive, in the event that Revive achieves certain milestones, which include Revive obtaining FDA orphan drug designation for psilocybin in the treatment of stroke, traumatic brain injury, or cancer, the commencement of a Phase 2 clinical trial and the regulatory filing for market authorization, such as U.S. Food and Drug Administration ("FDA") approval. In addition to the Purchase Price, Revive will also pay PharmaTher Holdings Ltd. a low single digit royalty on all future net sales of products derived from the Acquired Assets.

During the three and nine months ended February 28, 2021, the Company recorded \$7 million in income from sale of intellectual property in the unaudited condensed interim consolidated statements of income and comprehensive income.

10. Fair value and financial risk factors

Risk Management

In the normal course of business, the Company is exposed to a number of risks that can affect its operating performance. These risks, and the actions taken to manage them, are as follows:

Fair Values

The Company has designated its cash and investment as FVTPL which are measured at fair value. Fair value of cash is determined based on transaction value and is categorized as a Level One measurement.

- Level One - includes quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level Two - includes inputs that are observable other than quoted prices included in Level One.
- Level Three - includes inputs that are not based on observable market data.

As at February 28, 2021, the carrying and fair value amounts of the Company's cash are approximately equivalent due to its short term nature. Cash and investments are classified as Level One in the fair value hierarchy as at February 28, 2021.

Sensitivity analysis

As at February 28, 2021, a 10% increase (decrease) on the fair value of the investment will result in a corresponding increase (decrease) of approximately \$340,000 in the Company's net income and comprehensive income for three and nine months ended February 28, 2021.

Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. As at February 28, 2021, management believes that the credit risk with respect to cash and HST receivable is minimal.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying its financial obligations. The Company manages its liquidity risk by forecasting its operations and anticipating its operating and investing activities.

PharmaTher Holdings Ltd.

(Formerly Newscope Capital Corporation)

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(Expressed in Canadian Dollars)

(Unaudited)

10. Fair value and financial risk factors (continued)

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market risk factors. The market risk factor that affects the Company is foreign currency risk.

11. Net income per share

The calculation of basic loss per share for the three and nine months ended February 28, 2021 was based on the income attributable to common shareholders of \$4,577,427 and \$2,602,010, respectively, and the weighted average number of common shares outstanding of 74,401,938 and 66,954,248, respectively.

Diluted income per share included the effect of 1,802,200 warrants and broker warrants and 4,874,000 stock options based on quoted market prices during the period.

12. 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.

| | Three Months Ended February 28, 2021 | Nine Months Ended February 28, 2021 |
|--|---|--|
| Fabiotech Inc. (i) | \$ 45,000 | \$ 127,000 |
| Marrelli Support Services Inc. ("MSSI") (ii) | \$ 10,421 | \$ 39,918 |
| DSA Corporate Services Inc. ("DSA") (iii) | \$ 20,541 | \$ 27,075 |

(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 February 28, 2021, \$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 February 28, 2021, MSSI was owed \$2,750 (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 and the Corporate Secretary of the Company is an employee of DSA. Fees are related to corporate secretarial and filing services provided by DSA. As at February 28, 2021, DSA was owed \$5,225 (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 nine months ended February 28, 2021, one of the officers of the Company paid research and development expenses in the amount of \$2,608 on behalf of the Company. As at February 28, 2021, the Company owed \$2,537 to the officer.

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12. Related party transactions (continued)

(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:

| | Three Months Ended February 28, 2021 | Nine Months Ended February 28, 2021 |
|--------------------------|---|--|
| Stock-based compensation | \$ - | \$ 52,790 |

(c) Major shareholders

To the knowledge of the directors and senior officers of the Company, as at February 28, 2021, 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 21.90% 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.

13. Subsequent event

On April 8, 2021, the Company filed an application notice with BC Registry Services changing the name of the Company to PharmaTher Holdings Ltd.