No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This Prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons authorized to sell such securities.

*These securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") or any state securities laws and may not be offered or sold in the United States except pursuant to an exemption from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby within the United States. See "Plan of Distribution".*

PROSPECTUS

NeonMind Biosciences Inc.

INITIAL PUBLIC OFFERING

December 8, 2020

Up to $4,000,000

Maximum 40,000,000 Units

Minimum 20,000,000 Units

Price: $0.10 per Unit

Psilocybin is currently a Schedule III drug under the Controlled Drugs and Substances Act*, S.C. 1996, c. 19* (the "CDSA") and it is a criminal offence to possess substances under the CDSA without a prescription. Health Canada has not approved Psilocybin as a drug.

This Prospectus qualifies the distribution (the "**Offering**") of up to 40,000,000 units (each, a "**Unit**", together the "**Units**") of NeonMind Biosciences Inc. ("**NeonMind**" or the "**Company**"), at a price of $0.10 per Unit (the "**Offering Price**") for gross proceeds of up to $4,000,000 (the "**Offering**"). Each Unit will consist of one common share in the capital of the Company (each, a "**Unit Common Share**") and one common share purchase warrant (each, a "**Unit Warrant**"). Each Warrant will entitle the holder thereof to acquire, subject to adjustment in certain circumstances, one common share in the capital of the Company (each, a "**Warrant Share**") at

an exercise price of $0.20, until 4:00 p.m. (Eastern time) on the date that is twelve (12) months from the Closing Date.

The Units are being offered for sale to the public in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba and Ontario through our agent, Mackie Research Capital Corporation (the "**Agent**") on its own behalf, pursuant to the terms of an agency agreement (the "**Agency Agreement**") dated December 8, 2020 among the Company and the Agent.

The Offering is subject to a minimum subscription of 20,000,000 Units. Pursuant to securities legislation, unless an amendment to the final Prospectus has been filed and the regulator has issued a receipt for the amendment, the distribution period for the Offering must cease within 90 days after the date of the receipt for the final Prospectus, provided that the total distribution period for the Offering must cease on or before the date that is 180 days from the date a receipt is issued for the final Prospectus. See "*Plan of Distribution*".

	Price to Public (Maximum Offering)	**Price to Public (Minimum Offering)**	**Agents' Fee (Maximum Offering)(1)**	**Agents' Fee (Minimum Offering)(1)**	**Net Proceeds to the Company (Maximum Offering)(2)(3)**	**Net Proceeds to the Company (Minimum Offering)(2)(3)**
Per Unit	$0.10	$0.10	$0.01	$0.01	$0.09	$0.09
Total	$4,000,000	$2,000,000	$400,000	$200,000	$3,600,000	$1,800,000

Notes:

(1) In consideration for the services rendered by the Agent in connection with the Offering, we have agreed to pay the Agent a cash commission on the closing date of the Offering equal to 10% of the gross proceeds from the Offering (the "**Agent Fee**"), corporate finance fee of $45,000, and estimated out-of-pocket expenses and legal fees of $35,000. In addition, we have agreed to issue to the Agent such number of options (the "**Agents' Options**") as is equal to 10% of the number of the Units sold pursuant to the Offering, including in respect of the Over-Allotment Option for additional Units. Each Agents' Option entitles the holder to purchase a unit of the Company (an "**Agents' Option Unit**") at a price of $0.10 per Agent's Option Unit for a period of twenty-four (24 months from the Closing Date). Each Agent's Option Unit will consist of one common share of the Company (each an "**Agent's Option Share**") and one common share purchase warrant (each an "**Agent's Option Warrant**"). Each Agent's Option Warrant will further entitle the holder to purchase one additional common share of the Company (each an "**Agent's Option Warrant Share**") at a price of $0.20 per share for a period of 24 months from the Closing Date. The Agent's Options are qualified for distribution by this Prospectus. See "*Plan of Distribution*".

(2) After deducting the Agent Fee, but before deducting estimated expenses for the Offering of $110,000 plus GST: $45,000 of which consists Corporate Finance Fee to be paid by us from the proceeds of the Offering, $35,000 of which consists of Agent's estimated out-of pocket expenses and legal fees, $15,000 of which consists of the application fee to the Canadian Securities Exchange (the "Exchange"), $10,000 of which consists of estimated Transfer Agent fees and filing fees, and $20,000 consists of estimated professional fees.

(3) We have granted the Agent an option (the "**Over-Allotment Option**"), which expires within **30** days after the Closing Date, to sell up to an additional number of Units equal to **15**% of the number of Units sold pursuant to the Offering on the same terms as set out above to cover over-allotments, if any. The distribution of the Over-Allotment Option and the Units issuable upon the exercise of the Over-Allotment Option are qualified by this Prospectus. If the Over-Allotment Option is exercised in full, the additional price to the public, Agents' Fee and net proceeds to us (before deducting expenses of the Offering) will be $600,000, $60,000 and $4,140,000, respectively. A purchaser who acquires Units forming part of the Agent over-allocation position acquires those Units under this Prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

Any investment in the Units is speculative due to various factors, including the nature of our business. An investment in these securities should only be made by persons who can afford a total loss of their investment. See "*Risk Factors*".

A summary of the options granted by us to the Agent follows:

Agent's position	Maximum size or number of securities available (1)(2)	Exercise period or acquisition date	Exercise price or average acquisition price ($)
Over-Allotment Option(3)	6,000,000	up to 30 days after the Closing Date	$0.10
Agents' Option Units	4,600,000(4)	24 months after the Closing Date	$0.10 per Agent Option Unit

Notes:

(1) Assuming the Over-Allotment Option is exercised in full.

(2) The Agents' Options, Over-Allotment Option and Over-Allotment Units are qualified for distribution under this Prospectus. See "*Plan of Distribution*".

(3) Over-Allotment Units will not be retained by the Agent but are issued to cover over-allotted subscriptions received from subscribers.

(4) Assuming the maximum subscription with the Over-Allotment Option. Each Agents' Option entitles the holder thereof to purchase one Agents' Option Unit at a price of $0.10 per Agents' Option for a period of 24 months from the Closing Date.

We intend to be listed on the Exchange under the symbol "**NEON"**.

An investment in the Units should be considered speculative due to the nature of the Company's business and its stage of development. There is no guarantee that the Company will be able to secure financing to meet its future needs on reasonable terms. Due to the nature of our business, an investment in any of our securities is speculative and involves a high degree of risk that should be considered by potential investors. For these reasons, the Offering is suitable only for those purchasers who are able to make long term investments and who are able to risk a loss of their entire investment. Potential purchasers should read this entire Prospectus and consult their professional advisors before investing. See "*Risk Factors*" and "*Forward Looking* Statements".

As at the date of this Prospectus, we do not have any of our securities listed or quoted on the Toronto Stock Exchange, Aequitas NEO Exchange Inc., a US marketplace, or a market outside Canada and the United States of America (other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Market Group plc). We have applied to list our Common Shares on the Canadian Securities Exchange. Listing on the Exchange will be subject to us fulfilling all of the listing requirements of the Exchange, including without limitation, the distribution of the Common Shares to a minimum number of public shareholders and us meeting certain financial and other requirements. See "*Risk Factors*".

The listing of our Common Shares will be subject to us fulfilling all of the listing requirements of the Exchange, which cannot be guaranteed.

The Agent, or registered sub-agents who assist the Agent in the distribution of the Units, conditionally offers these securities for sale on a commercially reasonable basis, subject to prior sale, if, as and when issued by us and accepted by the Agent in accordance with the terms of the Agency Agreement, and subject to the approval of certain legal matters by Stikeman Elliott LLP, on the Company's behalf, and Vantage Law Corporation, on behalf of the Agent. See "*Plan of Distribution*" for further details concerning the Agency Agreement. Subscriptions for the Units offered under this Prospectus will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice.

In this Prospectus, references to "NeonMind", the "Company", "we", "us" and "our" refer to NeonMind Biosciences Inc.

Investors should rely only on the information contained in this Prospectus. We have not authorized anyone to provide investors with different information. We are not offering the Units in any jurisdiction in which the offer is not lawfully permitted. Investors should not assume that the information contained in this Prospectus is accurate as of any date other than the date of this Prospectus. Subject to our obligations under applicable securities laws, the information contained in this Prospectus is accurate only as of the date of this Prospectus regardless of the time of delivery of this Prospectus or of any sale of the Units.

Agent:

MACKIE RESEARCH CAPITAL CORPORATION
1075 West Georgia Street, Suite 1920
Vancouver, British Columbia V6E 3C9
Telephone: (604) 662-1800
Facsimile: (778) 373-4101

NeonMind is developing and commercializing products that contain legal Medicinal Mushrooms and products that may contain psychedelic compounds. While NeonMind is focused on developing products using psychedelic compounds, NeonMind does not have any direct or indirect involvement with the illegal selling, production or distribution of any substances in the jurisdictions in which it operates. NeonMind does not deal with psychedelic substances and will only do so through agents within laboratory and clinical trial settings conducted within approved regulatory frameworks. NeonMind's products that contain psychedelic compounds will not be commercialized prior to applicable regulatory approval, which will only be granted if clinical evidence of safety and efficacy for the intended uses is successfully developed.

GLOSSARY OF TERMS

Alternative Medical Systems	mean alternative and traditional medical and healing systems and therapies such as traditional Chinese medicine, Ayurvedic medicine, naturopathy, indigenous and shamanic medicine, homeopathy, flower essence therapy, and aromatherapy.
Agency Agreement	means the Agency Agreement dated December 8, 2020 between us and the Agent as further described under "*Material Contracts*".
Agent	means Mackie Research Capital Corporation.
Agents' Fee	is defined on page 2 of this Prospectus.
Agents' Option	is defined on page 2 of this Prospectus.
Agent's Option Share	Is defined on page 2 of this Prospectus.
Agents' Option Unit	is defined on page 2 of this Prospectus.
Agent's Option Warrant	Is defined on page 2 of this Prospectus.
Agent's Option Warrant Share	Is defined on page 2 of this Prospectus.
Audit Committee	means a committee established by and among the Board for the purpose of overseeing our accounting and financial reporting processes and audits of our financial statements.
Auditors	means Saturna Group Chartered Professional Accountants LLP.
BC	means the Province of British Columbia.
BCBCA	means the *Business Corporations Act* (British Columbia).
Better Plant	means Better Plant Sciences Inc., formerly The Yield Growth Corp., a British Columbia company traded on the CSE under the symbol "PLNT", and our parent company.
Board	means our board of directors.
CDSA	means *Controlled Drugs and Substances Act*, S.C. 1996, c. 19.
CEO	means Chief Executive Officer.
CFO	means Chief Financial Officer.
Closing Date	means the date on which the Offering is closed.
Common Share or Share	means a common share in the capital of NeonMind Biosciences Inc.
the "Company", and also "us" and "we" and "NeonMind"	means NeonMind Biosciences Inc., a British Columbia corporation.

Exchange	means the Canadian Securities Exchange.
Financial Statements	means the financial statements attached to this Prospectus and comprised of: ● our unaudited condensed interim financial statements for the three and nine months ended August 31, 2020; and ● our audited financial statements for the financial year ended November 30, 2019.
GMP	means good manufacturing practices as mandated by Canadian regulations to ensure that products are consistently produced and controlled according to quality standards.
IFRS	means International Financial Reporting Standards as issued by the International Accounting Standards Board.
Komo Foods	means Komo Plant Based Foods Inc., formerly, Kingdom Brands Inc.
Listing	means the listing of our Common Shares on the Exchange.
Listing Date	means the date on which the Common Shares are listed for trading on the Exchange.
Magic Mushrooms	means a polyphyletic, informal group of fungi that contain Psilocybin and psilocin.
Maximum Offering	means the sale to the public in the Selling Provinces through the Agent of a maximum of 40,000,000 Units at a price of $0.10 per Unit for maximum gross proceeds of $4,000,000. See "*Plan of Distribution*".
MD&A	means the management's discussion and analysis attached to this Prospectus as Schedule "D" and comprised of the three and nine months ended August 31, 2020, and the year ended November 30, 2019.
Medicinal Mushrooms	refers to mushroom species with various compounds that have been used in Alternative Medical Systems and as further described on page 30 of this Prospectus under the heading “Medicinal Mushroom Market”.
Minimum Offering	means the sale to the public in the Selling Provinces through the Agent of a minimum of 20,000,000 Units at a price of $0.10 per Unit for minimum gross proceeds of $2,000,000. See "*Plan of Distribution*".
NAPRA	the National Association of Pharmaceutical Regulatory Authorities.
NDS	means the National Drug Schedules.

NEO	means each of the following individuals: a) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as CEO, including an individual performing functions similar to a CEO; b) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as CFO, including an individual performing functions similar to a CFO; c) in respect of the Company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than $150,000 for that financial year; d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the Company, and was not acting in a similar capacity, at the end of that financial year; and e) each individual who is expected to earn over $150,000 annually after the Listing Date.
NI 52-110	means National Instrument 52-110 *Audit Committees*.
NI 58-101	means National Instrument 58-101 *Disclosure of Corporate Governance Practices*.
Offering	means the offering for sale to the public in the Selling Provinces through the Agent of a maximum of 40,000,000 Units and a minimum of 20,000,000 Units at a price of $0.10 per Unit. See "*Plan of Distribution*".
Offering Price	means $0.10 per Unit.
Over-Allotment Option	is defined on the page 2 of this Prospectus.
Over-Allotment Units	means the Units for sale to the public upon exercise of the Over-Allotment Option.
PDL	means the Health Canada Prescription Drug List.
Principal Investigator	an individual who works at a laboratory at the University of British Columbia to act as the principal investigator on the Company's planned pre-clinical trial.
Prospectus	means this document.
Psilocybin	means a hallucinogenic indole C12H17N2O4P obtained from a fungus (such as *Psilocybe mexicana*

	or *P. cubensis* synonym *Stropharia cubensis*), as defined by Merriam-Webster dictionary.
Psygen	means Psygen Labs Inc.
RSU	means a restricted share unit as described under "*Description of the Outstanding Securities".*
RSU Plan	means the amended and restated restricted share unit plan adopted by the Board of Directors as described under "*Description of the Outstanding Securities".*
Section 56	means an application for an exemption under section 56 of the CDSA.
SEDAR	means the System for Electronic Document Analysis and Retrieval.
Selling Provinces	means British Columbia, Alberta, Saskatchewan, Manitoba and Ontario.
Stock Option Plan	means the stock option plan adopted by the Board of Directors as described under Endeavor Trust Corporation "*Options and Other Rights to Purchase Securities*".
Transfer Agent or Warrant Agent	means Endeavor Trust Corporation.
TLS	means Translational Life Sciences Inc., a company of which we own approximately 18%.
Unit	is defined on the page 2 of this Prospectus.
Units	are defined on page 2 of this Prospectus.
Unit Common Share	is defined on page 2 of this Prospectus.
Unit Warrant	is defined on page 2 of this Prospectus. See also "*Plan of Distribution*".
Unit Warrant Expiry Date	is defined on page 47 of this Prospectus.
University	means the University of British Columbia.
Urban Juve	means Urban Juve Provisions Inc., a wholly owned subsidiary of Better Plant.
US or U.S.	means the United States of America.
Warrant Share	is defined on page 46 of this Prospectus.
"we", "our", "us", "NeonMind" or "the Company"	means NeonMind Biosciences Inc.

CURRENCY PRESENTATION

In this Prospectus, unless otherwise indicated, all dollar amounts are expressed in Canadian dollars and references to "$" and "dollars" are to Canadian dollars. All references to "US$" are to US currency.

CAUTION REGARDING FORWARD LOOKING STATEMENTS

This Prospectus contains "forward looking information" within the meaning of applicable Canadian securities legislation. Wherever possible, words such as "plans", "expects", or "does not expect", "budget", "scheduled", "estimates", "forecasts", "anticipate" or "does not anticipate", "believe", "intend" and similar expressions or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved, have been used to identify forward looking information.

Forward-looking information involves known and unknown risks, uncertainties and other factors which may cause our actual results, performance, or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information. Although we have attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements.

Forward looking statements are based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, but which may prove to be incorrect. Management believes that the assumptions and expectations reflected in such forward-looking statements are reasonable based upon its current knowledge. In particular, we have made assumptions regarding, among other things:

- plans regarding our revenue, expenses and operations;
- our anticipated cash needs and our need for additional financing;
- uncertainty as to our ability to raise additional funding to support operations;
- substantial fluctuation of losses from quarter to quarter and year to year due to numerous external risk factors, and anticipation that we will continue to incur significant losses in the future;
- our ability to generate product revenues to maintain our operations without additional funding;
- future growth plans and the ability to meet our business objectives;
- anticipated regulatory environment, when government regulations are subject to change and are out of our control;
- our competitive position and expectations regarding competition;
- our ability to protect, maintain and enforce our intellectual property rights and trade secrets;
- our ability to attract and retain qualified personnel;
- plans regarding the effective marketing and sale of our planned products;
- the risks associated with the development of our product candidates which are at early stages of development;
- positive results from preclinical and early clinical research are not necessarily predictive of the results of later-stage clinical trials;
- our reliance on third parties to plan, conduct and monitor our preclinical studies and clinical trials;

- the risks that our product candidates may fail to demonstrate safety and efficacy to the satisfaction of regulatory authorities or may not otherwise produce positive results;
- the risks of delays and inability to complete clinical trials due to difficulties enrolling patients;
- competition from other biotechnology and pharmaceutical companies;
- our reliance on the capabilities and experience of our key personnel and the resulting loss of any of these individuals;
- our ability to source and maintain licenses from third parties;
- the risks of patent-related litigation;
- possible impact of the novel coronavirus (COVID-19) pandemic on our personnel, business, operations and financial condition; and
- anticipated trends and challenges in our business and the markets in which we operate.

Forward looking statements involve significant risks and uncertainties, should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not such results will be achieved. A number of factors could cause actual results to differ materially from the results discussed in the forward looking statements, including risks related to: completion of the listing on the Exchange; actual impact of the novel coronavirus (COVID-19) pandemic and the related responses of the government and consumers; fluctuations in the currency markets; changes in interest rates; disruption to the credit markets and delays in obtaining financing; inflationary pressures; changes in national and local government legislation, taxation, controls, regulations and political or economic developments in the US and Canada, or other countries in which we may carry on business; business opportunities that may be presented to, or pursued by us; operating or technical difficulties in connection with business activities; the possibility of cost overruns or unanticipated expenses; employee relations; the risks of obtaining regulatory approvals; and the occurrence of natural disasters, hostilities, acts of war or terrorism. The factors identified above are not intended to represent a complete list of the factors that could affect us. Additional factors are noted under the heading "*Risk Factors*".

Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking information prove incorrect, actual results, performance or achievement may vary materially from those expressed or implied by the forward-looking information contained in this Prospectus. These factors should be carefully considered, and readers are cautioned not to place undue reliance on forward-looking information, which speaks only as of the date of this Prospectus. All subsequent forward-looking information attributable to us herein is expressly qualified in its entirety by the cautionary statements contained in or referred to herein. We do not undertake any obligation to release publicly any revisions to this forward-looking information to reflect events or circumstances that occur after the date of this Prospectus or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.

Forward looking statements in this Prospectus may include, but are not limited to, statements regarding:

- the completion and expected timing of the Offering;
- the receipt of required regulatory approvals (including stock exchange) in respect of the Offering;
- the net proceeds from the Offering, our use of the net proceeds from the Offering and the results of activities conducted using such net proceeds;

- our ability to raise the financing necessary for our operations;
- the duration and effects of COVID-19 on our personnel, business, operations and financial condition;
- our projections for development plans and progress of our products and technologies, particularly with respect to the timely and successful completion of studies and trials;
- our expectations regarding the progress, and the successful and timely completion of, the various stages of the regulatory approval process;
- our expectations regarding the timing of achieving milestones and the cost of our development programs;
- our expectations regarding whether various clinical and regulatory milestones will be achieved;
- our expectations about our products' safety and efficacy;
- our expectations of the costs and timing to reach commercial production of drug products;
- our expectations regarding our ability to arrange for and scale up the manufacturing of our products and technologies;
- our plans to market, sell and distribute our products and technologies;
- our expectations regarding the acceptance of our products and technologies by the market;
- our ability to retain and access appropriate staff, management and expert advisers;
- our ability to secure strategic partnerships with larger pharmaceutical and biotechnology companies;
- our continuation of strategic collaborations;
- our strategy to acquire and develop new products and technologies and to enhance the safety and efficacy of existing products and technologies;
- our expectations with respect to existing and future corporate alliances and licensing transactions with third parties, and the receipt and timing of any payments to be made by us or to us in respect of such arrangements; and
- our strategy with respect to the expansion and protection of our intellectual property and our planned products.

Although the forward-looking statements contained in this Prospectus are based upon what our management believes are reasonable assumptions, we cannot assure investors that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this Prospectus and are expressly qualified in their entirety by this cautionary statement. Subject to applicable securities laws, neither we nor the Agent assume any obligation to update or revise them to reflect new events or circumstances.

MARKET AND INDUSTRY DATA

This Prospectus includes market and industry data that has been obtained from third party sources including publications from various industries, and where appropriate, certain numbers, including dollar amounts, have been rounded out by us to avoid lengthy numbers. We believe that this industry data is accurate and that its estimates and assumptions are reasonable; however, there are no assurances as to the accuracy or completeness of this data. Third party sources generally state that the information contained therein has been obtained from sources believed to be reliable; however, there are no assurances as to the accuracy or completeness of included information. Although the data is believed to be reliable, we have not independently verified any of the data from third party sources referred to in this Prospectus or ascertained the underlying economic assumptions relied upon by such sources.

MARKETING MATERIALS

Any "template version" of any "marketing materials" (each as defined in NI 41-101) that are prepared in connection with the Offering are not part of this Prospectus to the extent that the contents of the template version of the marketing materials have been modified or superseded by a statement contained in this Prospectus. Subject to the foregoing qualification, any template version of any marketing materials that has been, or will be, filed on SEDAR before the termination of the distribution of the Units under the Offering (including any amendments to, or an amended version of, any template version of any marketing materials) is deemed to be incorporated by reference into this Prospectus.

ELIGIBILITY FOR INVESTMENT

The Common Shares acquired pursuant to the Offering will be, at that time, qualified investments under the *Income Tax Act* (Canada) and the regulations thereunder (collectively, the "**Tax Act**") for a trust governed by a registered retirement savings plan ("**RRSP**"), deferred profit sharing plan, registered retirement income fund ("**RRIF**"), registered education savings plan ("**RESP**"), registered disability savings plan ("**RDSP**"), and a tax-free savings account ("**TFSA**"), as those terms are defined in the Tax Act (collectively, the "**Registered Plans**", and each of them a "**Registered Plan**").

The Common Shares are not currently listed on a "designated stock exchange" and we are not currently a "public corporation", as that term is defined in the Tax Act. We intend to apply to list the Common Shares on the Exchange as of the day before the Closing of the Offering, followed by an immediate halt in trading of the Common Shares in order to allow us to satisfy the conditions of the Exchange and to have the Common Shares listed and posted for trading prior to the issuance of the Common Shares on the Closing of the Offering. We must rely on the Exchange to list the Common Shares on the Exchange and have them posted for trading prior to the issuance of the Common Shares on the Closing of the Offering and to otherwise proceed in such manner as may be required to result in the Common Shares being listed on the Exchange at the time of their issuance on Closing. If the Common Shares are not listed on the Exchange at the time of their issuance on the Closing of the Offering and we are not a "public corporation" at that time, the Common Shares may not be qualified investments for the Registered Plans at that time.

Notwithstanding that a Common Share may be a qualified investment for a Registered Plan, the holder, subscriber or annuitant of the Registered Plan, as the case may be, will be subject to a penalty tax as set out in the Tax Act in respect of the Common Shares if such Common Shares are a "prohibited investment" for the Registered Plan for purposes of the Tax Act. The Common Shares will generally be a "prohibited investment" for a Registered Plan if the holder or annuitant, as the case may be, does not deal at arm's length with the Company for the purposes of the Tax Act or has a "significant interest" (as defined in the Tax Act) in the Company. In addition, the Common Shares generally will not be a prohibited investment if the Common Shares are "excluded property" within the meaning of the Tax Act for the Registered Plan.

Purchasers who intend to hold the Common Shares in their Registered Plans should consult their own tax advisors in regard to the application of these rules in their particular circumstances.

SUMMARY OF PROSPECTUS

GENERAL

The following is a summary only and should be read together with the more detailed information and financial data and statements contained elsewhere in this Prospectus:

BUSINESS OVERVIEW

We are developing products that contain legal Medicinal Mushrooms and we are engaged in preclinical research into potentially therapeutic uses of compounds found in psychedelic mushrooms. We have filed 5 US provisional patent applications claiming methods of aiding in weight loss, treating compulsive eating disorder, treating obesity or a complication of obesity, and/or altering the diet of an individual by administering Psilocybin and/or other psychedelic compounds or their analogs or by administering Psilocybin or its analog in conjunction with therapy or other treatments. We are entering the functional foods market and we have recently manufactured and launched the sale of Medicinal Mushroom coffee products.

THE OFFERING

Issuer:	NeonMind Biosciences Inc.
Offering:	A minimum of 20,000,000 Units and up to a maximum of 40,000,000 Units, assuming completion of the Maximum Offering.
Offering Price:	$0.10 per Unit.
Amount:	A minimum of $2,000,000 up to a maximum of $4,000,000.
Over-Allotment Option:	We have granted to the Agent the Over-Allotment Option exercisable at the Agent sole discretion, in whole or in part, to sell up to an additional 6,000,000 Units (representing 15% of the Units sold pursuant to the Maximum Offering) at the Offering Price to cover over-allotments, if any, and for market stabilization purposes. The Over Allotment Option is exercisable until the date which is 30 days following the Closing Date. The Over-Allotment Option and the Units issued pursuant to the exercise of the Over-Allotment Option are qualified for distribution under this Prospectus. See "*Plan of Distribution*".
Common Shares Outstanding:	Upon completion of the Offering, an aggregate of 112,430,500 Common Shares will be issued and outstanding, assuming completion of the Maximum Offering and assuming the Over Allotment Option is exercised in full.
Closing:	We expect that the closing of the Offering will occur on or about December 15, 2020 or such later date as we and the Agent may agree, but in any event, not later than January 15, 2021.

Use of Proceeds	If we complete the Minimum Offering, we intend to use the net proceeds towards the launch of our mushroom infused coffees, and preclinical trials to further research to support our Psilocybin product candidate. If we complete the Maximum Offering we intend to use the net proceeds as intended under the Minimum Offering, with an augmented marketing budget, and further development towards Phase 2 human clinical trials of research into the potentially therapeutic benefits of compounds found in psychedelic mushrooms to support commercialization of our Psilocybin product candidate. Detailed information of use of proceeds is included in this Prospectus on page 42.
Risk Factors	An investment in Units should be considered highly speculative and investors may incur a partial or total loss of their investment. Investors should consult with their professional advisors to assess an investment in the Units. Our activities are subject to risks normally encountered in a newly established business, including but not limited to: negative cash flow; competition; lack of adequate capital; liquidity concerns and future financing requirements to sustain operations; maintaining and promoting our brand and products; competition risk; key personnel risks; inability to protect intellectual property; intellectual property claims against us; risks associated with the supply of Psilocybin from third parties; safety and efficacy of our products and product candidates; risk associated with clinical trials; law and regulations relating to our business; no history of operations and revenues, and no history of earnings or dividends; global economic changes; uninsured risks; no public market for the Common Shares; risks associated with the impact of COVID19; and volatility in share prices. There is currently no public market for the Units and there can be no assurance that an active market for the Units will develop or be sustained after the Offering. The value of the Units is subject to volatility in market trends and conditions generally, notwithstanding any potential success we may have in creating revenues, cash flows or earnings. See "*Risk Factors*".

SUMMARY OF FINANCIAL INFORMATION

The tables below summarize selected financial data for the periods indicated and should be read in conjunction with the Financial Statements and related notes thereto, and with the "*Management Discussion and Analysis*" included in this Prospectus. All financial statements of the Company are prepared in accordance with IFRS.

The information provided in this section is qualified in its entirety by the Financial Statements included under the heading entitled "*Financial Statement Disclosure*" in this Prospectus. Reference should be made to those Financial Statements.

Unaudited condensed interim financial statements of the Company for the three and nine months ended August 31, 2020, and audited financial statements for the financial year ended November 30, 2019:

Summary Components of Statement of Financial Position	August 31, 2020 (unaudited) ($)	November 30, 2019 (audited) ($)
Current assets	66,274	107,689
Total assets	1,245,059	140,089
Current liabilities	211,140	1,268,224
Total liabilities	1,317,385	1,268,224
Working capital surplus (deficit)	(144,866)	(1,160,535)
Accumulated deficit	(4,079,051)	(1,365,240)

BUSINESS OBJECTIVES

Our short-term business objectives are to: (i) raise capital to develop our business by completing the Offering; (ii) sell and market our mushroom coffees in Canada; and (iii) conduct further research and development into potential therapeutic benefits of Psilocybin.

CORPORATE STRUCTURE

Name, Address and Incorporation

We were incorporated under the BCBCA on September 18, 2019 under the name Flourish Mushroom Labs Inc. and on April 9, 2020, we changed our name to “NeonMind Biosciences Inc.” Our head office and our registered and records office is located at Suite 200, 1238 Homer Street, Vancouver, British Columbia, V6B 2Y5. We have no subsidiaries.

DESCRIPTION OF THE BUSINESS

General

We have manufactured Medicinal Mushroom products under the brand NeonMind which are now for sale through e-commerce on our website. We are also in the early stages of development of a product with the goal of using such product to promote and cause weight loss using a compound found in psychedelic mushrooms.

NeonMind has started preclinical studies to examine Psilocybin as a potential treatment to cause weight loss and reduce food cravings. We have also conducted non-clinical research which included review of existing studies, articles and reports of results of studies, preclinical and clinical trials regarding Psilocybin and other psychedelic compounds as well as review of existing studies, articles and reports of results of clinical trials for treatment of obesity and related illnesses.

Products and Services

We have generated only nominal revenues from our recently launched Medicinal Mushroom products and we have not yet generated revenues from the sale of any psychedelic products. Our product development is organized into two divisions (1) long-term product development, and (2) near term product commercialization. Development of our long-term products is contingent upon receiving required approval from Health Canada. Our near-term products, Medicinal Mushroom products, are not contingent on receiving any regulatory approvals and are already for sale. Our product development divisions are described below:

Long-Term and Short-Term Product Development

Our goal is to develop a product which can be used as a treatment to promote and cause weight loss which contains Psilocybin, which is a psychedelic compound found in Magic Mushrooms. We commenced a preclinical trial (the "**Preclinical Trial**") in November 2020 at the University of British Columbia (the "**University**") and we are developing plans for a clinical trial to support our research into the potentially therapeutic benefits of compounds found in psychedelic mushrooms for development of one or more product candidates to promote and cause weight loss and related illnesses. We have filed 5 US provisional patent applications claiming methods of aiding in weight loss, treating compulsive eating disorder, treating obesity or a complication of obesity, and/or altering the diet of an individual by administering Psilocybin and/or other psychedelic compounds or their analogs or by administering Psilocybin or its analog in conjunction with therapy or other treatments.

We have engaged TLS, a contract research organization of which we own 18%, to design and evaluate a pre-clinical trial. According to the terms of the agreement, NeonMind and TLS shall work together to conduct the evaluation of Psilocybin on food addiction, food cravings, and various metabolic parameters. More details on the agreement can be found under the section called "*Material Agreements*".

We have engaged the University to conduct our preclinical trial to confirm whether Psilocybin is an effective treatment to promote and cause weight loss and to reduce food cravings. The services will be provided by the University under the supervision of Dr. Alasdair Barr, Department of Anesthesiology, Pharmacology & Therapeutics, Faculty of Medicine (the "**Principal Investigator**"). We arranged for Psilocybin to be sent to the University for use in the Preclinical Trial on October 28, 2020. The University has received approval from Health Canada to conduct the Preclinical Trial and commenced the Preclinical Trial in November 2020. No other regulatory approvals are required for the completion of the Preclinical Trial.

We have purchased an 18% interest in and have several agreements in place with TLS, a contract research and life sciences company comprised of physicians and scientists in the fields of neurology, pharmacology, diabetes, addiction, and biochemistry, that is engaged in early stage development of proprietary therapeutic formulations that contain restricted substances. For more information, refer to "Material Contracts".

We have only generated nominal revenues from the sale of our recently launched Medicinal Mushroom products.

We believe the work from the two divisions (see also *"Near-Term Commercialization Product Division"*) will be mutually beneficial, as we envision being able to eventually tailor the products and services we develop to the health claims substantiated by successful clinical trials on the research side. These two divisions are described more fully below.

Long Term Product Development

Our long-term goal is to develop one or more products that incorporate restricted psychedelic substances to treat illness, with our product candidate being developed to treat obesity and promote or cause weight loss.

The Problem: Obesity

Obesity has been formally recognized by the World Health Organization (the "**WHO**") as a global epidemic, with at least 2.8 million people dying each year as a result of being overweight or obese. According to the WHO, in 2016, more than 1.9 billion adults, 18 years and older, were overweight. Of these, over 650 million were obese. Overweight and obesity is defined as abnormal or excessive fat accumulation that presents a risk to health (https://www.who.int/news-room/facts-in-pictures/detail/6-facts-on-obesity and https://www.who.int/news-room/fact-sheets/detail/obesity-and-overweight).

The WHO states that overweight and obesity are major risk factors for a number of chronic diseases, including:

- cardiovascular diseases (mainly heart disease and stroke), which were the leading cause of death in 2012;
- diabetes;
- musculoskeletal disorders (especially osteoarthritis - a highly disabling degenerative disease of the joints); and
- some cancers (including endometrial, breast, ovarian, prostate, liver, gallbladder, kidney, and colon).

According to the WHO, overweight and obesity, as well as their related noncommunicable diseases, are largely preventable. To lose weight, adults can:

- limit energy intake from total fats and sugars;
- increase consumption of fruit and vegetables, as well as legumes, whole grains and nuts; and
- engage in regular physical activity 150 minutes per week.

According to a study called "Energy balance and obesity: what are the main drivers?", available in the U.S. Library of Medicine, as of 2013, obesity was well recognized as a disease in its own right and accounted for about 37% of the global burden of disease and is related to poor quality diet and unbalanced energy intake. The study suggests that dietary patterns consistent with a traditional Mediterranean diet and other measures of diet quality can contribute to long-term weight control. The same study states recognition that there is evidence that obesity is a contributing factor for many types of cancer including colorectum, endometrium, kidney, oesophagus, postmenopausal breast, gallbladder, pancreas, gastric cardia, liver, ovary, thyroid, meningioma, multiple myeloma, and advanced prostate cancers (https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5325830/).

According to the WHO, in its Global Strategy on Diet, Physical Activity and Health, a unique opportunity exists to formulate and implement an effective strategy for substantially reducing deaths and disease worldwide by improving diet and promoting physical activity. Evidence for the links between these health behaviours and later disease and ill-health is strong. Effective interventions to enable people to live longer and healthier lives, reduce inequalities, and enhance development can be designed and implemented (https://www.who.int/dietphysicalactivity/strategy/eb11344/strategy_english_web.pdf?ua=1).

A Possible Solution: Psilocybin

Psilocybin is a complex organic compound found naturally in a wide range of different species of mushrooms, known as psychedelic mushrooms. Psychedelics are a hallucinogenic class of psychoactive drugs whose primary action is to trigger psychedelic experiences via serotonin 2A receptor agonism, causing specific psychological, visual and auditory changes, and altered states of consciousness. Recently, companies and organizations have been making progress in using clinical trials to establish support for the use of psychedelic substances in therapeutic treatment. The source of this information is Wikipedia (https://en.wikipedia.org/wiki/Psychedelic_drug).

According to the FDA, a breakthrough therapy designation is for a drug that treats a serious condition and preliminary clinical evidence indicates that the drug may demonstrate substantial improvement on clinically significant endpoints over available therapies. In November 2019, the FDA granted the Usona Institute breakthrough therapy designation for Psilocybin for the treatment of major depressive disorder. The new status followed the launch of Usona's Phase 2 clinical trial which is currently ongoing.

The non-profit Multidisciplinary Association for Psychedelic Studies (MAPS) is currently sponsoring ongoing Phase 3 clinical trials of MDMA-assisted psychotherapy for post traumatic stress disorder ("**PTSD**") at 15 sites in the US, Canada, and Israel. In August 2017, the FDA granted Breakthrough Therapy Designation to MDMA-assisted psychotherapy for PTSD. The Phase 3 trials are expected to be completed in 2021, meaning that the FDA could approve the treatment as early as 2022 (https://www.healtheuropa.eu/mdma-assisted-psychotherapy-for-ptsd-approved-by-fda/96931).

On May 21, 2020, Mind Medicine (Mindmed) Inc. disclosed in a prospectus filed on SEDAR that it had completed a Phase 1 trial to develop a non-hallucinogenic version of the psychedelic ibogaine to treat opioid withdrawal. On November 16, 2020, the company announced that it received approval of protocol design to evaluate microdoses of lysergic acid diethylamide ("LSD") for adult attention deficit-deficit hyperactivity disorder (ADHD) from Swiss and Dutch health authorities.
(https://www.stockwatch.com/News/Item?bid=Z-C:MMED-2990278&symbol=MMED%C2%AEion=C)

Psilocybin is known to activate serotonin receptors. Serotonin curbs cravings and shuts off appetite, and can reduce eating and cause weight loss (https://www.medicalnewstoday.com/articles/308850#what-is-psilocybin). We are researching the use of Psilocybin to improve eating habits and promote and cause weight loss. Psychology today states, "Serotonin is nature's own appetite suppressant. This powerful brain chemical curbs cravings and shuts off appetite. It makes you feel satisfied even if your stomach is not full. The result is eating less and losing weight."(https://www.psychologytoday.com/ca/blog/the-antidepressant-diet/201008/serotonin-what-it-is-and-why-its-important-weight-loss).

As the weight loss and cardiometabolic medical field has a huge unmet need for compounds that can safely cause weight loss and therefore improve metabolic health, there is potential in developing Psilocybin for the treatment of these conditions. With the development of "micro dosing" techniques, in which smaller doses of the drug are repeatedly administered, it may now

be possible to treat individuals for therapeutic effects while minimizing unwanted psychedelic side effects.

Our Planned Psilocybin Research

We have filed 2 US provisional patent applications claiming methods of aiding in weight loss, treating compulsive eating disorder, treating obesity or a complication of obesity, and/or altering the diet of an individual by administering Psilocybin or an analog thereof or by administering Psilocybin or its analog in conjunction with therapy or other treatments. For more details on the patent applications, see Patents #1 and #3 under the section called Intellectual Property Protection, under the heading "*Patents*".

We have engaged TLS, which is a contract research organization, to conduct analytical testing and design our Preclinical Trial and obtain Health Canada approval for our planned clinical trial. More details on our agreement with TLS can be found under the heading "*Material Contracts"*.

Research Objectives

We are in the preclinical stage of developing a Psilocybin-based product that can be used to promote and cause weight loss. Before we can commercialize our product, we must first complete Phase 2 and Phase 3 human clinical trials to demonstrate to Health Canada the efficacy and safety of our planned product. Prior to conducting Phase 2 human clinical trials, we plan to conduct a preclinical animal study, which we have already started.

The goal of our preclinical study is to use preclinical animal models to investigate microdose administration of Psilocybin as a treatment to promote and cause weight loss and to reduce food cravings and to give us data regarding dosing. Our therapeutic development will be based on a translational approach in which preclinical studies are conducted in preparation for Phase 2 human clinical trials ("**Phase 2 Human Trials**").

In February 2020, we engaged TLS to design a study using Psilocybin is a treatment to promote and cause weight loss and to reduce food cravings (the "**Study**"). According to the terms of the TLS engagement, NeonMind and TLS will work together to conduct the evaluation of Psilocybin on food cravings, on the metabolism and on glucose and hormone levels. NeonMind authorized TLS to perform activities required to prepare for the Study and the parties shall work towards entering into a clinical study agreement to design Phase 2 Human Trials. NeonMind agreed to pay for all costs related to the Study and TLS agreed to oversee obtaining required regulatory exemptions and licenses, if necessary, and engagement of all necessary parties to conduct the Study. More details on this agreement can be found under the section "Material Agreements".

In May 2020, TLS completed the design of the Study. We have engaged the University to conduct the Preclinical Trial, under the supervision of the Principal Investigator.

Substances with no known medicinal purposes, such as Psilocybin, are scheduled under Part J of the Food and Drug Regulations ("**FDR**") and classified as restricted drugs (each, a "**Restricted Drug**"). The Principal Investigator is authorized to possess a restricted drug on the basis of being "a qualified investigator who possesses the drug for the purpose of conducting clinical testing or laboratory research in an institution" under Section J.01.004(1) of Part J of the FDR.

Upon the application submitted by the Principal Investigator pursuant to section J.01.059 of Part J of the FDR, the Principal Investigator (employed by the University University) was authorized by Health Canada, on October 7, 2020, to carry out the Preclinical Trial using Psilocybin and possess up to 3 grams of Psilocybin for the purposes of the Preclinical Trial.

The authorization granted by Health Canada expires on the earliest of the following dates:

- the date the Principal Investigator leaves the Preclinical Trial;
- the date the Preclinical Trial is completed or terminated;
- the date the quantity of the restricted drug authorized by the authorization, being the 3 grams of Psilocybin, has been entirely used;
- the date on which the authorization is replaced by another authorization;
- October 7, 2021.

If the Principal Investigator plans to continue carrying out the Preclinical Trial beyond the expiry date of the authorization, and if there is any Psilocybin remaining in inventory with the Principal Investigator, either an extension or a new authorization must be requested by the Principal Investigator before the expiry date of the authorization. At present, no further authorization or exemption is required from Health Canada or any other regulatory body for the Preclinical Trial.

On September 28, 2020 NeonMind entered into a restricted drug supply agreement (the "**Supply Agreement**") with Psygen Labs Inc. ("**Psygen**"), an arm's length party to NeonMind. The Supply Agreement provided for the provision of Psilocybin manufactured in a non GMP compliant facility for the Preclinical Trial. It also provided for Psilocybin manufactured in a GMP compliant facility for the Phase 2 Human Trial upon Psygen obtaining registration as a licensed dealer and building a GMP compliant facility. For our planned Phase 2 Human Trial, only Psilocybin from a GMP compliant facility can be used for human trials.

Psygen is a privately held company that has applied for a dealers license and is planning to build a GMP compliant facility to manufacture psychedelic drug substances and drug products for clinical trials, therapeutics applications and preclinical studies.

Psygen has sponsored a licensed dealer who currently holds a license for the manufacture, sale, import, export and analysis of LSD, Psilocybin, DMT and other restricted substances, the Katz Group, Rexall Centre for Pharmacy & Health Research (the "**Licensed Dealer**").

The Supply Agreement provided for the supply of Psilocybin to the University from the Licensed Dealer for the Preclinical Trial. This part of contract has been fulfilled as we already received Psilocybin from the Katz Group for the Preclinical Trial.

Psygen has applied to Health Canada for a dealer's license that will allow Psygen to manufacture, possess, sell, import, export, research, develop, and analyze psychedelic drug substances and drug products so that it may build and operate as a licensed dealer that is also GMP compliant. Katz Group, Rexall Centre for Pharmacy & Health Research is not GMP compliant and so it cannot act as a supplier of Psilocybin for our planned Phase 2 Human Trial. Only the Katz Group has been approved as a supplier under the recent authorization granted by Health Canada for the Preclinical Trial. We will need to request another section J.01.059 of Part J of the FDR authorization for the supplier of Psilocybin for our planned Phase 2 Human Trial. If we are unable to obtain Health Canada approval for the supply of Psilocybin for our planned Phase 2 Human Trial, the development on our planned drug to aid in weight loss would

be delayed or prevented and this would prevent or delay us from ever achieving commercialization of our planned drug to aid in weight loss.

Pursuant to the Supply Agreement, Psygen has agreed to directly supply us with Psilocybin for clinical research and for the manufacture and commercial sale of a drug product for our Phase 2 Human Trial, after it receives its license from Health Canada, and after it has constructed a GMP compliant facility to manufacture the Psilocybin as a licensed dealer. More information on the Supply Agreement can be found under the heading "*Material Contracts*".

If Psygen is unsuccessful in obtaining a license as a licensed dealer or if it does not complete a GMP compliant manufacturing facility, then we will have to find another source of Psilocybin for our Phase 2 Human Trial, which could delay us or prevent us from conducting the Phase 2 Human Trial.

On October 30, 2020 we entered into a fee for service contract with the University, and the Provincial Health Services Authority (on behalf of Children's & Women's Health Centre of British Columbia Branch, a public hospital) (the "**Hospital**") to conduct the Preclinical Trial to evaluate the use of Psilocybin as a treatment to promote and cause weight loss and to reduce food cravings. The University and the Hospital agreed to provide services under the supervision of the Principal Investigator. For more details on this agreement, please refer to the "*Material Contracts*" section.

The Licensed Dealer has already delivered the supply of Psilocybin to the University to conduct the Preclinical Trial. The Principal Investigator commenced the Preclinical Trial at the University in early November 2020.

The Principal Investigator is an employee of the University. NeonMind has no direct contractual agreement with the Principal Investigator. We have contracted directly with the University in a Fee for Service Agreement as described above. The Principal Investigator receives no personal compensation from Neonmind for the work - i.e. there is no line item in the budget for personal monies to be received, such as a consultant salary. Nor does the Principal Investigator receive any kind of consulting fees (such as general consulting fees), from Neonmind.

We anticipate that by April 2021 we will have sufficient data from our Study to complete and submit an application to Health Canada to conduct Phase 2 Human Trials. Based on the experience and estimate of TLS, we anticipate that it will take us 4 - 6 months to receive approval to conduct the Phase 2 Trials and that we can commence the trials in late 2021. We estimate that the Phase 2 Human Trials will take 18 months to complete and cost approximately $1.5 million.

If (i) Psygen's application to become a licensed dealer is not approved or (ii) Psygen's manufacturing is not GMP compliant by the time we are ready to submit our application for the Phase 2 Human Trial, then we may have to find a different supplier who is both licensed and has a GMP-compliant manufacturing facility, or the submission of our application for the Phase 2 Human Trial will be delayed. If we are unable to conduct the Phase 2 Human Trial, this would delay the potential commercialization of our drug candidate.

At the conclusion of the Phase 2 Human Trial, if it is successful, we will need to complete a Phase 3 human clinical trial to get the product approved as a prescription drug, before we can go to market. As we are still in the preclinical stage of development, it is difficult to estimate how long a Phase 3 trial would take or how much it would cost. Phase 3 trials can cost between

$10 million and $100 million and usually take 2 - 3 years. Our plan would be to partner with a large pharmaceutical company to execute a phase 3 trial. Before commencing a phase 3 trial we would need to partner or contract with a manufacturer of Psilocybin to ensure supply for commercial use. We would likely hire a contract research organization with experience conducting phase 3 human trials to conduct the trial.

Near-Term Commercialization Product Division

We formulate, manufacture, and distribute a collection of four quality, flavorful mushroom-infused coffees - two brewed versions and two instant versions - as our initial market entry into functional foods. No regulatory approvals are required for commercialization of these coffee products.

We have completed the formulas, designed packaging and labels in compliance with applicable regulations, ordered raw materials and packaging, and completed research and development with a GMP manufacturing facility including producing samples of each coffee for third-party nutritional analysis for labelling purposes. We have manufactured four coffee products, all infused with Ayurveda botanicals, which are:

Two instant mushroom coffee blends for on-the go:

- **Rest Blend**: Contains Lion's Mane, Reishi, Ashwagandha and Turmeric
- **Energize Blend**: Contains Turkey Tail, Cordyceps, Holy Basil and Moringa; and

Two traditional roasted mushroom coffee blends:

- **Focus Blend (Dark Roast)**: Contains Lion's Mane, Reishi, Gotu Kola, Brahmi
- **Protect Blend (Medium Roast)**: Turkey Tail, Cordyceps, Moringa and Amla.

All four products have been registered with Vancouver Coastal Health. We commercially launched the mushroom coffees in November 2020, and they are now for sale through a shopify enabled website. We plan to sell through retail stores beginning in 2021.

Beverages

In addition to the coffees, we have developed other hot beverage formulas containing Medicinal Mushrooms, herbs and botanicals, including hot cocoas, teas and lattes in various flavours. We plan to take consumer feedback from our mushroom coffees, alongside possible future consumer testing, to evaluate the taste of the various formulas. Based on the results of coffee sales, additional taste tests and other factors, we will select which beverage formulas to launch commercially after the first four coffees.

Other Mushroom-Infused Products

We have acquired through a license, from a related party Better Plant, the worldwide rights to a catalogue of more than 128 formulas for infusion with edible functional mushrooms. In the long term, we intend to use all of these formulas in different phases to develop mushroom-infused wellness products and ready-to-eat packaged food products including soups, beverages, shots, elixirs, chocolates, skin care, and other products. We may also develop packaged food products that are designed to be mixed with mushroom “varietals” of the

consumer's choice. Better Plant developed these formulas in-house after initial acquisition of rights. In total, Better Plant spent approximately $1.55 million acquiring and developing the assets.

In addition, we purchased 10 recipes which include edible mushrooms as a key ingredient. The acquisition is from a consortium of creators of the formulas, including a chemical engineer, a holistic health coach and food chemist. The recipes are as follows:

- Chai latte green tea flavor mushroom tea;
- Lemon grass, lemon and hibiscus lemon mushroom tea;
- Veggie mushroom mix for mushroom soup;
- Miso dehydrated seaweed mix for mushroom soup;
- Vanilla flavoured mushroom elixir (to mix with cold water or hot water);
- Dark chocolate cocoa mushroom elixir;
- Pumpkin spice mushroom elixir;
- White chocolate truffle formula;
- Dark chocolate truffle formula; and
- Bliss ball with coco, dried fruits and edible mushrooms.

At this time, the above recipes are not ready for commercialization.

Marketing & E-commerce

We will develop a marketing plan, as described below, to bring the NeonMind brand to life, with a goal of building a modern, customer-centric brand that moves mushroom-infused products from a niche market to the mainstream. We intend to do this by establishing NeonMind as a trusted brand, rooted in scientific research, that demystifies functional mushrooms as well as clearly and powerfully communicating the meaningful benefits.

We have designed and we own the following logo which we are using as our trademark:

Brand

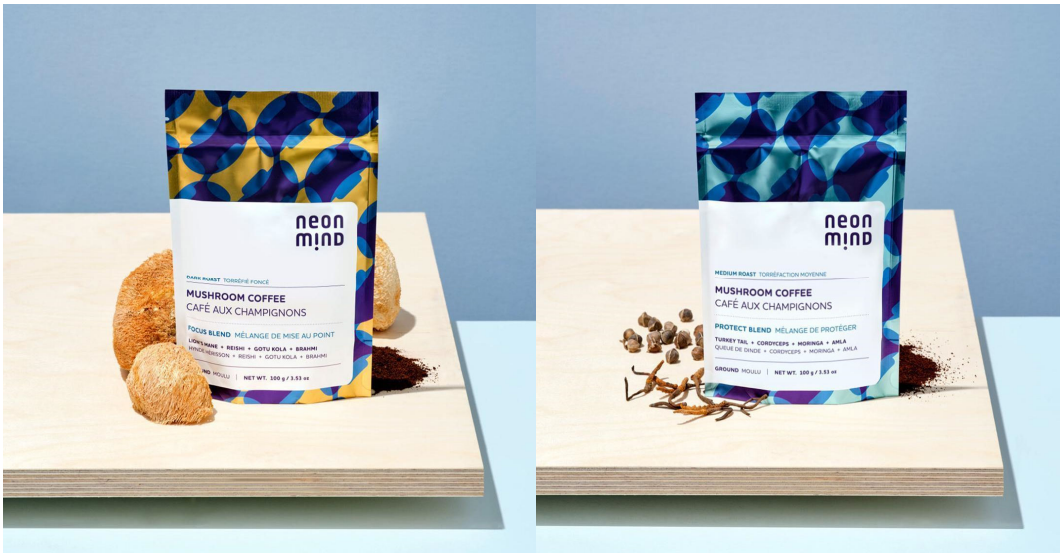
A unique and engaging marketing and visual communications strategy will be important to ensure the NeonMind products stand out amongst other competing brands. The brand identity will be inspired by the potential effects and benefits of functional mushrooms.

The name NeonMind is meant to bring together “Neon,” representing brilliance, brightness, and radiance, with “Mind,” as our intellect, consciousness, power and soul.

Packaging

To further support our brand, we have designed packaging solutions that are designed to be functional and visually appealing. The proposed packaging concept for our initial line of mushroom-infused coffees is seen below.

Brewed coffee pouches



Instant coffee sachets and boxes

Website, Advertising, and Social Media

Development of a NeonMind website with full e-commerce capabilities in Canada is complete. Website content has been created and reviewed for legal compliance, and product photography was shot at the end of October. Final site testing started on November 1, 2020 and the site launched in November 2020. Our website is powered by Shopify and has been designed with the objective of providing the best possible user experience to our users.

Our initial marketing initiatives will focus on building brand awareness through cost efficient tactics, leaning most heavily on digital channels due not only to COVID-19 restrictions, but also the dramatically increased web traffic and adoption of online shopping. To drive traffic to our ecommerce site we will leverage influencer marketing across social channels such as Instagram, Facebook, YouTube, Pinterest and TikTok. We also intend to use paid media, including retargeting as the functional mushroom business has not yet reached mass audiences making paid media attainable and efficient. We will continue to monitor and incorporate new, relevant social channels for NeonMind. It is our objective to develop shareable, influential content which builds our community of followers, customers and brand advocates. Upon the easing of COVID19 restrictions, we intend to add special events to our marketing programs, creating in-person taste-testing opportunities, at targeted local seasonal markets and festivals to create awareness and put our product in the hands of many.

It is our long-term plan to focus our marketing efforts on relationship building. We will look at programs which build a customer's relationship with NeonMind: customer appreciation incentives, timely and responsive customer service, subscription programs, and loyalty programs. The goal of these programs is to focus on the lifetime value of the customer therefore creating a profitable online program which thrives on repeat visits and referrals for friends and family.

Sales and Distribution

Our goal is to maximize sales of our mushroom-infused products in Canada and beyond. Given that consumer behaviour has shifted significantly in favour of online shopping, our primary initial focus will be on direct-to-consumer sales channels. To augment these channels, we will leverage the experience of our Vice President of Sales, who has more than 15 years of experience working with retailers and distributors to grow a multitude of brands in the edible mushrooms, skincare, and other wellness spaces and thus has relationships with health and wellness retailers and distributors cultivated over many years in the profession.

We plan to distribute and sell our mushroom-infused products through the following channels, starting in Canada:

- E-commerce - selling directly to consumers in Canada through our own NeonMind website with robust online shopping functionality and potentially through Amazon;
- Distributors - focusing on the health and wellness space, including functional foods;
- Supermarkets and natural food stores - large and small grocery chains; and
- Retailers and pharmacies - with a targeted clientele for natural, wellness products.

To further these plans, we are in discussions with a potential distributor who has expressed interest in carrying our mushroom-infused products in Canada. This distributor's network includes wellness, grocery, and other retail chains.

We intend to focus our sales and distribution efforts in Canada for at least the first two years. Once our market in Canada is established, we intend to expand internationally. We have entered into several distribution agreements to distribute our products in Europe when they are ready, but we do not plan to enter the European market until at least late 2022.

Other Assets

Translational Life Sciences Inc. (TLS)

TLS was incorporated on July 6, 2017 and its sole director is Dr. William Joseph Panenka. Its principal shareholders are Dr. Panenka who holds approximately 67% of the outstanding shares and NeonMind, which has acquired 18% of the outstanding shares of TLS. TLS is a start-up life sciences company focused on developing proprietary formulations that contain restricted substances such as Psilocybin and cannabis for clinical applications to serve unmet medical needs in the market. TLS also offers services as a contract research organization to design and oversee clinical trials of restricted substances for third parties. We engaged TLS to design our Psilocybin preclinical research.

The TLS team has experience in designing and conducting preclinical and clinical trials and experience designing a clinical trial using a restricted substance. Dr. Bill Honer has conceptualized, completed and published human clinical trials with anti-psychotics. TLS also designed a protocol to test CBD gum to treat substance induced psychosis, but it was not submitted for approval to Health Canada. Dr. Panenka was a site investigator for a clinical trial for a drug for tardive dyskinesia. Dr. Alasdair Barr has done extensive preclinical animal work with psychiatric medications, cannabis, opioids and amphetamines. Dr. Barr is currently a site investigator for two Phase 2 human antipsychotic drug trials. Prior to designing the Study for NeonMind, TLS did not previously design or conduct a preclinical or clinical trial using Psilocybin.

As a founding investor in TLS, we plan to work with TLS to increase the value of our investment by helping TLS complete its plans to develop intellectual property.

The TLS team is composed of physicians and scientists in the fields of neurology, pharmacology, diabetes, addiction, and biochemistry who have significant experience in the clinical application of cannabinoid compounds.

We have engaged TLS to work with us to conduct the evaluation of Psilocybin on weight loss, food addiction, food cravings, and various metabolic parameters (for example weight, glucose, and insulin). For more information, refer to "*Material Contracts*".

Medical professionals already associated with TLS include:

Dr. William Panenka, MD, MSc, FRCPC (Neurology and Psychiatry)

The founder of TLS, Dr. Panenka, is a dually boarded Neurologist and Psychiatrist and a Canadian Institute of Health Research-funded academic faculty member at the UBC. He did a post doctoral fellowship at UBC and Harvard University. He maintains a research program in brain injury, mental health and addictions. Dr. Panenka has authored more than 30 publications in the last 5 years. He is an Assistant Professor, Department of Psychiatry, UBC, a Mental Health and Substance Use Services Research Institute Investigator, a Member of the British Columbia Provincial Neuropsychiatry Program, the Medical Lead of the Neuropsychiatry Concussion Clinic, and a Neurology consultant at the Fraser Health Acquired Brain Injury Concussion Clinic.

Dr. William Honer

Dr. Honer is the Head, Scientific Advisory Board at TLS and a translational scientist and physician. He is a psychiatrist and the previous Head of Psychiatry Department at UBC. He is fellowship-trained at Columbia University and the Albert Einstein College of Medicine. He has published more than 300 peer-reviewed manuscripts, including primary clinical trial authorship works in journals such as the *New England Journal of Medicine*.

Dr. Caroline MacCallum

Dr. MacCallum is the Chief Medical Officer at TLS, as well as a pharmacist and internal medicine physician with expertise in complex pain and medical cannabis. She is the medical director of a Vancouver- based private cannabis clinic and a speaker on cannabis education, policy, clinical guideline development, and research.

Extraction Technology

We purchased the rights from Urban Juve, a party related to us through our parent company Better Plant, to a mushroom extract manufacturing technology for its use with Medicinal Mushrooms. The extraction technology was initially invented to extract compounds from the root of the cannabis plant to manufacture hemp root oil, which are currently used in several products.

The technology is protected by a US provisional patent application, filed by us, which covers the invention of a unique mushroom extract and a method of manufacturing the extract from mushrooms, and formulations and emulsions containing the mushroom extract. This proprietary

method is able to extract both water soluble and non-water-soluble compounds, which enables access to the full spectrum of compounds available in the mushrooms, including both triterpene extract and beta glucans. The mushroom extract may be in the form of an aqueous solution, or it may be a freeze-dried or spray-dried powder. The extract may be used in a variety of therapeutic and pharmaceutical formulations.

In the near term, we are purchasing mushroom extracts from third parties in order to speed up product launches. In the long term, we do intend to use the technology to produce mushroom extracts which are key ingredients of our mushroom infused products. We have also filed a patent application to protect the technology. We also plan to commercialize our further mushroom products. Although we do not have plans to use or develop this technology significantly at this time, we have licensed it to Komo Plant Based Foods Inc. (formerly Kingdom Brands Inc.) ("**Komo Foods"**), a related party of which our parent company, Better Plant, owns approximately 19%, so that it may further develop the technology. Under the license, Komo Foods issued us stock in exchange for the rights to use and sub-license and further develop the technology in the United States for use with mushrooms. We have received back a license to use any improvements and further development of the technology by Komo Foods. Further details on this transaction can be found in the *Material Contracts* section.

Market Outlook and Competition

The Market for Functional Foods

The National Academy of Sciences' Food and Nutrition Board defines functional foods as "any modified food or food ingredient that may provide a health benefit beyond the traditional nutrients it contains".

Another term often used interchangeably with functional foods is "nutraceuticals", a term coined in 1991 by the Foundation for Innovation in Medicine to refer to nearly any bioactive component that delivers a health benefit.

According to the Department of Health and Human Services, diet plays a role in 5 of 10 of the leading causes of death, including coronary heart disease, certain types of cancer, stroke, diabetes (non-insulin dependent or type 2) and atherosclerosis.

The dietary pattern that has been linked with these major causes of death in the US and other developed countries is characterized as relatively high in total and saturated fat, cholesterol, sodium and refined sugars and relatively low in unsaturated fat, grains, legumes, fruits and vegetables. Research suggests that consumption of certain foods or their associated physiologically active components may be linked to disease risk reduction. The great majority of these components derive from plants (https://academic.oup.com/jn/article/132/12/3772/4712139).

The global functional foods market size is projected to reach US$275.77 billion by 2025, according to a report by Grand View Research, Inc. It is anticipated to expand at a compound annual growth rate ("**CAGR")** of 7.9% during the forecast period (https://www.grandviewresearch.com/press-release/global-functional-foods-market).

Medicinal Mushroom Market

Medicinal Mushrooms are mushrooms which are cultivated for their high nutrient profile of proteins, vitamins, antioxidants and amino acids. Medicinal Mushrooms are native to Asia and

cultivated on a large scale in this region. According to Persistence Market Research, Medicinal Mushrooms are known for their cure for seasonal allergies, common cold, inflammations, alleviating asthma and bronchitis, and boosting the functioning of the nervous system (https://www.persistencemarketresearch.com/market-research/medicinal-mushroomsmarket.asp).

Medicinal Mushrooms are microscopic fungi, which are used for their health-promoting properties. They are used in the form of extracts, which include capsules, powder, liquid, and others. Some of the commonly known Medicinal Mushrooms are chaga, cordyceps, reishi, turkey tail, shiitake, and others.

According to TechNavio, the market is driven by health-promoting benefits of Medicinal Mushrooms. Medicinal Mushrooms are rich in nutrients such as Vitamin D, potassium, calcium, vitamin B, amino acids, and fiber. These nutrients are vital in improving antioxidant activity by reducing free radicals in the human body. Medicinal Mushrooms such as chaga mushrooms are known to increase the white blood cell count in the bone marrow, reduce inflammation in colon cells, and aid in the treatment of inflammatory bowel diseases. Many such health benefits are increasing the consumption of Medicinal Mushrooms, which is driving the growth of the market (https://www.technavio.com/report/global-medicinal-mushrooms-market-analysis-share-2018).

According to Data Bridge Market Research, the global Medicinal Mushroom market is expected to reach US$78.7 billion by 2025, from US$38.1 billion in 2017 growing at a CAGR of 9.5% during the forecast period of 2018 to 2025 (https://www.databridgemarketresearch.com).

The Market for ‘‘Magic” Mushrooms

Psilocybin is a naturally occurring psychedelic compound found in certain types of mushrooms. Psychedelic mushrooms which contain Psilocybin are restricted substances and recreational use of them is prohibited in most countries. Research and development involving Psilocybin in Canada can only be conducted with approval by Health Canada. More information on the steps that are required to bring a restricted substance such as Psilocybin to market as a drug is described in further detail below. Section 56 of the CDSA grants Health Canada the right to give exemptions for research into controlled substances.

Weight Loss and Management

Major factors expected to drive the weight related market at a CAGR of 6.9%, are increasing obese population, increasing number of bariatric surgeries, growing adoption of online weight loss and weight management programs, rise in disposable income in developing economies, sedentary lifestyle, and increasing government initiatives for creating awareness among obese population. MarketsandMarkets forecasts the weight loss and weight management market to grow from USD 175.94 billion in 2017 to USD 245.51 billion by 2022”. https://www.marketsandmarkets.com/Market-Reports/weight-loss-obesity-managementmarket-1152.html.

Competitors

For the research side of our business, there are a limited number of companies actively engaged in psychedelics research due to the significant regulatory hurdles involved in working

with controlled substances. For the product side of our business, the competitive landscape is drastically different. There are a plethora of companies competing in the individual health, wellness, and functional foods spaces.

Competitors: Psychedelic Drugs, Bioscience & Technology

We have identified our most relevant competitive companies operating in this space to be Champignon Brands, MindMed, Cybin Inc., Field Trip Health Ltd., ATAI Life Science, COMPASS Pathways and Usona Institute. Some of these companies are further ahead of us in their clinical trials. See the above section under “Products and Services” for more details. However, we are not aware of any other trials that are using Psilocybin or other psychoactive substances to promote and cause weight loss. We believe that we have an opportunity to be first to market and to potentially obtain one or more patents surrounding the administration of Psilocybin as a treatment to aid in weight loss, treat compulsive eating disorder, treat obesity or a complication of obesity, and/or alter the diet of an individual. We believe our unique area of developing a psychedelic treatment to aid in weight loss gives us a competitive advantage as the need is significant and our competitors are focused on other areas of treatment. Our management and our advisors and key stakeholders (TLS and Better Plant) provide us with an extensive network throughout universities and other research organisations which may assist us in forming alliances to further our research and successfully bring our products to market.

Competitors: Mushroom-Infused Products

We believe that NeonMind can successfully compete in the mushroom-infused product market given the history and experience of our management team in developing, manufacturing, and bringing to market wellness-focused consumer products. Further, we feel we can offer competitive products as a result of our high-quality formulations at comparable price points.

Within North America, we have identified the following brands as direct competitors from a product perspective: Four Sigmatic, Moon Juice, Sun Potion Transformational Foods, Om Mushrooms and The New Age.

Specialized Skills and Knowledge

The nature of our business requires specialized knowledge and technical skill around medicinal plants, product formulation, quality assurance, ingredient sourcing, intellectual property protection, regulatory compliance and licensing and distributing products. We have an operating agreement with Better Plant whereby employees of Better Plant provide services to us for a monthly fee in the areas of medicinal plants, product development, ingredient sourcing and packaging. Bhavna Solecki, who is the Director of Research and Product Development of Better Plant, is an Ayurvedic teacher, mentor, entrepreneur, and diagnostic practitioner, as well as a clinical researcher with more than 30 years of experience in Ayurvedic practices and medicinal research. She is a senior clinical research assistant to the Chief Medical Officer (Dr. Priyanka Yaswant) working at the Ilariza Bionaturals Center of Ayurveda and Botanical Research Center in Bangalore, India, on traditional Ayurvedic herbal medicine and cosmetic formulations development. Bhavna is overseeing the development of our Medicinal Mushroom products. She also contributes to some of our intellectual property with regards to our development of therapeutics uses of psychedelics. We rely and will continue to rely on the specialized and technical skills of the scientific team at TLS and their consultants, who we have engaged to design and conduct studies and clinical trials for therapeutic uses of psilocybin. More details on

the TLS team can be found above, in this section, under "*Other Assets*". We have several individuals in our management and advisory team with legal training and expertise, including Charles Boulakia, an experienced patent lawyer.

Raw Materials, Manufacturing, and Warehousing

We work with local companies to source and supply raw ingredients for our coffee formulations. These ingredients primarily include Medicinal Mushrooms, botanicals, and coffee. Our 100% Arabica organic roasted and instant coffee is grown in South America, our botanicals originate in India, and our organic Medicinal Mushroom extracts come from China.

We have been informed by the supplier of our mushroom extracts for our coffees that delivery times for raw materials are longer due to interruption in business due to COVID-19. While we have already secured raw ingredients for our first production batch, we expect deliveries of future raw materials orders to take 10 weeks, but this delivery time could become longer due to COVID19.

We will engage licensed contract manufacturing organizations to manufacture our mushroom infused product formulations on a commercial scale, including the required mixing, filling, labeling, packaging, and testing functions. Manufacturing is already underway with our chosen contract manufacturer for the mushroom-infused coffees. We are on track to complete coffee production and required third-party testing in November 2020.

We intend to use a third-party logistics provider and warehouse facility located in the Lower Mainland of British Columbia. Warehouse expenses include pay for usage on storage, which was included in working capital in the Use of Proceeds. Shipping and handling fees are related to processing sales orders. We will incur these costs when we have generated sales and we intend to finance these costs with profits from product sales.

Government Regulation

Government regulation impacts key aspects of our business - both on the research side and on the product side. Laws and regulations, applied generally, grant government agencies and self regulatory bodies broad administrative discretion over our activities, including the power to limit or restrict business activities as well as impose additional disclosure requirements on our products and services. Achievement of our business objectives are contingent, in part, upon compliance with regulatory requirements enacted by these governmental authorities and obtaining all necessary regulatory approvals for our proposed research- and product-related activities.

<u>Research-Related Regulations</u>

Since our research operations will involve psilocybin, which is a controlled substance, the use of which is not yet legal in Canada, we will have to comply with the applicable regulations governing such substances including the following:

Drug Scheduling in Canada

Narcotics and controlled substances are controlled via the *Controlled Drugs and Substances Act* (the "**CDSA**"). All drugs on the CDSA schedules require a prescription. It is a criminal

offence to possess substances scheduled under the CDSA without a prescription. The CDSA schedules generally dictate the severity of the penalty for possessing the substance without a prescription. Drugs are scheduled based on the substance's perceived harm to society and divided into categories, or "schedules", by the government based on their potential for abuse or addiction. At present, there are 5 CDSA schedules. The CDSA schedules determine the penalty for unlawful possession. Psilocybin are currently Schedule III drugs in the CDSA.

All other drugs are regulated via the National Drug Schedules ("**NDS**"). Only drugs on Schedule I of the NDS require a prescription.

Health Canada regulates all health products in Canada, and a health product may only be sold in Canada with the permission of Health Canada. During its evaluation of the safety, efficacy and quality of each health product, Health Canada determines whether a drug should be a controlled substance, a prescription drug or a non-prescription drug. A substance may be deemed a controlled substance but also a prescription drug. Scheduling the substance in the CDSA means that there are criminal consequences to possessing the drug unlawfully. If Health Canada determines that a drug requires a prescription, it is placed on the Health Canada Prescription Drug List ("**PDL**"). Psilocybin is not currently on the PDL.

After Health Canada determines if a drug may be sold in Canada and if it requires a prescription, the individual provinces, territories and the National Association of Pharmaceutical Regulatory Authorities ("**NAPRA**") decide where it may be sold, under advisement from the National Drug Scheduling Advisory Committee. NAPRA maintains a harmonized list referred to as the National Drug Schedules. NAPRA may decide to be more restrictive in scheduling drugs, but never less restrictive than has already been determined at the federal level.

*Food and Drug Act (Canada) (the "**Canada FDA**")*

According to the Canada FDA, a drug includes any substance or mixture of substances manufactured, sold or represented for use in:

a. the diagnosis, treatment, mitigation or prevention of a disease, disorder, abnormal physical state, or its symptoms, in human beings or animals;
b. restoring, correcting or modifying organic functions in human beings or animals; or
c. disinfection in premises in which food is manufactured, prepared or kept.

Health Canada's Health Products and Food Branch ("**HPFB**")

All new drugs must be approved by Health Canada's HPFB, prior to being sold in Canada, by going through a drug review process which consists of the following steps:

- *Step 1: Discovery and Development* - In some cases, initial discovery through tests of molecular compounds, or existing treatments that have unanticipated effects. Once a promising compound is discovered, researchers perform initial experiments to gather data on how it works, potential benefits, best dosage and delivery method, side effects etc.

- *Step 2: Pre-clinical Research* - Laboratory and/or animal testing to gather more detailed data on dosing and potential toxicity. After Step 2, drug developers must apply to HPFB for authorization to conduct a clinical trial in Canada.

- *Step 3: Clinical Research* - Clinical trials performed on human subjects.

- *Step 4: HPFB Review* - The sponsor or drug developer files a New Drug Submission with the HPFB. This contains information and data about the drug's safety, effectiveness, and quality. It includes the results of the pre-clinical and clinical studies, details regarding the production of the drug, packaging and labelling details, and information regarding therapeutic claims and side effects. HPFB performs a thorough review of the submitted information. HPFB evaluates the safety, efficacy, and quality data to assess the potential benefits and risks of the drug. HPFB reviews the information that the sponsor proposes to provide to health care practitioners and consumers about the drug (e.g. the label, product brochure). If, at the completion of the review, the conclusion is that the benefits outweigh the risks and that the risks can be mitigated, the drug is issued a Notice of Compliance, as well as a Drug Identification Number (DIN) which permits the sponsor to market the drug in Canada and indicates the drug's official approval in Canada.

- *Step 5: Post-Market Safety Monitoring* - In addition, Health Canada laboratories may test certain biological products before and after authorization to sell in Canada has been issued. This is done through its Lot Release Process, in order to monitor safety, efficacy, and quality. Health Canada uses drug monographs to expedite review of some non-prescription drugs, if a monograph has already been established. Since Psilocybin is currently a scheduled drug in the CDSA, no monograph has been established.

Obtaining Status as a Non-Prescription Drug

The HPFB of Health Canada can add or remove ingredients to the PDL, following recommendations from a Health Canada committee of scientific experts. Switching from prescription to non-prescription status can be initiated by request from a company, by submitting data regarding the drug's safety, quality, and efficacy.

Once scientific staff have recommended removal from the PDL, Health Canada conducts a 75-day consultation to gather and evaluate comments before finalizing its decision. This process is much quicker than it was prior to 2012, when a regulatory amendment was required to the Canada FDA.

There are three broad principles that Health Canada uses to determine whether a prescription should be required: (1) supervision by a practitioner is necessary for effective diagnosis, treatment, mitigation, prevention or monitoring; (2) the level of uncertainty justifies supervision; and (3) the use of the drug could cause harm or risk and this could be mitigated by the supervision of a practitioner.

In order to sell a new drug without a prescription - or over the counter ("**OTC"**) - a drug must first be removed from the CDSA. It must also be approved by Health Canada as a non-prescription drug or a natural health product. It cannot be placed on the Health Canada PDL or Schedule I of the NDS.

In order for the drug to be removed from the CDSA, an amending Act or regulation must be passed by the federal government. The bill must pass both the House of Commons and the Senate before being enacted into law. There are already lobbying efforts underway for the legalization of psychedelics in Canada and, in the future, it could conceivably follow a similar

path to legalization as cannabis. However, there is no guarantee that psychedelics will be legalized in Canada in the future.

Another catalyst prompting a bill to change the CDSA could come from strong scientific evidence as to increased medical benefits and decreased risks than currently contemplated by Health Canada and its recommendations for the CDSA. Scientific research using controlled substances is tightly controlled by the CDSA, but an exemption may be granted under subsection 56(1): Exemptions for Clinical or Scientific Research involving Controlled Substances. Health Canada must also then approve any clinical trials. Some limited Psilocybin research is in the application process in Canada. For example, the University of Toronto at Mississauga launched a Centre for Psychedelic Studies and is working with Health Canada to obtain approval to conduct clinical trials on micro dosing Psilocybin.

Other studies are currently underway in the U.S., having already obtained permission from the Drug Enforcement Agency. If the substance is removed from the CDSA, it could still be regulated by new legislation enacted in its place, as is the case with cannabis and the *Cannabis Act*.

Drug Legalization Case Study: Cannabis

Bill C-45 (the *Cannabis Act*) was introduced in April 2017, and came into effect in October 2018, approximately 1.5 years after it was first introduced. The catalyst for this change was a constitutional challenge in 2000, when the Canadian Court of Appeal ruled that limiting cannabis for a patient with epilepsy was unconstitutional and a violation to his right to life, liberty, and the security of his person. Following this ruling, the *Marihuana Medical Access Regulations Act* (the "**MMAR**") was introduced in 2001, allowing patients access to cannabis with a license signed off by a physician. The MMAR was replaced with the *Marihuana for Medical Purposes Regulations* (the "**MMPR**") in 2014, allowing patients access to cannabis with a prescription rather than a license. Finally, Bill C-45 (the *Cannabis Act*) was introduced in 2017, proposing to allow recreational cannabis use with some restrictions and, through this Act, cannabis was officially legalized in Canada on October 17, 2018. Cannabis is no longer a scheduled drug under the CDSA or under the NDS, and prescriptions are no longer required for possession of cannabis. However, the production and sale of cannabis is highly regulated, with producers, processors and retailers requiring a license.

Obtaining Status as a Natural Health Product

Natural health products, such as vitamin and mineral supplements and herbal products for which therapeutic claims are made are also considered drugs at the level of the Food and Drugs Act. However, these products are regulated as natural health products under the Natural Health Products Regulations and not as drugs under the Food and Drug Regulations ("**FDR**"). All-natural health products must be approved by Health Canada prior to being sold in Canada, and all Canadian sites that manufacture, package, label, and import these products must have a site license. The Natural Health Products Regulations 13 specify requirements to obtain product and site licensing, and to be added to the Natural Health Products List.

Detailed information must be provided to Health Canada, including: medicinal ingredients, source, dose, potency, non-medicinal ingredients, and recommended use(s). Health Canada will then evaluate the product on whether it is safe, effective and of high quality, which must be supported by evidence such as clinical trial data, references to published studies, journals, and

pharmacopoeias. The type and amount of evidence will depend on the health claims made and the product's overall risks. There are two routes to licensing a natural health product: (1) Products making modern health claims; and (2) Products used as traditional medicines. Each route has its own requirements for demonstrating safety and efficacy. Once a natural health product is approved for use, Health Canada issues a Natural Product Number or a Homeopathic Medicine Number, which must be displayed on the product's label. There are also a number of other labelling requirements.

Product-Related Regulations

Health Canada

Our operations are subject to various laws, regulations, and guidelines by governmental authorities, particularly Health Canada, relating to the manufacture, marketing, management, transportation, storage, sale, pricing and disposal of consumer products, as well as laws and regulations relating to health and safety, insurance coverage, the conduct of operations, and the protection of the environment.

We will also have to comply with food regulations in Canada, including the following:

The Canada FDA and FDR. The Canada FDA and its regulations regulate food and drugs in Canada and set forth requirements on composition (including but not limited to food additives, fortification, and food standards), packaging, and licensing requirements. We are not required to obtain pre-approvals or licenses for our products, but must comply with the Canada FDA's production, packaging, labelling and marketing requirements, which include ensuring that our products are not packaged or marketed in a manner that is misleading or deceptive to a consumer.

The FDR further requires most food products to display specific nutrition facts and nutrient content on their labels in the form of a Nutrition Fact Table ("**NFT**"). The FDR was amended on December 14, 2016 to introduce new nutrition labelling regulations, including a five-year transition period to meet the new requirements. The transition period will end on December 14, 2021, and inspection activities will monitor compliance with the new regulations. The Canadian Food Inspection Agency is responsible for compliance with and enforcement of the new requirements.

Consumer Packaging and Labelling Act (Canada)("**CPLA**")*.* The CPLA provides for a uniform method of packaging and labelling pre-packaged consumer goods in Canada. The relevant provisions include prevention of misleading statements and requiring certain information to be included on the labels.

Employees

As of the date of this Prospectus, we have 4 part time officers, the CEO, the CFO, the VP Sales, and the Corporate Secretary. We also have 12 part-time independent contractors working in the areas of marketing, packaging design, formulations, operations, legal, accounting, investor relations and administration through our operating agreement with Better Plant. We have written contracts with these contractors. We engage TLS to develop our clinical trials and 2 other consultants for product testing and patent protection.

Intellectual Property Protection

Protection of our intellectual property is paramount to the success of our business. We have taken the following measures to protect our intellectual property:

Patents

We have filed the following US provisional patent applications:

No.	Filing Jurisdiction	Title	Description & Status
1	December 2019 U.S.	Method For Weight Loss	Patent claiming methods of aiding in weight loss, treating compulsive eating disorder, treating obesity or a complication of obesity, and/or altering the diet of an individual by administering Psilocybin or an analog thereof. *Status: Pending*
2	February 2020 U.S.	Method for Producing an Extract of Fungi and Fungal Extract Made Therefrom	Patent claiming methods for manufacturing an extract containing Psilocybin from certain mushrooms. *Status: Pending*
3	June 2020 U.S.	Method for Weight Loss with Therapy	Patent claiming methods of using serotonin agonists, in particular psychedelic mushroom actives, combined with therapy, for aiding in weight loss, treating compulsive eating disorder, treating obesity or a complication of obesity, and/or altering the diet of an individual by administering Psilocybin or an analog thereof. *Status: Pending*
4 (1)	June 2020 U.S.	Method for Weight Loss	Patent claiming methods of aiding in weight loss, treating compulsive eating disorder, treating obesity or a complication of obesity, and/or altering the diet of an individual by administering an effective amount of a compound selected from the group consisting of lysergic acid diethylamide ("**LSD**"), d-lysergic acid amide ("**LSA**") and/or an analog thereof. *Status: Pending*
5(1)	June 2020	Method for Weight Loss	Patent claiming methods of aiding in weight loss, treating compulsive eating disorder, treating obesity or a complication of obesity, and/or altering the diet of an individual by administering LSD, LSA and/or analog thereof, in combination with a 5-HT2A antagonist for weight loss. *Status: Pending*

6[(1)]	June 2020 U.S.	Method for Weight Loss	Patent claiming methods of aiding in weight loss, treating compulsive eating disorder, treating obesity or a complication of obesity, and/or altering the diet of an individual by using broad 5-HT agonists, such as serotonergic psychedelics such as DMT or an analog thereof. *Status: Pending*

Notes:

(1) TLS has a 20% interest in this intellectual property as a research collaborator. TLS does not have an ownership interest in the planned Study or the planned preclinical trial or planned Phase 2 Human Trial. TLS is expected to contribute expenses according to its percentage of ownership if NeonMind proceeds with trials using LSD, LSA or DMT. For more information on TLS, refer to the "*Material Contracts*" section.

Trademarks

We have filed the following trademark applications for our brand:

Trademark	Country	Application Number
NEONMIND	Canada	2013729
NEONMIND	United States	88811632

Web Domains

We have use and control over the following domain names:

- Neonmind.com
- Neon-mind.com
- Neonmind.ca
- Neonmindbioscience.com
- Neonmindbiosciences.com
- Flourishmushrooms.com
- Flourishmusshrooms.com

HISTORY OF THE BUSINESS

Chronology of Significant Events and Milestones

The following is a timeline of key events in our history:

Date	Details
September 18, 2019	Flourish Mushroom Labs Inc. was incorporated. Penny White was appointed Director, President and Chief Executive Officer of the Company.

September 20, 2019	We entered into a mushroom formula agreement to acquire mushroom formulas.
September 2019	Our management began researching potentially therapeutic uses of Psilocybin by reviewing articles on results of clinical trials and other published scientific data.
October 2019	We engaged several consultants, including an Avyedic practitioner and a chemical engineer to develop mushroom infused beverages.
November 4, 2019	Yucai (Rick) Huang was appointed as our Chief Financial Officer.
November 4, 2019	Better Plant licensed formulas for use with Psilocybin and edible mushroom products to us for 50 years.
December 2019	We filed a U.S. provisional patent application claiming methods of aiding in weight loss, treating compulsive eating disorder, treating obesity or a complication of obesity, and/or altering the diet of an individual by administering Psilocybin or an analog thereof.
January 7, 2020	Amber Allen was appointed as our Vice President, Sales.
January 12, 2020	Dr. William Panenka was appointed as Chairperson of the Scientific Advisory Board.
January 15, 2020	Jeff B. Smith was appointed as a Director of the Company.
January 15, 2020	Heather Williamson was appointed as our Corporate Secretary.
January 22, 2020	We entered into a share exchange arrangement with TLS and the founder and major shareholder, Dr. William Panenka.
January 29, 2020	We finalized the formulations for an initial planned product line of 4 mushroom coffees.
February 1, 2020	Charles Boulakia was appointed as a member of our Medical Advisory Board.
February 4, 2020	We acquired 18% of the issued and outstanding shares of TLS.
February 12, 2020	Urban Juve licensed its extraction technology to NeonMind.
February 2020	We filed a U.S. provisional patent entitled: Method for Producing an Extract of Fungi and Fungal Extract Made Therefrom.
February 12, 2020	We entered into a letter of intent with Komo Foods to license our extraction technology.
February 21, 2020	We completed the license of our extraction technology to Komo Foods
April 1, 2020	We entered into an operating agreement with Better Plant whereby Better Plant agreed to provide us with outsourced management services.

April 9, 2020	We changed our name to NeonMind Biosciences Inc.
April 9, 2020	The NeonMind brand identity and packaging design was finalized.
May 4, 2020	We launched our website: www.NeonMind.com.
May 6, 2020	We entered into a Clinical Trials Start-Up Study Agreement with TLS.
May 12, 2020	TLS completed the design and budget for a study to use preclinical models to investigate Psilocybin as a treatment to promote and cause weight loss and to reduce food cravings.
May 19, 2020	Kari Richardson was appointed as a Director of the Company.
June 2020	We filed 4 additional US provisional patent applications claiming methods of aiding in weight loss, treating compulsive eating disorder, treating obesity or a complication of obesity, and/or altering the diet of an individual by administering Psilocybin and/or other using psychedelic compounds or their analogs.
July 2020	TLS entered into a non-binding letter of intent to secure the supply of Psilocybin for our pre-clinical and clinical trials.
July 2020	We completed the design of the packaging for 4 NeonMind Medicinal Mushroom infused coffees and ordered raw ingredients.
July 27, 2020	An application for an exemption pursuant to subsection 56(1) of the *Controlled Drugs and Substances Act*, S.C. 1996, c. 19 was submitted to Health Canada to allow us to commence our preclinical trial using Psilocybin.
August 2020	Completed R&D for the 4 mushroom-infused coffees with the contract manufacturer.
September 2020	Completed internal compliance review of the coffee packaging and labels.
September 2020	Placed purchase orders for the coffee packaging and completed the final artwork for printing.
September 2020	Produced testing samples of all 4 mushroom coffees and completed third-party nutritional analysis for the purposes of producing Canada and USA-compliant nutritional fact tables for the product packaging.
September 2020	Entered into Restricted Drug supply agreement with Psygen Labs Inc.
October 2020	Health Canada provided authorization to UBC to commence our preclinical trial.
October 2020	Manufacturing of the first batch of the four coffees.
November 2020	We commenced the Preclinical Trial testing Psilocybin to aid in weight loss or cause weight loss and reduce food cravings.
November 2020	We launched our website at neonmind.com selling 4 Medicinal mushroom coffees.

USE OF PROCEEDS

Available Funds: Upon the completion of the Offering, we estimate we will have the following funds available:

Source of Funds	Amount if Minimum Offering is Raised ($)	Amount if Maximum Offering is Raised ($)	Amount if Over-Allotment Offering Option is exercised in full ($)
Gross Proceeds of Offering	2,000,000	4,000,000	4,600,000
Less: Agent's Commission	200,000	400,000	460,000
Transaction Costs[1]	110,000	110,000	110,000
Net Proceeds of Offering	1,690,000	3,490,000	4,030,000
Estimated Working Capital as of October 31, 2020	(53,000)	(53,000)	(53,000)
Total Funds Available	1,637,000	3,437,000	3,977,000

Notes:

[1] Consists of estimated fees to obtain a listing on the Exchange, estimated Transfer Agent fees and estimated legal fees.

Total Funds Available, Breakdown of Funds and Principal Purposes for Which Funds Will be Used

Our total anticipated operating expenses and capital expenditures over the 12-month period following completion of the Offering if we raise the Minimum Amount, Maximum Amount and the Over-Allotment are as follows:

Expense	Minimum Amount ($)	Maximum Amount ($)	Over Allotment ($)
ESTABLISHMENT OF CORE TEAM AND OPERATING CAPABILITY			
Corporate leadership compensation	346,000	346,000	346,000
Operating contract fees[1]	360,000	360,000	360,000
MUSHROOM-INFUSED CONSUMER PRODUCTS BUSINESS			
Research and Development:			
Consumer testing	9,000	27,000	36,000
Products Launch:			
Inventory and working capital	113,000	368,000	518,000
Website development and maintenance	11,000	21,000	21,000
Advertising and promotions	70,000	544,000	925,000
PHARMACEUTICAL DEVELOPMENT [2]			

Preclinical Study:			
Materials and supplies	10,000	10,000	10,000
Pre-clinical study management and data collection	139,000	154,000	154,000
Data analysis and wrap up	100,000	100,000	100,000
Other Research and Development:			
Early stage research and testing [(3)]	-	60,000	60,000
Phase II Clinical Trial [(4)]:			
Protocol and Health Canada application	-	100,000	100,000
Ethics Write-up	-	50,000	50,000
Materials and supplies	-	50,000	50,000
Clinical trial management and data collection	-	300,000	300,000
Data analysis and wrap up	-	-	-
Sub-Total: development milestones	**1,158,000**	**2,490,000**	**3,030,000**
Rent	18,000	18,000	18,000
Audit fees	22,000	22,000	22,000
Legal fees	12,000	12,000	12,000
Consulting	25,000	25,000	25,000
Insurance	222,000	222,000	222,000
Banking	6,000	6,000	6,000
Office administration	12,000	12,000	12,000
Travel and entertainment	12,000	12,000	12,000
Corporate media	69,000	377,000	377,000
Investor relations	45,000	205,000	205,000
Listing fees	36,000	36,000	36,000
Total Use of Proceeds	**1,637,000**	**3,437,000**	**3,977,000**

Notes:

(1) These fees are due to Better Plant, a related party per an operating agreement reached on April 1, 2020.
(2) We are required to apply for and obtain approval from Health Canada for each stage, study and trial of our planned pharmaceutical development objectives. At the time of this prospectus, we have not obtained such approvals.
(3) Early stage research and testing include other preclinical trials we may want to conduct.
(4) Total cost of Phase II clinical trial is estimated to be $1.5 million, of which $1 million to be financed with future financing 12 months after the IPO.

We have a limited operating history and may sustain losses in the future. Since our inception, we have had negative operating cash flow. Accordingly, any unallocated funds will be used for general working capital purposes. We intend to spend the available funds from the Offering as described in the preceding table. However, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary. If such an event occurs during the completion of the Offering, if required, an amendment to this Prospectus will be filed. See "*Risk Factors*".

Business Objectives and Milestones

The following describes our business objectives and milestones using our total funds available. We have attempted to provide our best estimate and to account for possible delays that may occur in light of the COVID-19 pandemic. However, given the uncertainty of the pandemic and the potential for a second wave in the fall or winter, the time period for achieving milestones may be negatively impacted in ways that are unknown at this time.

Business Objective	Milestones	Estimated Time Period	Allocation of Available Funds Amount if Minimum Offering is Raised ($)	Allocation of Available Funds if Maximum Offering is Raised ($)	Allocation of Available Funds if Over-Allotment Option is exercised in full ($)
ESTABLISHMENT OF CORE TEAM AND OPERATING CAPABILITY	Establish corporate leadership	December 2020	346,000	346,000	346,000
	Operating contract fees	December 2020	360,000	360,000	360,000
MUSHROOM-INFUSED CONSUMER PRODUCTS BUSINESS	*Research and Development:*				
	Consumer testing	December 2020	9,000	27,000	36,000
	Products Launch:				
	Additional Inventory and working capital	December 2020	113,000	368,000	518,000
	Website development and maintenance	December 2020	11,000	21,000	21,000
	Advertising and promotions	December 2020	70,000	544,000	925,000
PHARMACEUTICAL DEVELOPMENT	*Preclinical Study:*				
	Materials and supplies	December 2020	10,000	10,000	10,000
	Preclinical Study management and data collection	December 2020	139,000	154,000	154,000
	Data analysis and wrap up	January 2021	100,000	100,000	100,000

	Other Research and development	February 2021	-	60,000	60,000
	Early stage research and testing				
	Phase II Clinical Trial:				
	Protocol and Health Canada application	April 2021	-	100,000	100,000
	Ethics Write-up and CRP development	April 2021	-	50,000	50,000
	Materials and supplies	May 2021	-	50,000	50,000
	Clinical trial management and data collection	May 2021	-	300,000	300,000
	Data analysis and wrap up	December 2022	-	-	-
Total			**1,158,000**	**2,490,000**	**3,030,000**

We plan to use any excess capital raised for general working capital purposes.

OTHER SOURCES OF FUNDING

Other than the funds to be raised under the Offering, there are no other sources of funding. We have not yet reached profitability and we are currently dependent on financing to execute our business plan.

Please see our MD&A attached as Schedule “D” hereto for additional disclosure for venture issuers without significant revenue and junior issuers.

DIVIDENDS OR DISTRIBUTIONS

We have not paid dividends since our incorporation. While there are no restrictions in our articles or pursuant to any agreement or understanding which could prevent us from paying dividends or distributions, we have limited cash flow and anticipate using all available cash resources to fund working capital and grow our business. As such, there are no plans to pay dividends in the foreseeable future. Any decisions to pay dividends in cash or otherwise in the future will be made by the Board on the basis of our earnings, financial requirements and other conditions existing at the time a determination is made.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The MD&A should be read in conjunction with the Financial Statements and the disclosure contained in this Prospectus. The discussions of results are as of the dates stated in the applicable MD&A. The financial statements and the financial data derived therefrom and included in this Prospectus have been prepared in accordance with IFRS.

Our MD&A for the three and the nine months ended August 31, 2020, and the year ended November 30, 2019 is attached hereto as Schedule D.

DESCRIPTION OF THE OUTSTANDING SECURITIES

Common Shares

Our authorized capital consists of an unlimited number of Common Shares, of which 66,430,500 Common Shares are issued and outstanding as at the date of this Prospectus as fully paid and non-assessable.

Holders of the Common Shares are entitled to receive notice of and to attend and vote at all meetings of the holders of our Common Shares and, subject to the rights of holders of any shares ranking in priority to or on a parity with the Common Shares, to participate rateably in any distribution of our property or assets upon liquidation or wind-up. Each Common Share entitles its holder to one vote.

OPTIONS AND OTHER RIGHTS TO PURCHASE SECURITIES

Warrants

The following table summarizes the common share purchase warrants outstanding in our authorized capital as of the date of this Prospectus:

Date of Issuance	Number of Warrants	Exercise Price ($)	Expiry Date
November 29, 2019	2,150,000	0.50	November 29, 2021
December 19, 2019	4,270,000	0.50	December 19, 2021
December 19, 2019	420,000[(1)]	0.05	December 19, 2021
January 10, 2020	1,000,000	0.50	January 10, 2022
January 15, 2020	4,246,500	0.50	January 15, 2022
January 15, 2020	424,650[(1)]	0.05	January 15, ,2022
January 21, 2020	1,800,000	0.50	January 21, 2022
January 21, 2020	180,000[(1)]	0.05	January 21, 2022

January 22, 2020	200,000	0.50	January 22, 2022
January 24, 2020	200,000	0.50	January 24, 2022
January 24, 2020	20,000[(1)]	0.05	January 24, 2022
January 28, 2020	200,000	0.50	January 28, 2022
February 3, 2020	270,000	0.50	February 3, 2022
February 4, 2020	15,000,000	0.50	February 4, 2022
February 7, 2020	100,000	0.50	February 7, 2022
February 20, 2020	50,000	0.40	February 20, 2022
March 23, 2020	387,500	0.40	March 23, 2022
March 25, 2020	100,000	0.40	March 25, 2022
April 27, 2020	250,000	0.40	April 27, 2022
May 6, 2020	55,000,000	0.20	May 6, 2022
May 14, 2020	1,713,000	0.15	May 14, 2021
May 14, 2020	171,300[(2)]	0.08	May 14, 2021
TOTAL	**88,152,950**		

Notes:

(1) Broker's finder warrants were issued with an exercise price of $0.05 for a period of 24 months from the closing date for an additional Common Share.

(2) Finder's unit warrants were issued with an exercise price of $0.08 for a period of 12 months from the closing date (the "**Finder's Unit Warrants**"), with each Finder's Unit Warrant consisting of one Common Share and one share purchase warrant (the "**Finder's Underlying Warrant**"). Each Finder's Underlying Warrant exercisable at $0.15 for a period of 12 months from the closing date for an additional Common Share.

Options

Our Board has adopted a Stock Option Plan whereby a maximum of 20% of the issued and outstanding Common Shares, from time to time, may be reserved for issuance pursuant to the exercise of options. Under the terms of the Stock Option Plan, options may be granted only to: (i) our employees, officers, directors, and consultants; (ii) employees, officers, directors, and consultants of an affiliate of ours; and (iii) any other person deemed suitable by the Board to receive options to purchase Common Shares.

Subject to a minimum price of $0.10 per option, the exercise price of any option when exercised may not be less than the greater of the closing market price of the Common Shares on: (a) the

last trading day immediately preceding the date of grant of the option; and (b) the date of grant of the option; provided however, that if the Common Shares are not listed on any securities exchange, the exercise price may not be less than the fair market value of the Common Shares as may be determined by the Board on the day immediately preceding the date of the grant of such option.

Once our Common Shares are listed on the Exchange, the terms of the options may not be amended once issued, and in the event an option is cancelled prior to its expiry date, the Company shall post notice of the cancellation in accordance with relevant Exchange policies, and shall not grant new options to the same person until 30 days have elapsed from the date of cancellation.

The options are non-assignable and non-transferable. Options granted under the Stock Option Plan have a maximum term of five years and can only be exercised by the optionee as long as the optionee remains an eligible optionee pursuant to the Stock Option Plan or within 90 days (or as otherwise determined by the Board) after ceasing to be an eligible optionee, or, if the optionee dies, within one year from the date of the optionee's death.

Subject to shareholder approval in certain circumstances, the Board may from time to time amend or revise the terms of the Stock Option Plan or may terminate the Stock Option Plan at any time.

As of the date of this Prospectus, there are 6,350,000 outstanding options to purchase Common Shares under the Stock Option Plan.

The following table sets forth information with respect to the options of the Company outstanding as at the date of this Prospectus. The amount of options which are issued under the Stock Option Plan represents approximately 9.5% of the current issued and outstanding Common Shares.

Optionee	Number of Options	Exercise Price ($)	Expiry Date
Officers, current and former (5 persons)	100,000	0.10	January 13, 2025
	70,000	0.10	January 15, 2025
	500,000	0.10	March 17, 2021
	400,000	0.10	January 12, 2021
	3,000,000	0.10	May 6, 2025
Advisors, Consultants and Employees (16 persons)	400,000	0.10	January 13, 2025
	400,000	0.10	January 22, 2025
	450,000	0.10	February 3, 2025
	100,000	0.10	February 4, 2025
	100,000	0.10	April 22, 2025
	330,000	0.10	April 27, 2025
	500,000	0.10	June 12, 2025
Total	**6,350,000**		

Restricted Share Units

The Board has approved a RSU Plan, designed to: (i) strengthen the ability of the Company and its affiliates to attract and retain qualified directors, officers, employees and consultants of the Company ("**Eligible Participants**"); (ii) align the interests of Eligible Participants with the interests of the Shareholders; and (iii) focus management of the Company on operating and financial performance and total long-term Shareholder return by providing an increased incentive to contribute to the Company's growth and profitability.

The RSU Plan authorizes the Board to grant RSUs, in its sole and absolute discretion, to any Eligible Participant. Each RSU provides the recipient with the right to receive Common Shares as a discretionary payment in consideration of past services or as an incentive for future services, with such additional provisions and restrictions as the Board may determine. Each RSU grant shall be evidenced by a restricted share unit agreement ("**RSU Agreement**") which shall be subject to the terms and conditions set out in the RSU Agreement and in the RSU Plan.

Once our Common Shares are listed on the Exchange, the Board shall not grant RSUs at a price lower than the greater of the closing market prices of the Common Shares on (a) the trading day prior to the date of grant of the RSUs; and (b) the date of grant of the RSU.

As of the date of this Prospectus, there are 9,196,883 outstanding restricted share units under the RSU Plan, none of which have vested.

Date of Grant	RSUs Granted	RSUs Outstanding	Vesting Period
April 28, 2020	2,000,000	2,000,000	36 months after Listing Date
May 6, 2020	5,000,000	5,000,000	36 months after Listing Date
May 19, 2020	1,000,000	1,000,000	36 months after Listing Date
May 26, 2020	493,750	493,750	4 months after Listing Date
June 12, 2020	256,250	256,250	4 months after Listing Date
August 21, 2020	337,500	337,500	4 months and one day after the Date of Grant
October 21, 2020	109,383	109,383	4 months and one day after the Date of Grant
TOTAL		**9,196,883**	

Of these RSUs, 6,000,000 are granted to directors, 2,000,000 are granted to officers, and 1,196,883 are granted to consultants.

DESCRIPTION OF THE SECURITIES TO BE DISTRIBUTED

Each Unit consists of one Unit Share and one Unit Warrant.

Unit Shares

Upon the completion of the Offering, we will issue a minimum of 20,000,000 Unit Shares and up to a maximum of 40,000,000 Unit Shares (46,000,000 if the Over-Allotment Option is exercised in full). The holder of each Unit Share is entitled to vote at all meetings of the holders of our Common Shares and, subject to the rights of holders of any shares ranking in priority to

or on a parity with the Common Shares, to participate rateably in any distribution of our property or assets upon liquidation or wind-up.

Unit Warrants

Upon the completion of the Offering, we will issue up to a minimum of 20,000,000 Unit Warrants and up to a maximum of 40,000,000 Unit Warrants (46,000,000 if the Over-Allotment Option is exercised in full). Each Unit Warrant will entitle the holder thereof to acquire, subject to adjustment in certain circumstances, one Common Share (each, a "**Warrant Share**") at an exercise price of $0.20 until 4:00 p.m. (Eastern time) on the date that is twelve (12) months from the Closing Date.

The Unit Warrants to be issued under the Offering will each be governed by the terms of warrant indentures (the "**Warrant Indenture**") to be dated as of the Closing Date between the Company and the Transfer Agent. The following summary of certain anticipated provisions of the Warrant Indenture does not purport to be complete and is subject in its entirety to the detailed provisions of the Warrant Indenture. Reference should be made to the Warrant Indenture for the full text of attributes of the Unit Warrants respectively, which will be filed by the Company under its corporate profile on SEDAR following the closing of the Offering.

The Unit Warrants and Warrant Shares have not been and will not be registered under the U.S. Securities Act or any applicable state securities laws, and the Unit Warrants may not be exercised by or on behalf of a person in the United States unless an exemption from such registration is available and documentation to that effect is provided in accordance with the terms of the Warrant Indenture.

Each Unit Warrant will entitle the holder to acquire, subject to adjustment in certain circumstances, a Warrant Share at an exercise price of $0.20 until 4:00 p.m. (Eastern time) until the date that is twelve (12) months following the Closing Date (the "**Unit Warrant Expiry Date**"), after which time the Unit Warrants will be void and of no value.

The Unit Warrants may be issued in uncertificated form. Any Unit Warrants issued in certificated form shall be evidenced by a warrant certificate in the form attached to the Warrant Indenture. All Unit Warrants issued in the name of CDS may be in either a certificated or uncertificated form, such uncertificated form being evidenced by a book-entry position on the register of warrant holders to be maintained by the Warrant Agent at its principal office in Vancouver, British Columbia.

The Warrant Indenture will provide that the share ratio and exercise price of the Unit Warrants will be subject to adjustment in the event of a subdivision or consolidation of the Common Shares. The Warrant Indenture will also provide that if there is: (i) a reclassification or change of the Common Shares, (ii) any consolidation, amalgamation, arrangement or other business combination of the Company resulting in any reclassification, or change of the Common Shares into other shares, or (iii) any sale or conveyance of the Company's assets as an entity or substantially as an entirety to another entity, then each holder of a Unit Warrant which is thereafter exercised shall receive, *in lieu* of Common Shares, the kind and number or amount of other securities or property which such holder would have been entitled to receive as a result of such event if such holder had exercised the Unit Warrants prior to the event.

The Company will also covenant in the Warrant Indenture that, during the period in which the Unit Warrants are exercisable, it will give notice to holders of Unit Warrants of certain stated events, including events that would result in an adjustment to the exercise price of the Unit

Warrants issuable upon exercise of the Unit Warrants, at least 14 days prior to the record date or effective date, as the case may be, of such events.

No fractional Common Shares will be issuable to any holder of Unit Warrants upon the exercise thereof, and no cash or other consideration will be paid *in lieu* of fractional shares. The holding of Unit Warrants will not make the holder thereof a shareholder of the Company or entitle such holder to any right or interest in respect of the Unit Warrants except as expressly provided in the Warrant Indenture. Holders of Unit Warrants will not have any voting or pre-emptive rights or any other rights of a holder of Common Shares.

From time to time, the Company and the Warrant Agent, without the consent of the holders of Unit Warrants, may amend or supplement the Warrant Indentures for certain purposes, including curing defects or inconsistencies or making any change that does not adversely affect the rights of any holder of Unit Warrants. Any amendment or supplement to the Warrant Indenture that adversely affects the interests of the holders of the Unit Warrants may only be made by "extraordinary resolution", which will be defined in the respective Warrant Indenture as a resolution either: (i) passed at a meeting of the holders of the Unit Warrants, as applicable, at which there are holders present in person or represented by proxy representing at least 20% of the aggregate number of the then outstanding Unit Warrants, as applicable and passed by the affirmative vote of holders representing not less than 66⅔% of the aggregate number of all the then outstanding Unit Warrants represented at the meeting and voted on the poll upon such resolution or (ii) adopted by an instrument in writing signed by the holders of not less than 66⅔% of the aggregate number of all the then outstanding Unit Warrants, as applicable.

Over-Allotment Units

The Over-Allotment Units will be issued for the sole purpose of covering over-allotments from subscribers of the Offering. The Over-Allotment Option and the Common Shares underlying the Units and the Unit Warrants issued under the Over-Allotment Option are qualified for distribution under this Prospectus.

Agent's Option

Upon the completion of the Offering, we will issue up to 4,000,000 Agents' Options (4,600,000 if the Over-Allotment Option is exercised in full). Each Agents' Option entitles the holder to purchase one Agents' Option Unit at a price of $0.10 per Agents' Option Unit for a period of twenty-four (24) months from the Closing Date. Each Agents' Option Unit shall consist of one Agent's Option Share and one Agent's Option Warrant, which further entitles the holder to purchase one Agent's Option Warrant Share at a price of $0.20 per share for a period of 24 months from the Closing Date.

CONSOLIDATED CAPITALIZATION

Other than as listed in the "*Prior Sales*" section of this Prospectus, and other than as a result of this Offering, there have been no material changes in our capital structure on a consolidated basis since our Interim Financial Statements. The following table provides information about our capitalization as of the dates specified below:

Designation of security	Number authorized to be issued	Outstand-ing at August 31, 2020	Outstand-ing at the date of this Prospectus	Outstanding after giving effect to the Minimum Offering	Outstanding after giving effect to the Maximum Offering	Outstanding after giving effect to the full Offering and the Over-Allotment Option
Common Shares	Unlimited	104,368,000	66,430,500	66,430,500	66,430,500	66,430,500
Common Shares issued as part of the Units	Unlimited	-	-	20,000,000	40,000,000	46,000,000
Total Non Diluted Capitalization		**104,368,000**	**66,430,500**	**86,430,500**	**106,430,500**	**112,430,500**

PRIOR SALES

The table below sets out the prior sales of Common Shares, Warrants and Units for the 12-month period preceding the date of this Prospectus. For issuances of options see *"Description of the Outstanding Securities - Options*" and *"Options and Other Rights to Purchase Securities"*. This table does not include units issued to finders under private placements: please see "*Description of the Outstanding Securities – Warrants*" for a full list of all of the outstanding Warrants.

Date of issuance	Type of security issued	Number of securities issued	Price per security ($)	Value received ($)	Type of transaction
September 18, 2019	Common shares	1,000	0.005	5.00	Private Placement [(10)]
October 3, 2019	Common shares	30,000,000 (cancelled on May 6, 2020)[(6)]	0.001	30,000	Shares for Debt for the purchase of intangible assets[(11)]
October 18, 2019	Common shares	90,000,000 (but only 28,000,000 remaining after 25,000,000 were cancelled on May 6, 2020[(6)] and 37,000,000 were cancelled on October 21, 2020)[(7)(8)(9)]	0.02	1,800,000	Payment for License[(12)]
November 29, 2019	Units[(1)]	2,150,000	0.05	107,500	Private Placement

December 19, 2019	Units[1]	4,270,000	0.05	213,500	Private Placement
January 10, 2020	Units[1]	1,000,000	0.05	50,000	Private Placement
January 15, 2020	Units[1]	4,246,500	0.05	212,325	Private Placement
January 21, 2020	Units[1]	1,800,000	0.05	90,000	Private Placement
January 22, 2020	Units[1]	200,000	0.05	10,000	Private Placement
January 24, 2020	Units[1]	200,000	0.05	10,000	Private Placement
January 28, 2020	Units[1]	200,000	0.05	10,000	Private Placement
February 3, 2020	Units[1]	60,000	0.05	3,000	Private Placement
February 3, 2020	Units[1]	210,000	0.05	10,500	Shares for Debt
February 4, 2020	Units[1]	15,000,000 (4,000,000 cancelled on May 6, 2020)	0.05	750,000	Acquisition Agreement
February 7, 2020	Units[1]	100,000	0.05	5,000	Private Placement
February 20, 2020	Units[2]	50,000	0.08	4,000	Private Placement
February 20, 2020	Common shares	6,250,000 (but only 5,312,500 remaining after 937,500 shares were cancelled on October 21, 2020)[8]	0.08	500,000	License Agreement
March 23, 2020	Units[2]	387,500	0.08	31,000	Private Placement
March 25, 2020	Units[2]	100,000	0.08	8,000	Private Placement
April 27, 2020	Units[2]	250,000	0.08	20,000	Private Placement
April 29, 2020	Common shares	30,000	0.05	1,500	Option exercise

April 30, 2020	Common shares	100,000	0.05	5,000	Option Exercise
May 4, 2020	Common shares	50,000	0.05	2,500	Option Exercise
May 6, 2020	Warrants[3]	55,000,000	0.20	n/a	Share Cancellation and Warrant Agreement[6]
May 8, 2020	Common shares	5,000,000	0.02	100,000	Option Exercise related to a Bonus Award
May 14, 2020	Units[4]	1,713,000	0.08	137,040	Private Placement
Total		66,430,500[5]			

Notes:

(1) Units consist of one Common share and of one common share purchase warrant exercisable at a price of $0.50 per Common share for 24 months. See "*Description of the Outstanding Securities – Warrants*".

(2) Units consist of one Common share and of one common share purchase warrant exercisable at a price of $0.40 per Common share for 24 months. See "*Description of the Outstanding Securities – Warrants*".

(3) Each Warrant exercisable to purchase one Common share at a price of $0.20 for 24 months. See "*Description of the Outstanding Securities – Warrants*".

(4) Units consist of one Common share and of one common share purchase warrant exercisable at a price of $0.15 per Common share for 12 months. See "*Description of the Outstanding Securities – Warrants*".

(5) Total issued and outstanding shares calculated after giving effect to cancellations.

(6) Pursuant to a Share Cancellation and Warrant Agreement dated May 6, 2020, Better Plant surrendered for cancellation 55,000,000 Common shares in the capital of the Company in exchange for 55,000,000 non-transferable Warrants exercisable for cash at $0.20 per share. The warrants may only be exercised in cash until May 6, 2022 with the cash going directly into the treasury of the Company.[3]

(7) Pursuant to a Share Cancellation Agreement dated October 21, 2020, Better Plant surrendered for cancellation 37,000,000 Common shares in the capital of the Company for no consideration.

(8) Pursuant to a Share Cancellation Agreement dated October 21, 2020, Urban Juve surrendered for cancellation 937,500 Common shares in the capital of the Company for no consideration. The issuance of 5,312,500 shares to Urban Juve at $0.08 per share is supported by an independent valuation report dated July 22, 2020. On October 20, 2020, Better Plant cancelled accounts receivables in the amount of $135,000 and converted it to additional paid in capital contributed by Better Plant in NeonMind.

(9) On October 18, 2019, the Company issued 90,000,000 shares to Better Plant and now only 28,000,000 of those shares are still held by Better Plant after 25,000,000 were cancelled on May 6, 2020[6] and 37,000,000 were cancelled on October 21, 2020.[7]

(10) Better Plant purchased 1,000 shares of the Company at $0.005 per share.

(11) These shares were issued to Better Plant and subsequently all of them were cancelled as part of the Share Cancellation and Warrant Agreement dated May 6, 2020[6]

(12) There was no valuation done for this license from Better Plant.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

Principals Escrowed Securities

We anticipate that we will be classified as an "emerging issuer", as defined under NP 46-201, at the time our common shares are listed on the Exchange. Penny White, Jeff B. Smith, Better Plant, Urban Juve, TLS and Dr. William Panenka fall within the definition of "principal" of an emerging issuer under NP 46-201 and each of them has entered into an escrow agreement with us and the Transfer Agent on November 4, 2020 substantially in the form attached as an Appendix to NP 46-201 (Form 46-201F1) (the "**Principals Escrow Agreement**"). Pursuant to the terms of the Principals Escrow Agreement, each of Penny White, Jeff B. Smith, Better Plant, Urban Juve, TLS and Dr. William Panenka has agreed that until 3 years from the date on which the Common Shares are listed for trading on the Exchange they will not transfer or otherwise

dispose of their escrowed securities during the term of the Principals Escrow Agreement unless in accordance with the terms of the Principals Escrow Agreement, except that the following automatic timed releases will apply to such escrowed securities:

Date of Automatic Timed Release	Amount of Escrowed Securities Released
30 days after the Listing Date	1/20 of the escrowed securities
90 days after the Listing Date	1/20 of the escrowed securities
6 months after the Listing Date	3/40 (7.5%) of the escrowed securities
9 months after the Listing Date	3/40 (7.5%) of the escrowed securities
12 months after the Listing Date	1/5 of the remaining escrowed securities
18 months after the Listing Date	1/4 of the remaining escrowed securities
24 months after the Listing Date	1/3 of the remaining escrowed securities
30 months after the Listing Date	1/2 of the remaining escrowed securities
36 months after the Listing Date	the remaining escrowed securities

The following table sets out information on the number of escrowed securities subject to the terms of the Principals Escrow Agreement among us, the Transfer Agent, and the following persons who are collectively referred to as the "**Principal Escrow Holders**":

Name of Escrow Holder	Number of Escrowed Securities	Percentage of Issued and Outstanding Common Shares Prior to Giving Effect to the Offering[(1)]	Percentage of Issued and Outstanding Common Shares After Giving Effect to the Minimum Offering[(2)(6)]	Percentage of Issued and Outstanding Common Shares After Giving Effect to the Maximum Offering[(3)(6)]	Percentage of Issued and Outstanding Common Shares After Giving Effect to the Offering and the Over-Allotment[(4)(6)]	Percentage of Issued and Outstanding Common Shares After Giving Effect to the Offering and the Over-Allotment and conversion of Unit Warrants, Agent[s'] Options and incentive options[(5)(6)]
Urban Juve	5,312,500 Common Shares	8%	6%	5%	5%	2%
Better Plant	28,001,000 Common Shares 55,000,000 warrants	42%	32%	26%	25%	10% 21%

Penny White	6,400,000 Common Shares 1,400,000 warrants 1,000,000 Restricted Share Units	9.6%	7%	6%	6%	2% 1% 0%
Jeff B. Smith	5,000,000 Restricted Share Units					2%
TLS	8,000,000 Common Shares 12,000,000 warrants	12%	9%	8%	7%	3% 4%
Dr. William Panenka(7)	4,000,000 Common Shares, 4,000,000 warrants	6%	5%	4%	4%	1% 1%

Notes:

(1) Based on 66,430,500 issued and outstanding Common Shares.
(2) Based on 86,430,500 issued and outstanding Common Shares after giving effect to the Minimum Offering.
(3) Based on 106,430,500 issued and outstanding Common Shares after giving effect to the Maximum Offering.
(4) Based on 112,430,500 issued and outstanding Common Shares after giving effect to the Maximum Offering, the Over-Allotment.
(5) Based on 266,730,333 issued and outstanding Common Shares after giving effect to the Maximum Offering and the Over-Allotment and conversion of all of the Agent's Options, Unit Warrants, and incentive stock options.
(6) Escrowed securities deposited with the Transfer Agent.
(7) Dr. Panenka also controls the shares owned by TLS.

Other Securities Subject to Contractual Restriction on Transfer

Pursuant to the stock restriction terms in subscription agreements (the "**Stock Restriction Agreements**") entered into between the Company and 69 shareholders holding 15,224,000 Common Shares (of which 2,400,000 shares held by Dr. William Panenka and Penny White are subject to additional escrow provisions, as described above) issued to such holders (the "**Restricted Shareholders**") at a price of $0.05 or $0.08 per Common Share at the time of issuance (the "**Restricted Securities**"), the Restricted Shareholders holding Restricted Securities must not sell any of the Restricted Securities until they are released in accordance with the following schedule:

On the Listing Date	- 10,000 of the shares (690,000 shares in total)(1)
30 days after the Listing Date	- 20% of the remaining shares
60 days after the Listing Date	- 20% of the remaining shares
90 days after the Listing Date	- 20% of the remaining shares
120 days after the Listing Date	- All of the remaining shares

(1) On the Listing Date, 10,000 shares are released to each of 69 shareholders who are subject to these contractual restrictions for a total of 690,000 shares.

PRINCIPAL SECURITYHOLDERS

To the knowledge of our directors and officers, the only people who own or control, directly or indirectly, or exercise control or direction over, more than 10% of the Common Shares are:

Name of Shareholder	Type of Ownership	Number of Securities Owned by Shareholder before the Offering	Percentage of Outstanding Common Shares on Undiluted basis(1)	Percentage Owned on a Fully-diluted basis after giving effect to the Offering(2)	Number of Convertible or Exchangeable Securities Outstanding
Better Plant(6)	Direct and Indirect(3)	33,313,500	50%	33%	55,000,000
Dr. William Panenka	Direct and Indirect (4)	12,000,000	18%	11%	16,800,000(5)

Notes:

(1) Based on 66,430,500 issued and outstanding Common Shares as at the date of this Prospectus.
(2) Based on 266,730,333 issued and outstanding Common Shares on a fully-diluted basis after giving effect to the Maximum Offering, the Over-Allotment, and conversion or exercise of all of the holder's warrants and incentive stock options.
(3) Includes 5,312,500 shares owned by Urban Juve, a wholly owned subsidiary of Better Plant.
(4) Includes 8,000,000 shares owned by TLS, a corporation controlled by Dr. William Panenka.
(5) Includes 12,000,000 warrants owned by TLS to purchase shares at $0.50 per share. based on 129,230,500 Common Shares after giving effect to the Maximum Offering, the Over-Allotment, and conversion or exercise of all of the holder's warrants and incentive stock options.
(6) Penny White is a principal securityholder of Better Plant.

DIRECTORS AND EXECUTIVE OFFICERS

Name, Occupation and Security Holdings

The following table sets out the name, province and country of residence, position or offices held with us, date appointed, number and percentage of voting securities of us that each of our directors and executive officers beneficially owns, directly or indirectly, or exercises control over, as at the date of this Prospectus. This table also includes the principal occupation, business or employment of such persons over the last five years:

Name, Position Held in Company Province and Country of Residence	Principal Occupation, Business or Employment for Last Five Years	Date of Appointment	Number and Percentage of Common Shares Beneficially Owned or Controlled	Number of Convertible or Exchangeable Securities Outstanding	Total Ownership on an Undiluted Basis (1)	Total Ownership on a Fully Diluted Basis (2)
Jeff B. Smith(4) Director Ontario, Canada	See "*Background of Management and Directors*" below	January 15, 2020	Nil	5,000,000	Nil	3%

Penny White[4] Director, President & CEO British Columbia, Canada	See "*Background of Management and Directors*" below	September 18, 2019	6,400,000 (9.6%)	5,400,000	9.6%	7%
Kari Richardson[3][4] Director British Columbia, Canada	See "*Background of Management and Directors*" below	May 19, 2020	Nil	1,000,000	Nil	<1%
Yucai (Rick) Huang CFO British Columbia, Canada	See "*Background of Management and Directors*" below	November 4, 2019	50,000 (<1%)	1,050,000	<1%	<1%

Notes:

(1) Based on 66,430,500 issued and outstanding Common Shares prior to giving effect to the Minimum Offering.
(2) Based on issued and outstanding Common Shares prior to giving effect to the Minimum Offering and conversion of holder's all of warrants, RSUs and incentive stock options.
(3) Chair of the Audit Committee.
(4) Member of the Audit Committee.

Term of Office of Directors

The Directors are elected at each annual general meeting and hold office until the next annual general meeting or until their successors are duly elected or appointed in accordance with the Company's Articles or until such director's earlier death, resignation or removal.

Aggregate Ownership of Securities

As at the date of this Prospectus, our directors and executive officers as a group beneficially own, directly or indirectly, or exercise control 6,450,000 Common Shares collectively representing 10% of the issued and outstanding Common Shares.

CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES OR SANCTIONS

Cease Trade Orders

To our knowledge and other than as disclosed herein, at the date of this Prospectus, no director or executive officer of the Company is, or was within 10 years prior to the date of this Prospectus, a director, chief executive officer or chief financial officer of any company that:

(i) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer of the relevant company; or

(ii) was subject to a cease trade order, an order or similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Bankruptcies

To our knowledge and other than as disclosed herein, no director or executive officer of ours or a shareholder holding a sufficient number of securities of us to affect materially the control of us:

(i) is, as at the date of this Prospectus, or has been within the 10 years before the date hereof, a director or executive officer of any company, including us, that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(ii) has, within the 10 years before the date of this Prospectus, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Penalties or Sanctions

To our knowledge and other than as disclosed herein, no director or executive officer of ours or a shareholder holding a sufficient number of securities of us to affect materially the control of us, has been subject to:

(i) any penalties or sanctions imposed by a court relating to provincial and territorial securities legislation or by a provincial and territorial securities regulatory authority or has entered into a settlement with a provincial and territorial securities regulatory authority; or

(ii) any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor in making an investment decision.

CONFLICTS OF INTEREST

Our directors are required by law to act honestly and in good faith with a view to our best interests and to disclose any interests which they may have in any project or opportunity of ours. If a conflict of interest arises, any director in a conflict will disclose his or her interest and abstain from voting on such matters at a meeting of the Board of Directors.

To the best of our knowledge, and other than as disclosed in this Prospectus, there are no known existing or potential conflicts of interest among us, our promoters, directors and officers or other members of management of ours or any proposed promoter, director, officer or other member of management as a result of their outside business interests, except that certain of the directors and officers serve as directors and officers of other companies, and therefore it is

possible that a conflict may arise between their duties to us and their duties as a director or officer of such other companies.

BACKGROUND OF MANAGEMENT AND DIRECTORS

Below is a brief description of each of our directors and executive officers including: names; ages; positions and responsibilities; relevant educational background; and principal occupations or employment during the five years preceding the date of this Prospectus.

Our directors and officers intend to dedicate the following percentages of their time to our affairs: Jeff B. Smith (Director): 30%, Penny White (Director, President and CEO): 70%, Yucai (Rick) Huang (CFO): 30%, Kari Richardson (Director): 15%.

Jeff B. Smith – Director, Age 58

Mr. Smith was the Global Chief Transformation Officer at Johnson & Johnson Consumer Companies. In his most recent role as Johnson & Johnson Company Group Chairman for Consumer North America, Mr. Smith delivered new growth levers such as Beauty Special Ops and the OceanX partnership, and oversaw several strategic acquisitions including Vogue International LLC, La Lumière, and Neostrata. Mr. Smith was on the Johnson & Johnson's Group Operating Committee Executive. Following his retirement in May 2019, Mr. Smith launched several entrepreneurial initiatives including co-Founder and CEO of Paragon Vitamins, coFounder & Partner at Ignite Venture Studios. Mr. Smith is also lead Advisor to Prelude Growth Partners, a New York City based growth equity firm focused on providing capital and operating support to high potential, fast growing consumer brands. Mr. Smith is engaged by the Company as an independent contractor.

Penny White – Founder, President, CEO & Director, Age 49

Ms. White is a serial entrepreneur with over two decades of experience building companies. She is Founder, and has been a Director, President and CEO of NeonMind since September 2019.

Ms. White has been recognized on PROFIT Magazine's W100 list of female entrepreneurs. Under her leadership as CEO, her law firm Bacchus Law Corporation was in the PROFIT 500 Fastest Growing companies in 2015 and 2016. Ms. White is a Co-Founder of Better Plant (CSE: PLNT). She was also an initial director and officer of Merus Labs Inc. for 2 years (TSX:MSL, NASDAQ: MSLI-Q). Ms. White served as a Director of Better Plant from November 2016 to October 2020 and has served as President and CEO since January 2017. Formerly, she served as Director of Glance Technologies Inc. (now Perk Labs Inc. (CSE: PERK) from October 2014 to June 2018 and she served as an officer (President and Chief Operating Officer) of Glance Technologies Inc. from October 2014 to February 2018. She holds a law degree from the University of British Columbia and a Bachelor of Arts from the Trent University. Ms. White is an employee of the Company.

Kari Richardson - Director, Age 48

As an independent director, Ms. Richardson devotes 15% of her professional time to the Company. Kari has over 15 years' experience practicing as a securities lawyer. She is currently a shareholder (partner) at Owen Bird, a downtown Vancouver law firm. She represents public

companies and companies intending to go public on the TSX-V, the CSE and the OTC, with a practice focused on mergers and acquisitions, corporate finance and securities. She previously practiced with Bacchus Law Corporation for more than 5 years. Ms. Richardson has a BA from the University of Western Ontario and an LLB from the University of British Columbia. Ms. Richardson became a member of the Law Society of New Brunswick in 1997 and a member of the Law Society of British Columbia in 2005. Ms. Richardson is engaged as an independent contractor of the Company.

Yucai (Rick) Huang – Chief Financial Officer, Age 52

Mr. Huang is an independent contractor and devotes 30% of his professional time to the Company. Mr. Huang has served as the CFO of Better Plant since February 2018 to the present. Previously, Mr. Huang served as CFO of Hanwei Energy Services Corp. (TSX: HE) from April 2007 to May 2018 where he has managed all aspects of finance, banking, compliance, accounting, reporting, internal control, admin, supporting the board of directors in financial oversight. He also has supervised all aspects of accounting for various subsidiary companies in Canada, China, and Kazakhstan and consolidations under IFRS. He has worked on investor relations activities, roadshows, AGM preparations, and licensing agreements. Mr. Huang has done negotiations for international joint ventures, including drafting shareholders' agreements, establishing international legal entities, and asset transfers. Mr. Huang's experience also included various finance and marketing roles with large international companies like the Pepsi Bottling Group (Canada), Schering Plough Canada, and Coca-Cola China. Mr. Huang also serves as Chair of the Audit Committee for Datable Technology Corp. (TSXV: TTM) from May 2015 to present and was previously Chair of the Governance Committee and member of the Audit Committee of Poydras Gaming Finance Corp. (TSXV: PYD) from November 2012 to May 2014. Mr. Huang is a designated CPA, CGA.

Amber Allen, Vice President, Sales, Age 45

Ms. Allen is a seasoned sales professional with experience selling skin care and edible mushroom wellness products. During her 15 years in sales, Ms. Allen has worked with distributors to grow a multitude of brands in the edible mushrooms, skin care, and other wellness spaces, including Four Sigmatic, Mikei Red Reishi, Sun Warrior, Thursday Plantation, Lavido Skin Care, Love Chock, My Matcha Life, and Kosmea Skin Care. This experience has resulted in a network of relationships with skin care and wellness retail distributors, which she intends to rely on to build out NeonMind's retail presence. Ms. Allen was the founder and operator from March 2013 to January 2020 of Naturally Amber, a boutique creative firm specializing in sales consulting, social media, content marketing, design, and marketing for natural health and wellness brands. Ms. Allen is engaged as an independent contractor for the Company.

Charles Boulakia, Advisory Board Member

Mr. Boulakia is an advisor to the Company but he is not part of the Company's management. He has more than 20 years of experience as a patent lawyer in the preparation and prosecution of patent applications in a variety of industries, including biotechnology, chemistry, biofuel, oil and gas, and pharmaceuticals. Mr. Boulakia is a partner of Ridout & Maybee LLP in the firm's Toronto office. In addition to designing and filing patent applications, he provides his clients with IP due diligence, validity, and freedom to operate opinions. He has experience drafting and negotiating license agreements and advises on food and drug regulatory law, including product

labelling and advertising. Mr. Boulakia is Vice-Chair of the AIPPI Standing Committee on Pharma and Biotechnology and the Treasurer of the Royal Canadian Institute for Science. He provides pro bono advice on IP law for the Law and Business Clinic at Ryerson University, volunteers on the selection committee for the Norman Esch Engineering Innovation and Entrepreneurship Award and is a mentor at the University of Toronto Entrepreneurship Hatchery.

Mr. Boulakia has both a Bachelor of Science and a Master of Science in biochemistry from McGill University. He holds a Bachelor of Laws from Western University and a Master of Business Administration from the University of Western Ontario.

William Panenka, Chair of Scientific Advisory Board

Dr. Panenka is an advisor to the Company but he is not part of the Company's management. He is a dually boarded Neurologist and Psychiatrist and a Canadian Institute of Health Research funded academic faculty member at the University of British Columbia. He did a post doctoral fellowship at UBC and Harvard University. He maintains a research program in brain injury, mental health and addictions. Dr. Panenka has authored more than 30 publications in the last 5 years. He is an Assistant Professor, Department of Psychiatry, UBC, a Mental Health and Substance Use Services Research Institute Investigator, a Member of the British Columbia Provincial Neuropsychiatry Program, the Medical Lead of the Neuropsychiatry Concussion Clinic, and a Neurology consultant at the Fraser Health Acquired Brain Injury Concussion Clinic. Dr. Panenka is the founder and a director of TLS.

Heather Williamson is our corporate secretary.

See "*Executive Compensation: Employment, Management and Consulting Agreements*" for a summary of the management and consulting agreements we have entered into with our executive officers. Each of our directors and executive officers have agreed to confidentiality and non-competition provisions in their respective management or consulting agreements. See "*Directors and Executive Officers – Conflicts of Interest*".

Other Reporting Issuer Experience

Past directorships in reporting issuers of our Directors are as follows:

Director	Past Directorships
Penny White	Better Plant Sciences Inc. (2016 - 2020) HeyBryan Media Inc. (2018 - 2020) Glance Technologies Inc. (2014 - 2018) Merus Labs International Inc. (2010 – 2011) Neurokine Pharmaceuticals Inc. (2009 – 2010) On4 Communications Inc. (formerly Sound Revolution Inc.) 2009 – 2010 Blink Couture Inc. (2003 – 2008)
Kari Richardson	Adent Capital Corp. (2012-2017) ADR Capital Corp. (2011-2013)

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

In accordance with the requirements for new reporting issuers, this disclosure is intended to communicate the anticipated compensation to be provided to our directors and each executive officer who meets the definition of a "named executive officer" as set out in Form 51-102F6V – *Statement of Executive Compensation* (collectively, the "**Named Executive Officers**" or "**NEOs**") once we become a reporting issuer. As of June 15, 2020, our NEO's were: Penny White and Rick Huang. We rely on the Board to determine the executive compensation that is to be paid to our executives.

Director and Executive Officer Compensation, Excluding Compensation Securities

No compensation was granted to any director or NEO during the financial period ending November 30, 2019. Below is the compensation expected to be paid annually to each of the directors and NEOs annually after we become a reporting issuer, excluding compensation securities.

Table of compensation excluding compensation securities [(1)]

Name and position	Expected Annual Compensation[(3)]	Salary, consulting fee, retainer or commission ($)	Bonus ($)	Committee or meeting fees ($)	Value of perquisites ($)	Value of all other Compens-ation ($)	Total Compens-ation ($)
Jeff B. Smith Director	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Penny White Director and CEO	$132,000	132,000	$100,000[(2)]	Nil	Nil	Nil	$232,000
Kari Richardson Director	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Yucai (Rick) Huang CFO	$104,500	Nil	Nil	Nil	Nil	Nil	$104,500

Notes:

(1) See Employment, Consulting and Management Agreements below for terms of compensation

(2) On May 8, 2020, we issued a performance bonus in the amount of $100,000 to Ms. White per the Amended and Restated Director Agreement between the Company and Ms. White. Ms. White applied this bonus to the exercise of 5,000,000 stock options.

(3) Commencing as of the date of the Company's Shares are listed on a stock exchange.

Stock Options and Other Compensation Securities

No compensation securities were granted to any director or NEO during the financial period ending November 30, 2019. The table below sets out information regarding compensation securities anticipated to be granted or issued to each director and NEO for the financial period ending November 30, 2020.

Compensation Securities							
Name and Position	**Type of compen-sation security**	**Number of compensation securities, number of underlying securities, and percentage of class**	**Date of issue or grant**	**Issue, conversion or exercise price ($)**	**Closing price of security or underlying security on date of grant ($)**	**Closing price of security or underly-ing security at year end ($)**	**Expiry Date**
Jeff B. Smith Director	RSUs	5,000,000 (5%)	(1)	N/A	N/A	N/A	3 years after Listing Date
Penny White Director and CEO	Options	5,000,000 (5%)	(2)	$0.02	N/A	N/A	Exercised (2)
	RSUs	1,000,000 (1%)	(3)	N/A	N/A	N/A	3 years after Listing Date
	Options	3,000,000 (3%)	(4)	$0.10	N/A	N/A	5 years
Kari Richardson Director	RSUs	1,000,000	(5)	N/A	N/A	N/A	N/A
Yucai (Rick) Huang CFO	RSUs	1,000,000	(6)	N/A	N/A	N/A	N/A

Notes:

(1) On May 6, 2020 we issued 5,000,000 RSUs to Mr. Smith. The RSUs vest over the period of 3 years as follows: 500,000 on Listing Date, 750,000 in 6 months after the Listing Date and 750,000 every 6 months thereafter.

(2) On February 3, 2020 as amended on May 6, 2020, we entered into a director agreement with Ms. White which obligated us to issue 5,000,000 options to buy Common Shares at $0.02 per share to Ms. White which vested upon an engagement letter being signed with an investment dealer for an IPO. NeonMind granted Ms. White a bonus of $100,000 for completion of a draft Prospectus which was applied to exercise all 5,000,000 options.

(3) On April 28, 2020 we granted 1,000,000 RSUs to Ms. White, which vest over a period of 3 years as follows: 100,000 on Listing Date, 150,000 in 6 months after the Listing Date and 150,000 every 6 months thereafter.

(4) On May 6, 2020 we granted 3,000,000 stock options to CEO Ms. White. The options vest every three months over a period of 3 years in 12 equal tranches from the grant date and are exercisable at $0.10 per share.

(5) On May 19, 2020 we granted 1,000,000 RSUs to Ms. Richardson which vest over a period of 3 years as follows: 100,000 on Listing Date, 150,000 in 6 months after the Listing Date and 150,000 every 6 months thereafter.

(6) On April 28, 2020 we granted 1,000,000 RSUs to Mr. Huang which vest over a period of 3 years as follows: 100,000 on Listing Date, 150,000 in 6 months after the Listing Date and 150,000 every 6 months thereafter.

No compensation securities were exercised by a director or NEO during the most recently completed financial year.

Employment, Consulting and Management Agreements

We have entered into employment, consulting or management agreements with the following directors and NEOs:

Agreement	Services	Description of Agreement
Jeff B. Smith	Director	On January 15, 2020 and as amended, Mr. Smith entered into a director agreement which entitled him to receive 5,000,000 RSUs vesting over a 3-year period. There is no compensation due to Mr. Smith on a change of control or termination of his Director agreement.
Penny White	Director	On February 3, 2020 and as amended, Ms. White entered into a director agreement which entitled her to receive 5,000,000 options to buy common shares at $0.02 per share and a bonus of $100,000 for completion of a draft Prospectus which was applied to exercise all 5,000,000 options and 5,000,000 common shares were issued to Ms. White. She will serve on the board until she resigns, or her successor is appointed. There is no compensation due to Ms. White on a change of control or termination of her Director agreement.
Kari Richardson	Director	On May 19, 2020 Kari Richardson was appointed as a director and was granted 1,000,000 RSUs on May 19, 2020 vesting over a 3-year period after the Listing Date. There is no compensation due to Ms. Richardson on a change of control or termination of her Director agreement.
Penny White	Chief Executive Officer	Pursuant to her agreement, Ms. White was granted 3,000,000 options on May 6, 2020 with an exercise price of $0.10 vesting over 3 years, and an annual salary of $132,000, commencing on the Listing Date. She was also granted 5,000,000 options at an exercise price of $0.02 which vested on the achievement of certain milestones and those options have now been exercised. The termination notice required on this agreement is 30 days for each year of service, with a minimum notice period of 8 months and a maximum notice period of 12 months.
Yucai (Rick) Huang	Chief Financial Officer	Pursuant to the agreement with his management services company, Rick Huang was granted 1,000,000 RSUs vesting over a 3-year period, and an annual fee of $104,500 commencing on the Listing Date. The termination notice period on this agreement is 30 days.

Incentive Plan Awards

We currently have the Stock Option Plan in place for the purposes of attracting and motivating our directors, officers, employees, and consultants and advancing our interests by affording such persons with the opportunity to acquire an equity interest in us through rights granted under the Stock Option Plan. Any grant of options under the Stock Option Plan is within the discretion of the Board of Directors, subject to the condition that the maximum number of Common Shares which may be reserved for issuance under the Stock Option Plan may not exceed 20% of our issued and outstanding Common Shares. Our Board of Directors has approved the Stock Option Plan.

We have also established a long-term incentive plan for executives and certain employees (the "**Restricted Share Unit Plan**"). Under the terms of this plan, participants are eligible to receive common shares without any monetary consideration payable to the Company. Each award is considered a separate award with its own vesting period and grant date fair value. Each restricted stock unit ("**RSU**") is convertible into one common share.

The maximum number of Shares which may be reserved for issuance under the Restricted Share Unit Plan may not exceed 20% of our issued and outstanding Common Shares. Our Board of Directors has approved the Restricted Share Unit Plan.

For issuances of Options and RSUs, see "*Options and Other Rights to Purchase Securities*".

Pension Plan Benefits

We currently do not provide any pension plan benefits for NEOs, directors, or employees.

Termination and Change of Control Benefits

There are no provisions granting any termination or change of control benefits to any of the NEOs.

Oversight and Description of Director and NEO Compensation

At present, the Board as a whole determines the compensation of our NEOs and does so with reference to industry standards, contribution and experience of the NEO, and our financial situation. The Board has the sole responsibility for determining the compensation of our directors. Director compensation is determined by the Board from time to time with reference to industry standards and our financial situation.

Our directors are reimbursed for any out-of-pocket expenses incurred in the course of their duties as directors.

From time to time, directors may be retained as consultants or experts to provide specific services to us and will be compensated on a normal commercial basis for such services. Other than as disclosed under "*Employment, Consulting and Management Agreements*" above, as of the date of this Prospectus, no other directors have been retained by us as a consultant.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of our directors or officers, nor any associate or affiliate of such person is indebted to us; nor has any such person's indebtedness to any other entity been the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by us.

AUDIT COMMITTEE AND CORPORATE GOVERNANCE

We are required to have an audit committee comprised of not less than three directors, a majority of whom are not officers, control persons or employees of us. The members of our audit committee are: Jeff B. Smith, Kari Richardson, and Penny White. Penny White is not independent as she is our Chief Executive Officer. Kari Richardson and Jeff B Smith are both independent members of the audit committee as they are not officers or employees of the Company. Kari Richardson is the Chair of the Audit Committee. The audit committee is

responsible for overseeing our financial reporting process on behalf of the Board, including overseeing the work of the independent auditors who report directly to the audit committee.

The specific responsibilities of the audit committee, among others, include:

(i) evaluating the performance and assessing the qualifications of the independent directors and recommending to the Board and the shareholders the appointment of our external auditor;

(ii) determining and approving the engagement of and compensation for audit and non-audit services of our external auditor;

(iii) reviewing our financial statements and management's discussion and analysis of financial condition and results of operations and recommending to the Board whether or not such financial statements and management's discussion and analysis of financial condition and results of operations should be approved by the Board;

(iv) conferring with our external auditor and with management regarding the scope, adequacy and effectiveness of internal financial reporting controls;

(v) establishing procedures for the receipt, retention and treatment of complaints received by us regarding our accounting controls, internal accounting controls or auditing matters and the confidential and anonymous submission by employees of concerns regarding questionable accounting and auditing matters; and

(vi) reviewing and discussing with management and the independent auditor, as appropriate, our guidelines and policies with respect to risk assessment and risk management, including major financial risk exposure and investment and hedging policies and the steps taken by management to monitor and control our exposure to such risks.

The following is the education and experience of each audit committee member:

Jeff B. Smith has a bachelor's degree in economics and a master’s degree in business administration. He has over 30 years of general management experience, most recently as company Group Chairman, North America at Johnson & Johnson Following his retirement in may 2019, Mr. Smith has launched several entrepreneurial initiatives including co-Founder and CEO of Paragon Vitamins and co-Founder & Partner at Ignite Venture Studios. Jeff is also lead Advisor to Prelude Growth Partners, a New York City based growth equity firm focused on providing capital and operating support to high potential, fast growing consumer brands.

Kari Richardson is a practicing lawyer who is licensed to practice law in British Columbia. For more than 15 years, Ms. Richardson has represented public companies and companies in the process of going public in broad aspects of mergers & acquisitions and securities & financing. Through her work, she has regularly reviewed financial statements to provide advice to clients and assist in preparing disclosure documents. Ms. Richardson has also previously been a director and member of the Audit Committee for two capital pool companies listed on the TSXV. Ms. Richardson has a law degree from the University of British Columbia.

Penny White has acted as director or officer of many reporting issuers and has been an audit committee member or chief officer responsible to ensure the accuracy and fair disclosure of dozens of financial statements filed by reporting issuers. Ms. White, as a securities lawyer, provided securities legal advice to numerous companies during a 20-year period with regard to corporate governance strategies and effective securities compliance. She regularly reviewed

financial statements to provide advice to clients. Ms. White has a law degree from the University of British Columbia.

Audit Committee Charter

The Audit Committee Charter is attached to this Prospectus as Schedule "A".

Composition of Audit Committee and Independence

NI 52-110 provides that a member of an audit committee is "independent" if the member has no direct or indirect material relationship with a company, which could, in the view of that company's board of directors, reasonably interfere with the exercise of the member's independent judgment. Two of the members of our audit committee meet the definition of "independence" provided in NI 52-110, as follows: Kari Richardson and Jeff B. Smith are independent by reason that they have no direct or indirect material relationship with us, they have not nor ever been an employee or executive officer of us, nor has any of their immediate family, and they have not received any direct compensation from us as of the date of this Prospectus. Penny White is not independent by reason that she is an officer of our parent company, Better Plant.

A "venture issuer" as defined in NI 52-110 means an issuer that, at the end of its most recently completed financial year, did not have any of its securities listed or quoted on any of the Toronto Stock Exchange, a US marketplace, or a marketplace outside of Canada and the United States of America other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc. Section 6.1 of NI 52-110 provides an exemption from the audit committee composition requirements of Part 3 (*Composition of Audit Committee*) for venture issuers providing that no members of the audit committee need be independent.

We meet the definition of "venture issuer" and will be relying on this exemption. The board of directors has determined that the reliance on the exemption will not materially adversely affect the ability of the audit committee to act independently and to satisfy the other requirements of NI 52-110.

Relevant Education and Experience

NI 52-110 provides that an individual is "financially literate" if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by our financial statements. All of the members of our audit committee are financially literate.

Audit Committee Oversight

The audit committee was appointed by the Board of Directors on May 8, 2020. The Board of Directors as a whole carried out the responsibilities of the audit committee prior to May 8, 2020. The audit committee has not yet made any recommendations concerning the nomination or compensation of our external auditor, as such auditor was appointed by the Board of Directors.

Reliance on Certain Exemptions

a) Since the commencement of our most recently completed financial year, we have not relied on:
b) the exemption in section 2.4 (*De Minimis Non-audit Services*) of NI 52-110
c) the exemption in subsection 6.1.1(4) (*Circumstance Affecting the Business or Operations of the Venture Issuer)*;
d) the exemption in subsection 6.1.1(5) (*Events Outside Control of Member*);
e) the exemption in subsection 6.1.1(6) (*Death, Incapacity or Resignation*); or
f) an exemption from NI 52-110, in whole or in part, granted under Part 8 (*Exemptions*).

Pre-Approval Policies and Procedures

The audit committee has not adopted any specific policies and procedures for the engagement of non-audit services.

External Auditor Service Fees

The following table sets out the audit fees billed to us over the specified time periods:

Audit Service Fees	From November 30, 2019 to the date of this Prospectus (CDN$)	To November 30, 2019 Amount (CDN$)	To November 30, 2018 Amount (CDN$)
Audit Fees	-	8,000	-
Audit Related Fees	13,500	-	-
Tax Fees	-	-	-
All other fees	10,850	-	-
Total	24,350	8,000	-

Corporate Governance

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the shareholders and considers the role of the individual members of management who are appointed by the Board and who are charged with our day-to-day management. The Board will monitor such practices on an ongoing basis and when necessary implement such additional practices as it deems appropriate.

Board of Directors

As of the date of this Prospectus, the Board consists of 3 directors: Jeff B. Smith, Penny White and Kari Richardson.

NI 58-101 suggests that the board of directors of a public company should be constituted with a majority of individuals who qualify as "independent" directors. An "independent" director is a director who is independent of management and is free from any interest and any business or other relationship which could, or could reasonably be perceived to materially interfere with the director's ability to act with a view to the best interests of the company, other than interests and relationships arising from holding shares or securities in the company. In addition, where a company has a significant shareholder, NI 58-101 suggests that the board of directors should

include a number of directors who do not have interests in either the company or the significant shareholder.

The independent directors would exercise their responsibilities for independent oversight of management and meet independently of management whenever deemed necessary.

At this time, Jeff B. Smith and Kari Richardson are considered to be "independent" within the meaning of NI 58-101 because neither Mr. Smith nor Ms. Richardson is an officer or employee of the Company or of an affiliate of the Company.

Orientation and Continuing Education

Each of our new directors is briefed about the nature of our business, our corporate strategy and our current issues. New directors will be encouraged to review our public disclosure records as filed on SEDAR at www.sedar.com after we become a reporting issuer. Directors are also provided with access to management to better understand our operations, and to our legal counsel to discuss their legal obligations as our directors.

Ethical Business Conduct

The Board has adopted a written Code of Business Conduct and Ethics for all our directors, officers and future employees and our subsidiaries, if applicable.

The Board is also required to comply with the conflict of interest provisions of the *BCBCA* and relevant securities regulation in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or officer has a material interest. Any interested director is required to declare the nature and extent of his interest and is not entitled to vote on any matter that is the subject of the conflict of interest. See "*Directors and Executive Officers - Conflicts of Interest*" and "*Risk Factors*".

Further, the Board has adopted a written Whistleblower Policy to ease the reporting of ethical complaints or other violations of the Code of Business Conduct and Ethics.

Nomination of Directors

Our management is in contact with individuals involved in the pharmaceutical industry and in the wellness industry. From these sources, management has made a number of contacts and in the event that we require any new directors, such individuals will be brought to the attention of the Board. We will conduct reference and background checks on suitable candidates. New nominees generally must have a track record in business management, areas of strategic interest to us, the ability to devote the time required to carry out the obligations and responsibilities of a director and a willingness to serve in that capacity.

Compensation

At present, the Board as a whole determines the compensation of our CEO and does so with reference to industry standards and the financial situation of the Company. For details on compensation to directors, see "*Executive Compensation*" above.

Other Board Committees

Other than as disclosed herein, there are no committees of the Board of Directors as of the date of this Prospectus.

Assessments

Neither we nor the Board of Directors has developed a formal review system to assess the performance of the directors or the Board as a whole. The contributions of individual directors are monitored by other members of the Board on an informal basis through observation.

PLAN OF DISTRIBUTION

Under the terms of the Agency Agreement between the Company and the Agent, the Company has agreed to sell, on the Closing Date, subject to the terms and conditions contained in the Agency Agreement, a minimum of 20,000,000 Units and a maximum of 40,000,000 Units at the Offering Price for a minimum total gross consideration of $2,000,000 and maximum of $4,000,000 payable in cash to the Company against delivery of the Units. The obligations of the Agent under the Agency Agreement may be terminated at their discretion upon the occurrence of certain stated events, including, among other things, events that would reasonably be expected to have a material adverse effect on the market price or the value of the Units or the Common Shares, and events of national or international consequence that would reasonably be considered to materially adversely affect or will materially adversely affect the financial markets in Canada or the United States or the business, operations or affairs of the Company.

The Offering Price was determined by negotiation between the Company and the Agent.

Subscriptions for the Units will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice.

The Company has agreed to indemnify the Agent against certain liabilities, including liabilities under applicable Canadian securities legislation, and to contribute to payments that the Agent may be required to make in respect thereof.

The expenses of the Offering, not including the Agent's Fee, are estimated to be $110,000 and are payable by the Company. The aggregate Agent Fee will be $400,000 or 10% of the gross proceeds, assuming the maximum number of Units are sold and no exercise of the Over-Allotment Option. The Company will also pay certain expenses incurred by the Agent in connection with the Offering as set forth in the Agency Agreement, including the reasonable fees and disbursements and taxes thereon of the Agent counsel.

If the Over-Allotment Option is exercised in full for additional Units, the total number of Units sold pursuant to the Offering will be 46,000,000, the total price to the public will be $4,600,000, the total Agent Fee will be $460,000, and the net proceeds to the Company, before deducting the estimated expenses of the Offering, will be $4,140,000.

The Agent reserves the right to offer selling group participation, in the normal course of the brokerage business, to selling groups of other licensed broker-dealers, brokers or investment dealers, who may or may not be offered part of the Agent Fee.

The Company has applied to the Exchange for approval to list the Unit Shares and the Warrant Shares distributed under this Prospectus on the Exchange. Such listing is subject to the Company fulfilling all of the applicable listing requirements of the Exchange.

As at the date of the Prospectus, we do not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and we do not intend to apply to list or quote any of its securities on the Toronto Stock Exchange, Aequitas NEO Exchange Inc., a U.S. marketplace, or a marketplace outside of Canada and the US (other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc).

The Units, Unit Shares and the Unit Warrants will be delivered at the closing of the Offering to the Agent in "book-based" form and must be purchased or transferred through a CDS participant so long as they are held through CDS. It is expected that the Company will arrange for an instant deposit of the Units, Unit Shares and the Unit Warrants to or for the account of the Agent with CDS on the Closing Date, against payment of the aggregate net purchase price for the Units. So long as the Units, Unit Shares and the Unit Warrants are held through CDS, rights of holders must be exercised through, and all payments or other property to which such holder is entitled will be made or delivered by, CDS or the CDS participant through which the holder holds such Units, Unit Shares and Unit Warrants, as the case may be. Each person who acquires Units under the Offering will receive only a customer confirmation of purchase from the Agent or registered dealer who is a CDS participant from or through whom the Units are acquired in accordance with the practices and procedures of that Agent or registered dealer. The practices of registered dealers may vary, but generally customer confirmations are issued promptly after execution of a customer order. CDS is responsible for establishing and maintaining book-entry accounts for its CDS participants having interests in the Unit Shares and Unit Warrants.

There is currently no market through which the Unit Warrants may be sold, and purchasers may not be able to resell Unit Warrants issued under this Prospectus. This may affect the pricing of the Unit Warrants in the secondary market, the transparency and availability of trading prices and the liquidity of the Unit Warrants.

RISK FACTORS

An investment in our Units should be considered highly speculative due to the nature of our business and the present stage of development. An investment in our Units should only be made by knowledgeable and sophisticated investors who are willing to risk and can afford the loss of their entire investment. Potential investors should consult with their professional advisors to assess an investment in us. In evaluating us and our business, investors should carefully consider, in addition to other information contained in this Prospectus, the risk factors below. These risk factors are not a definitive list of all risk factors associated with an investment in us or in connection with our operations.

Risks Related to the Offering

Speculative Nature of Investment Risk

An investment in our Common Shares carries a high degree of risk and should be considered as a speculative investment by purchasers. We have a limited history of earnings, limited cash

reserves, a limited operating history, have not paid dividends, and are unlikely to pay dividends in the immediate or near future. We are in the development and planning phases of our business and have not started commercialization of our planned products and services. Operations are not yet sufficiently established such that we can mitigate the risks associated with planned activities.

Liquidity and Future Financing Risk

We are in the development stage of our business and have generated a very limited amount of revenue. We will operate at a loss until business becomes established and we will require additional financing in order to fund future operations and expansion plans, including developing new products, enhancing existing products, enhancing our operating infrastructure and acquiring complementary businesses and technologies. Our ability to secure any required financing to sustain operations will depend in part upon prevailing capital market conditions, as well as business success. There can be no assurance that we will be successful in our efforts to secure any additional financing or additional financing on terms satisfactory to management. If additional financing is raised by issuing Common Shares in authorized capital, control may change, and shareholders may suffer additional dilution.

Market Risk for Securities

Once listed on the Exchange, volatility in the price of our Common Shares could cause investors to lose all or part of their investment because they may not be able to sell their Common Shares at or above the price they paid. Factors that could cause fluctuations in the market price of our Common Shares include the following:

- price and volume fluctuations in the overall stock market from time to time;
- sales of Common Shares by our shareholders;
- any changes in the financial projections that we may provide to the public, or our failure to meet those projections;
- announcements by us or our competitors of research developments, new products or services;
- the public's reaction to our press releases, other public announcements and filings with the securities commissions;
- rumours and market speculation involving us or other companies in our industry;
- actual or anticipated changes in our operating results or fluctuations in our operating results;
- actual or anticipated developments in our business, our competitors' businesses or the competitive landscape generally;
- litigation involving us, our industry or both, or investigations by regulators into our operations or those of our competitors;
- developments or disputes concerning our intellectual property or other proprietary rights;
- announced or completed acquisitions of businesses or technologies by us or our competitors;
- new laws or regulations or new interpretations of existing laws or regulations applicable to our business;
- changes in accounting standards, policies, guidelines, interpretations or principles;
- any significant change in our management; and
- general economic conditions and slow or negative growth of our markets.

Increased Costs of Being a Publicly Traded Company

If we successfully list on the Exchange, we will incur significant additional legal, accounting and filing fees that at present, are not required. Securities legislation and the rules and policies of the Exchange require listed companies to, among other things, adopt corporate governance and related practices, and to continuously prepare and disclose material information all of which will significantly increase legal and financial compliance costs.

No Prospect of Dividends

We have never paid dividends and do not intend to pay any dividends for the foreseeable future. To the extent that we may require additional funding currently not provided for in our financing plan, our funding sources may prohibit the declaration of dividends. Because we do not intend to pay dividends, any gain on your investment will need to result from an appreciation in the price of our Common Shares. There will, therefore, be fewer ways in which you are able to make a gain on your investment, if at all. There is also no guarantee that your investment will appreciate or even maintain its current value. See "*Dividends or Distributions*".

Risks Related to the Company's Financial Position and Need for Additional Capital

No Operating History and No Established Financing Sources

We were incorporated in 2019 and do not have an operating history or any established financing sources. We are subject to all of the business risks and uncertainties associated with any new business, including the risk that we will not achieve our investment objectives as described in this Prospectus. Our financial condition and results of operations will depend on many factors, including the willingness of consumers to purchase our products and our ability to secure financing.

Going Concern Risk

Our financial statements have been prepared on a going concern basis under which an entity is considered to be able to realize our assets and satisfy our liabilities in the ordinary course of business. Our future operations are dependent upon the identification and successful completion of equity or debt financing and the achievement of profitable operations at an indeterminate time in the future. There can be no assurances that we will be successful in completing equity or debt financing or in achieving profitability. The financial statements do not give effect to any adjustments relating to the carrying values and classification of assets and liabilities that would be necessary should we be unable to continue as a going concern.

Requirement to Generate Cash Flow for Financial Obligations

We currently have negative operating cash flows. We expect that operating losses will continue as we are planning to incur significant costs associated with the research and development of potentially therapeutic uses of compounds found in psychedelic mushrooms, including but not limited to preclinical studies and clinical trials, as well as product development and marketing costs for our mushroom products. Our ability to generate sufficient cash flow from operations to make scheduled payments to our staff, contractors, service providers and vendors will depend on future financial performance, which will be affected by a range of economic, competitive, regulatory, legislative, and business factors, many of which are outside of our control. If we do not generate sufficient cash flow from operations to satisfy our contractual

obligations, we may have to undertake alternative financing plans. Our inability to generate sufficient cash flow from operations or undertake alternative financing plans would have an adverse effect on our business, financial condition and results or operations, as well as our ability to satisfy our contractual obligations. Any failure to meet our financial obligations could result in termination of key contracts, which could harm our ability to provide our products.

Risks Related to the Company's Business and Operations

Product Development

If we cannot successfully develop, manufacture and distribute its products, or if we experience difficulties in the development process, such as capacity constraints, quality control problems or other disruptions, we may not be able to develop market-ready commercial products at acceptable costs, which would adversely affect our ability to effectively enter the market. A failure by us to achieve a low-cost structure through economies of scale or improvements in manufacturing processes would have a material adverse effect on our commercialization plans and our business, prospects, results of operations, and financial condition.

Reliance on Third Party Suppliers and Manufacturers

We intend to maintain a full supply chain for the production of our Medicinal Mushroom products. Loss of or disruption to our manufacturers and suppliers would have a material adverse effect on our business and operational results. With respect to raw ingredient and packaging suppliers, given that we import certain inputs to our products from foreign countries, we may be subject to disruptions in supply, time delays, and/or cost increases as a result of economic, political, social or other macro factors occurring in those countries, or globally, which are beyond our control. Such disruptions to the supply of key product inputs would have negative downstream impacts to our overall product development timeline and costs.

Success of Quality Control Systems

The quality and safety of our products are critical to the success of our business and operations. As such, it is imperative that our and our service providers' quality control systems operate effectively and successfully. Quality control systems can be negatively impacted by the design of the quality control systems, the quality training program, and adherence by personnel to quality control guidelines.

Reliance on Related Party for Compliance, Sourcing and Services

We have an operating agreement with Better Plant pursuant to which we rely on Better Plant to provide operations, marketing and administrative services. We rely on Better Plant to source ingredients, source packaging, source product manufacturing, to ensure that our products comply with regulations, and to market our products and our brand. Loss of this relationship would have a material adverse effect on our business and operational results.

Competition

We face competition in the markets in which we operate and intend to operate in the near future. Some of our competitors may be better positioned to develop superior products at lower costs, and able to better adapt to changing market conditions than us. Our ability to compete depends on, among other things, consistent high product quality, short lead-time, timely delivery,

competitive pricing, range of product offerings and superior customer service and support. Increased competition in the markets in which we operate may force us to reduce our product prices or may result in increased costs and may have a material adverse effect on our business and operating results. Any decrease in the quality of our products or level of service to customers, or any forced decrease in product pricing may adversely affect our business and operating results.

Effectiveness and Efficiency of Advertising and Promotional Expenditures

Our future growth and profitability will depend on the effectiveness and efficiency of advertising and promotional expenditures, including our ability to (i) create awareness of our products; (ii) determine the appropriate creative message and media mix for future advertising expenditures; (iii) differentiate our products from those of our competitors, and (iv) effectively manage advertising and promotional costs in order to maintain acceptable operating margins. There can be no assurance that advertising and promotional expenditures will result in revenues in the future or will generate awareness of our products. In addition, no assurance can be given that we will be able to manage our advertising and promotional expenditures on a cost-effective basis.

Maintaining and Promoting Our Brand

We believe that maintaining and promoting our brand is critical to establishing and expanding our customer base. Maintaining and promoting our brand will depend largely on our ability to provide quality, reliable and innovative products, which we may not do successfully. We may introduce new products or services that our customers do not like, which may negatively affect our brand and reputation. Establishing, maintaining and enhancing our brand may require us to make substantial investments, and these investments may not achieve the desired goals. If we fail to successfully promote and maintain our brand or if we incur excessive expenses in this effort, our business and financial results from operations could be materially adversely affected.

Changing Consumer Preferences

As a result of rapidly changing consumer preferences which are difficult to predict and over which we have little, if any, control, many holistic, functional food, or other innovative wellness products attain financial success for a limited period of time. Even if our products find retail success, there can be no assurance that any of our products will continue to see extended financial success. Our success will be dependent upon our ability to anticipate or quickly adapt to changing consumer preferences and develop new products that satisfy such preferences. Even if we are successful in introducing new products or developing our current products, a failure to continue to evolve our products to meet consumer preferences could cause a decline in our products' popularity that could reduce our revenues and harm our business, operating results and financial condition.

Consumer Perception of Mushrooms

We are highly dependent on consumer perception of edible mushrooms and mushroom-based products. Consumers may associate our mushroom products with illegal psychoactive mushrooms, which are prohibited substances. If consumers have a negative perception of, or do not fully accept, our mushroom products, our revenues may be negatively impacted.

Risks Related to our Prices

As the market for our products matures, or as new or existing competitors introduce new products or services that compete with ours, we may experience pricing pressure and be unable to renew our agreements with existing customers or attract new customers at prices that are consistent with our pricing model and operating budget. If this were to occur, it is possible that we would have to change our pricing model or reduce our prices, which could harm our revenue, gross margin, and operating results.

Fluctuations in Foreign Currency Exchange Rates

We are subject to foreign currency risk. The strengthening or weakening of the Canadian or US dollar versus other currencies will impact the translation of our net revenues generated in these foreign currencies into Canadian and US dollars. We import certain ingredients in our products from foreign countries, and so may become forced to pay higher rates for our ingredients as a result of the weakening of the Canadian or US dollar.

Product Recalls

Product manufacturers and distributors are sometimes required to recall or initiate returns of their products for various reasons, including product defects such as contaminations, unintended harmful side effects or interactions with other products, packaging safety and inadequate or inaccurate labeling disclosure. If any of our products are recalled, we could incur unexpected expense relating to the recall and any legal proceedings that might arise in connection with the recall. We may lose significant revenue due to loss of sales and may not be able to compensate for or replace that revenue.

Uninsured or Uninsurable Risk

We may become subject to liability for risks which are uninsurable or against which we may opt out of insuring due to the high cost of insurance premiums or other factors. The payment of any such liabilities would reduce the funds available for usual business activities. Payment of liabilities for which insurance is not carried may have a material adverse effect on our financial position and operations.

Conflicts of Interest Risk

Certain of our directors and officers are, and may continue to be, involved in other business ventures in the holistic health industry through their direct and indirect participation in corporations, partnerships, joint ventures, and the like that may become potential competitors to us. Situations may arise in connection with potential acquisitions or opportunities where the other interests of these directors and officers' conflict with or diverge from our interests. In accordance with the BCBCA, directors who have a material interest in any person who is a party to a material contract or a proposed material contract are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract. In addition, the directors and officers are required to act honestly and in good faith with a view to our best interests. However, in conflict of interest situations, directors and officers may owe the same duty to another company and will need to balance their competing interests with their duties to us. Circumstances (including with respect to future corporate opportunities) may arise that may be resolved in a manner that is unfavourable to us.

Regulatory Risks

Government Regulation

The processing, manufacturing, packaging, labeling, advertising and distribution of our products is subject to regulation by one or more federal agencies, and by various agencies of the provinces or other jurisdictions where we desire to sell our products. Achievement of the Company's business objectives are contingent, in part, upon compliance with the regulatory requirements, including those imposed by Health Canada, enacted by these government authorities and obtaining all regulatory approvals, where necessary, for the sale of its products. We cannot predict the time required to secure all appropriate regulatory approvals for its products, or the extent of testing and documentation that may be required by government authorities. Any delays in obtaining, or failure to obtain regulatory approvals would significantly delay the development of markets and products and could have a material adverse effect on our business, results of operations and financial condition.

Research and Development Risks

Early Stage Development Risks

Given the early stage of our research, we can make no assurance that our research and development programs will result in regulatory approval or commercially viable products. To achieve profitable operations, we alone or with others, must successfully develop, gain regulatory approval for, and market our future products. We currently have no products that have been approved by Health Canada, the US Food and Drug Administration ("**US FDA**"), or any similar regulatory authority. To obtain regulatory approvals for our product candidates being developed and to achieve commercial success, clinical trials must demonstrate that the product candidates are safe for human use and that they demonstrate efficacy. We have not yet commenced clinical trials for our product candidates.

Many product candidates never reach the stage of clinical testing and even those that do have only a small chance of successfully completing clinical development and gaining regulatory approval. Product candidates may fail for a number of reasons, including but not limited to being unsafe for human use or due to the failure to provide therapeutic benefits equal to or better than the standards of treatment at the time of testing. Unsatisfactory results obtained from a particular study relating to a research and development program may cause us, TLS or other collaborators to abandon commitments to that program. Positive results from early preclinical research may not be indicative of favourable outcomes in later-stage clinical trials, and we can make no assurance that any future studies, if undertaken, will yield favourable results.

The early stage of our research makes it particularly uncertain as to whether any of its product development efforts will prove to be successful and meet applicable regulatory requirements, and whether any of its product candidates will receive the necessary regulatory approvals, be capable of being manufactured at a reasonable cost or be successfully marketed. If we are successful in developing its current and future product candidates into approved products, we will still experience many potential obstacles, which would affect our ability to successfully market and commercialize such approved products, such as the need to develop or obtain manufacturing, marketing and distribution capabilities, price pressures from third-party payors, or proposed changes in health care systems. If we are unable to successfully market and

commercialize any of its products, its financial condition and results of operation may be materially and adversely affected.

We can make no assurance that any future studies, if undertaken, will yield favorable results. Many companies in the pharmaceutical and biotechnology industries have suffered significant setbacks in later-stage clinical trials after achieving positive results in early-stage development, and we cannot be certain that it will not face similar setbacks. These setbacks have been caused by, among other things, preclinical findings made while clinical trials were underway or safety or efficacy observations made in clinical trials, including previously unreported adverse events. Preclinical and clinical data are often susceptible to varying interpretations and analyses, and many companies that believed their product candidates performed satisfactorily in preclinical studies and clinical trials nonetheless failed to obtain regulatory approval. If we fail to produce positive results in its future clinical trials and other programs, the development timeline and regulatory approval and commercialization prospects for our product candidates, and correspondingly, its business and financial prospects, would be materially adversely affected.

Third Party Risk with respect to Preclinical Studies and Clinical Trials

We rely on and will continue to rely on TLS and third parties to conduct our preclinical and clinical development activities. Preclinical activities include in vivo studies providing access to specific disease models, pharmacology and toxicology studies and assay development. Clinical development activities include trial design, regulatory submissions, clinical patient recruitment, clinical trial monitoring, clinical data management and analysis, safety monitoring and project management. If there is any dispute or disruption in our relations with TLS or other third parties, or if we are unable to provide quality services in a timely manner and at a feasible cost our active development programs will face delays. Further, if any of these third parties fails to perform as we expect or if our work fails to meet regulatory requirements, our testing could be delayed, cancelled or rendered ineffective.

Psilocybin Supply Risk

We require commercial scale and quality manufactured Psilocybin to be available for preclinical and clinical trials. If we do not have commercial grade drug supply when needed, we may face delays in initiating or completing trials and our business operations could suffer significant harm. We anticipate that Psilocybin will be manufactured in small quantities for preclinical studies and clinical trials by third party manufacturers. If we are subject to quality, cost or delivery issues with the preclinical and clinical grade materials supplied by contract manufacturers or if we do not have commercial drug supply available when needed for clinical trials, our regulatory and commercial progress may be delayed, and we may incur increased product development costs. This may have a material adverse effect on our business, financial condition and prospects, and may delay marketing of the product.

Reliance on Third Party Contract Manufacturers

We have limited manufacturing experience and rely on contract manufacturing organizations ("**CMOs**") over which we have limited control to manufacture our product candidates for preclinical studies and clinical trials. We rely on CMOs for manufacturing, filling, packaging, storing and shipping of drug products in compliance with GMP regulations applicable to our products. Health Canada ensures the quality of drug products by carefully monitoring drug

manufacturers' compliance with GMP regulations. The GMP regulations for drugs contain minimum requirements for the methods, facilities and controls used in manufacturing, processing and packing of a drug product. There can be no assurances that CMOs will be able to meet our timetable and requirements. If we are unable to arrange for alternative third-party manufacturing sources on commercially reasonable terms or in a timely manner, we may be delayed in the development of our product candidates. Further, CMOs must operate in compliance with GMP and failure to do so could result in, among other things, the disruption of product supplies. Our dependence upon third parties for the manufacture of our products may adversely affect our profit margins and our ability to develop and deliver products on a timely and competitive basis.

Safety and Efficacy Risks

Before obtaining marketing approval from regulatory authorities for the sale of our product candidates, we must conduct preclinical studies in animals and extensive clinical trials in humans to demonstrate the safety and efficacy of the product candidates. Clinical testing is expensive and difficult to design and implement, can take many years to complete and has uncertain outcomes. The outcome of preclinical studies and early clinical trials may not predict the success of later clinical trials, and interim results of a clinical trial do not necessarily predict final results. A number of companies in the pharmaceutical and biotechnology industries have suffered significant setbacks in advanced clinical trials due to lack of efficacy or unacceptable safety profiles, despite promising results in earlier trials. We do not know whether the clinical trials we conduct will demonstrate adequate efficacy and safety to result in regulatory approval to market any of our product candidates in any jurisdiction. A product candidate may fail for safety or efficacy reasons at any stage of the testing process. A major risk faced by us is the possibility that none of our product candidates will successfully gain market approval from regulatory authorities, resulting in our inability to derive any commercial revenue from them after investing significant amounts of capital in their development.

Risks Associated with Delays in Clinical Testing

We cannot predict whether any clinical trials will commence as planned, will need to be restructured, or will be completed on schedule, or at all. Our product development costs will increase if we experience delays in clinical testing. Significant clinical trial delays could shorten any periods during which we may have the exclusive right to commercialize our product candidates or allow its competitors to bring products to market before us, which would impair our ability to successfully commercialize our product candidates and may harm our financial condition, results of operations and prospects. The commencement and completion of clinical trials for our products may be delayed for a number of reasons, including delays related but not limited to:

- regulatory authorities' failure to grant permission to proceed or placing the clinical trial on hold;
- patients failing to enroll or remain in our trials at the rate we expect;
- suspension or termination of clinical trials by regulators for a variety of reasons, including failure of TLS or our contract research organizations (CROs) to satisfy their contractual duties or meet expected deadlines;
- inspections of clinical trial sites by regulatory authorities, regulatory authorities or ethics committees finding regulatory violations that require us to undertake corrective

action, resulting in suspension or termination of one or more sites or the imposition of a clinical hold on the entire study;

- one or more regulatory authorities or ethics committees rejecting, suspending or terminating the study at an investigational site, precluding enrollment of additional subjects, or withdrawing its approval of the trial; or
- failure to reach agreement on acceptable terms with prospective clinical trial sites.
- our product development costs will increase if it experiences delays in testing or approval or if we need to perform more or larger clinical trials than planned. Additionally, changes in regulatory requirements and policies may occur and we may need to amend study protocols to reflect these changes. Amendments may require us to resubmit its study protocols to regulatory authorities or ethics committees for re-examination, which may impact the cost, timing or successful completion of that trial. Delays or increased product development costs may have a material adverse effect on our business, financial condition and prospects. including concerns about patient safety or failure of our collaborators to comply with GMP requirements;
- product candidates demonstrating a lack of safety or efficacy during clinical trials;
- patients failing to complete clinical trials due to dissatisfaction with the treatment, side effects or other reasons;
- reports of clinical testing on similar technologies and products raising safety or efficacy concerns;
- competing clinical trials and scheduling conflicts with participating clinicians; and
- clinical investigators not performing our clinical trials on their anticipated schedule, dropping out of a trial, or employing methods not consistent with the clinical trial protocol, regulatory requirements or other third parties not performing data collection and analysis in a timely or accurate manner.

Risks Associated with Enrolling Patients in Clinical Trials

As our product candidates advance from preclinical testing to clinical testing, and then through progressively larger and more complex clinical trials, we will need to enroll an increasing number of patients that meet its eligibility criteria. There is significant competition for recruiting patients in clinical trials, and we may be unable to enroll the patients we need to complete clinical trials on a timely basis or at all. The factors that affect our ability to enroll patients are largely uncontrollable and include, but are not limited to, the following:

- size and nature of the patient population;
- eligibility and exclusion criteria for the trial;
- design of the study protocol;
- competition with other companies for clinical sites or patients;
- the perceived risks and benefits of the product candidate under study;
- the patient referral practices of physicians; and
- the number, availability, location and accessibility of clinical trial sites.

Regulatory Approval Risk

Our development and commercialization activities and product candidates are significantly regulated by a number of governmental entities, including Health Canada. Regulatory approvals are required prior to each clinical trial and we may fail to obtain the necessary approvals to commence or continue clinical testing. The time required to obtain approval by

regulatory authorities is unpredictable but typically takes many years following the commencement of preclinical studies and clinical trials. Any analysis of data from clinical activities we perform is subject to confirmation and interpretation by regulatory authorities, which could delay, limit or prevent regulatory approval. Even if our management believes results from our clinical trials are favorable to support the marketing of our product candidates, Health Canada or other regulatory authorities may disagree. Approval policies, regulations, or the type and amount of clinical data necessary to gain approval may change during the course of a product candidate's clinical development and may vary jurisdictions. We have not obtained regulatory approval for any product candidate and it is possible that none of our existing product candidates or any future product candidates will ever obtain regulatory approval.

We could fail to receive regulatory approval for our product candidates for many reasons, including but not limited to:

- disagreement with the design or implementation of its clinical trials;
- failure to demonstrate that a product candidate is safe and effective for its proposed indication;
- failure of clinical trials to meet the level of statistical significance required for approval;
- failure to demonstrate that a product candidate's clinical and other benefits outweigh its safety risks;
- disagreement with our interpretation of data from preclinical studies or clinical trials;
- the insufficiency of data collected from clinical trials of our product candidates to support the submission and filing of a n submission to obtain regulatory approval;
- deficiencies in the manufacturing processes or the failure of facilities of collaborators with whom we have contracts with for clinical and commercial supplies to pass a pre-approval inspection; or
- changes in the approval policies or regulations that render our preclinical and clinical data insufficient for approval.

A regulatory authority may require more information, including additional preclinical or clinical data to support approval, which may delay or prevent approval and our commercialization plans, or we may decide to abandon the development program. If we are successful in obtaining approval, regulatory authorities may approve any of our product candidates for fewer or more limited indications than we request, may grant approval contingent on the performance of costly post-marketing clinical trials, or may approve a product candidate with a label that does not include the labeling claims necessary or desirable for the successful commercialization of that product candidate. Depending on any safety issues associated with our product candidates that garner approval, Health Canada may impose a risk evaluation and mitigation strategy, thereby imposing certain restrictions on the sale and marketability of such products.

Delay in Achieving or Failure to Achieve Publicly Announced Milestones

From time to time, we may announce the timing of certain events it expects to occur, such as the anticipated timing of results from its clinical trials. These statements are forward-looking and are based on the best estimates of management at the time relating to the occurrence of such events. However, the actual timing of such events may differ from what has been publicly disclosed. The timing of events such as initiation or completion of a clinical trial, filing of an application to obtain regulatory approval, or announcement of additional clinical trials for a product candidate may ultimately vary from what is publicly disclosed. These variations in timing

may occur as a result of different events, including the nature of the results obtained during a clinical trial or during a research phase, timing of the completion of clinical trials, or any other event having the effect of delaying the publicly announced timeline. We undertake no obligation to update or revise any forward-looking information or statements, whether as a result of new information, future events or otherwise, except as otherwise required by law. Any variation in the timing of previously announced milestones could have a material adverse effect on its business plan, financial condition or operating results and the trading price of common shares.

Competition Risk

The biotechnology and pharmaceutical industries are intensely competitive and subject to rapid and significant technological change. Our competitors include large, well-established pharmaceutical companies, biotechnology companies, and academic and research institutions developing therapeutics for the same indications we are targeting and competitors with existing marketed therapies. Many other companies are developing or commercializing therapies to treat the same diseases or indications for which our product candidates may be useful.

Many of our competitors have substantially greater financial, technical and human resources than we have and have significantly greater experience than us in conducting preclinical testing and human clinical trials of product candidates, scaling up manufacturing operations and obtaining regulatory approvals of products. Accordingly, our competitors may succeed in obtaining regulatory approval for products more rapidly than we do. Our ability to compete successfully will largely depend on:

- the efficacy and safety profile of our product candidates relative to marketed products and other product candidates in development;
- our ability to develop and maintain a competitive position in the product categories and technologies on which it focuses;
- the time it takes for our product candidates to complete clinical development and receive marketing approval;
- our ability to obtain required regulatory approvals;
- our ability to commercialize any of our product candidates that receive regulatory approval;
- our ability to establish, maintain and protect intellectual property rights related to our product candidates; and
- acceptance of any of our product candidates that receive regulatory approval by physicians and other healthcare providers and payers.

Competitors have developed and may develop technologies that could be the basis for products that challenge the products we are developing. Some of those products may have an entirely different approach or means of accomplishing the desired therapeutic effect than our product candidates and may be more effective or less costly than its product candidates. The success of our competitors and our products and technologies relative to our technological capabilities and competitiveness could have a material adverse effect on the future preclinical studies and clinical trials of our product candidates, including its ability to obtain the necessary regulatory approvals for the conduct of such clinical trials. This may further negatively impact our ability to generate future product development programs using Psilocybin or other psychedelic inspired compounds. If we are not able to compete effectively against its current and future competitors, our business will not grow, and our financial condition and operations will substantially suffer.

Loss of Key Personnel

We heavily rely on the capabilities and experience of our key executives and scientists and the loss of any of them could affect our ability to develop its products. The loss of our Chairperson of the Board, or our CEO or other key members of our staff, could harm us. We also depend on our scientific and clinical collaborators and advisors, all of whom have outside commitments that may limit their availability to us. In addition, our future success will depend in large part upon our ability to attract and retain highly skilled scientific, managerial, medical, manufacturing, clinical and regulatory personnel, particularly as we expand our activities and seek regulatory approvals for clinical trials. We enter into agreements with scientific and clinical collaborators and advisors, key opinion leaders and academic partners in the ordinary course of our business. We will enter into agreements with physicians and institutions who will recruit patients into clinical trials on our behalf in the ordinary course of its business. Notwithstanding these arrangements, we face significant competition for these types of personnel from other companies, research and academic institutions, government entities and other organizations. We cannot predict our success in hiring or retaining the personnel we require for continued growth. The loss of the services of any of our executive officers or other key personnel could potentially harm our business, operating results or financial condition.

Negative Results from Clinical Trials or Studies of Others and Adverse Safety Events

From time to time, studies or clinical trials on various aspects of biopharmaceutical products are conducted by academic researchers, competitors or others. The results of these studies or trials, when published, may have a significant effect on the market for the biopharmaceutical product that is the subject of the study. The publication of negative results of studies or clinical trials or adverse safety events related to our product candidates, or the therapeutic areas in which our product candidates compete, could adversely affect its future commercialization efforts, its share price and our ability to finance future development of our product candidates, and its business and financial results could be materially and adversely affected.

Laws Related to Schedule III Drugs

Our ability to continue research using Psilocybin, which is a controlled substance listed as a Schedule III drug in the CDSA, is dependent on our authorization from Health Canada to conduct lawful clinical or scientific research using Psilocybin. Health Canada has granted authorization pursuant to the FDR for the Principal Investigator to possess Psilocybin for our Preclinical Trial. Any failure to comply with the conditions of the authorization could result in Health Canada suspending or revoking the authorization which would prevent us from conducting research until the authorization is reinstated.

Intellectual Property Risks

Risks Related to Potential Inability to Protect Intellectual Property

Our success is heavily dependent upon our intellectual property. We license certain of our intellectual property from third parties and there can be no assurance that we will be able to continue licensing these rights on a continuous basis. We rely upon copyrights, trade secrets, unpatented proprietary know-how and continuing technology innovation to protect the intellectual property that we consider important to the development of our business. We rely on various methods to protect our proprietary rights, including patent applications, confidentiality

agreements with our consultants, service providers and management that contain terms and conditions prohibiting unauthorized use and disclosure of our confidential information. However, despite our efforts to protect our intellectual property rights, unauthorized parties may attempt to copy or replicate our intellectual property. There can be no assurances that the steps taken by us to protect our intellectual property will be adequate to prevent misappropriation or independent third-party development of our intellectual property. It is likely that other companies can duplicate our products or production processes similar to ours. To the extent that any of the above could occur, our revenue could be negatively affected, and in the future, we may have to litigate to enforce our intellectual property rights, which could result in substantial costs and divert our management's attention and our resources.

Risks Related to Potential Intellectual Property Claims

Companies in the retail and wholesale consumer product industries frequently own trademarks and trade secrets and often enter into litigation based on allegations of infringement or other violations of intellectual property rights. We may be subject to intellectual property rights claims in the future and our products may not be able to withstand any third-party claims or rights against their use. Any intellectual property claims, with or without merit, could be time consuming, expensive to litigate or settle and could divert management resources and attention. An adverse determination also could prevent us from offering our products and services to others and may require that we procure substitute products or services for these members.

With respect to any intellectual property rights claim, we may have to pay damages or stop using intellectual property found to be in violation of a third party's rights. We may have to seek a license for the intellectual property, which may not be available on reasonable terms and may significantly increase our operating expenses. The technology also may not be available for license to us at all. As a result, we may also be required to pursue alternative options, which could require significant effort and expense. If we cannot license or obtain an alternative for the infringing aspects of our business, we may be forced to limit our product and service offerings and may be unable to compete effectively. Any of these results could harm our brand and prevent us from generating sufficient revenue or achieving profitability.

Protection and Enforcement of our Intellectual Property

Our success will depend in part upon our ability to protect our intellectual property and proprietary technologies and upon the nature and scope of the intellectual property protection we receive. The ability to compete effectively and to achieve partnerships will depend on our ability to develop and maintain proprietary aspects of our technology and to operate without infringing on the proprietary rights of others. The presence of such proprietary rights of others could severely limit our ability to develop and commercialize our products, to conduct existing research and could require financial resources to defend litigation, which may be in excess of our ability to raise such funds. There is no assurance that our pending patent applications will be approved in a form that will be sufficient to protect our proprietary technology and gain or keep any competitive advantage that we may have or, once approved, will be upheld in any post-grant proceedings brought by any third parties.

The patent positions of pharmaceutical companies can be highly uncertain and involve complex legal, scientific and factual questions for which important legal principles remain unresolved. Patents issued to us may be challenged, invalidated or circumvented. To the extent our

intellectual property, including licensed intellectual property, offers inadequate protection, or is found to be invalid or unenforceable, we are exposed to a greater risk of direct competition. If our intellectual property does not provide adequate protection against our competitors' products, our competitive position could be adversely affected, as could our business, financial condition and results of operations. Both the patent application process and the process of managing patent disputes can be time consuming and expensive, and the laws of some foreign countries may not protect our intellectual property rights to the same extent as do the laws of Canada and the US. We will be able to protect our intellectual property from unauthorized use by third parties only to the extent that our proprietary technologies, key products, and any future products are covered by valid and enforceable intellectual property rights including patents or are effectively maintained as trade secrets, and provided we have the funds to enforce our rights, if necessary.

Third Party License Risk

We may require third-party licenses to effectively develop and manufacture our key products and we are currently unable to predict the availability or cost of such licenses

A substantial number of patents have already been issued to other biotechnology and pharmaceutical companies. To the extent that valid third-party patent rights cover our products or services, we or our strategic collaborators would be required to seek licenses from the holders of these patents in order to manufacture, use or sell these products and services, and payments under them would reduce our profits from these products and services. We are currently unable to predict the extent to which we may wish or be required to acquire rights under such patents, the availability and cost of acquiring such rights, and whether a license to such patents will be available on acceptable terms or at all. There may be patents in the US or in foreign countries or patents issued in the future that are unavailable to license on acceptable terms. Our inability to obtain such licenses may hinder or eliminate its ability to manufacture and market its products.

Disclosure of Proprietary Information and Trade Secrets to Third Parties

Due to our reliance on third parties to develop our products, we must share trade secrets with them. We seek to protect our proprietary technology in part by entering into confidentiality agreements and, if applicable, material transfer agreements, collaborative research agreements, consulting agreements or other similar agreements with our collaborators, advisors, employees and consultants prior to beginning research or disclosing proprietary information. These agreements typically restrict the ability of our collaborators, advisors, employees and consultants to publish data potentially relating to our trade secrets. Our academic and clinical collaborators typically have rights to publish data, provided that we are notified in advance and may delay publication for a specified time in order to secure intellectual property rights arising from the collaboration. In other cases, publication rights are controlled exclusively by us, although in some cases we may share these rights with other parties. We may also conduct joint research and development programs which may require us to share trade secrets under the terms of research and development collaborations or similar agreements. Despite our efforts to protect our trade secrets, our competitors may discover our trade secrets, either through breach of these agreements, independent development or publication of information including our trade secrets in cases where we do not have proprietary or otherwise protected rights at the time of publication. A competitor's discovery of our trade

secrets may impair our competitive position and could have a material adverse effect on our business and financial condition.

Risks Relating to COVID-19

Since March 11, 2020, 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 our financial results and condition in future periods. However, depending on the length and severity of the pandemic, COVID-19 could impact our operations, could cause delays relating to approval from Health Canada, could postpone research activities, and could impair our ability to raise funds depending on COVID-19s effect on capital markets.

Economic Risks

Global Economy Risk

The ongoing economic slowdown and downturn of global capital markets has generally made the raising of capital by equity or debt financing more difficult. We will be dependent upon the capital markets to raise additional financing in the future while establishing a user base. Access to financing has been negatively impacted by the ongoing global economic downturn. As such, we are subject to liquidity risks in meeting development and future operating cost requirements in instances where cash positions are unable to be maintained or appropriate financing is unavailable. These factors may impact our ability to raise equity or obtain loans and other credit facilities in the future and on terms favourable to us and our management. If uncertain market conditions persist, the ability to raise capital could be jeopardized and thus have an adverse impact on operations and on the trading price of our Common Shares on the Exchange.

Trends, Risks and Uncertainties

We have sought to identify what we believe to be the most significant risks to our business, but we cannot predict whether, or to what extent, any of such risks may be realized nor can we guarantee that we have identified all possible risks that might arise. Investors should carefully consider all of such risk factors before making an investment decision with respect to our Common Shares.

PROMOTER

Penny White is considered to be our "promoter", as that term is defined in the *Securities Act* (British Columbia), having taken initiative in founding our organization. She has not received value from us other than as set forth below and elsewhere in the Prospectus.

On November 29, 2019, Penny White purchased 1,000,000 units at a price of $0.05 per unit and on December 19, 2019 Ms. White purchased 400,000 units at a price of $0.05 per unit.

Each unit consisted of one share and one warrant to purchase another share for $0.50 for two years. On April 28, 2020 Ms. White was granted 1,000,000 RSUs. On May 6, 2020, Ms. White was granted 3,000,000 options pursuant to an executive employment agreement. On May 8, 2020 Ms. White purchased 5,000,000 common shares in the capital of the Company pursuant to an option exercise. The 6,400,000 shares, the 1,400,000 warrants and the 1,000,000 RSUs issued to Ms. White are subject to escrow.

For more information, see "*Executive Compensation*", "*Principal Securityholders*", "*Directors and Executive Officers*", "*Escrow Agreement*", "*Interests of Management and Others in Material Transactions*" and "*Material Contracts*" for additional disclosure concerning our promoter.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

There are no legal proceedings outstanding, threatened or pending as of the date of this Prospectus by or against us or to which we are or were a party or our business or any of our assets is the subject of, nor to the knowledge of our directors and officers are any such legal proceedings contemplated which could become material to a purchaser of our securities.

There have not been any penalties or sanctions imposed against us by a court relating to provincial or territorial securities legislation or by a securities regulatory authority, nor have there been any other penalties or sanctions imposed by a court or regulatory body against us, and we have not entered into any settlement agreements before a court relating to provincial or territorial securities legislation or with a securities regulatory authority.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as disclosed below or elsewhere in this Prospectus, none of our directors, executive officers or principal shareholders, or associate or affiliate of any of the foregoing, has had any material interest, direct or indirect, in any transaction within the preceding three years or in any proposed transaction that has materially affected or will materially affect us.

NeonMind purchased a non-exclusive product license from Better Plant, our parent company, which included rights to various recipes and product formulations for foods, beverages, personal care, skin care, cosmetic and other wellness products and to sell the products worldwide, excluding Canada. In consideration for the license granted, NeonMind undertook to pay Better Plant a fee of $1,200,000 in cash and issued 90 million common shares of NeonMind to Better Plant. The term of the license is for 50 years from November 4, 2019. Urban Juve initially acquired the rights of these formulas and has since spent significant resources to develop them to make them ready for commercialization. Urban Juve's cost of development is shown in the table below:

Urban Juve Formulas Development Costs:		
Acquisition of rights	$	488,000
Research	$	72,000
Product development	$	242,000
Testing samples	$	30,000
Consulting/payroll costs	$	722,000
Total	$	1,554,000

NeonMind purchased from Urban Juve, our sister company, a non-exclusive license to use, modify and sublicense the extraction technology for the purpose of developing an extraction process for mushroom extract. The total consideration paid for the license was $500,000 CAD paid in 6.25 million common shares of NeonMind at $0.08 per share. The term of the agreement is for twenty-five years.

On February 20, 2020 NeonMind granted Komo Foods a non-exclusive, non-royalty bearing license to all proprietary technology, including a license to all intellectual property rights for the manufacture of extract from plant and fungi materials. The total consideration paid for the license was $500,000 CAD paid in 5 million common shares of Komo Foods at $0.10 per share. Better Plant owns approximately 19% of the outstanding shares of Komo Foods Penny White, our President and CEO, owns shares in Komo Foods and was a former director of Komo Foods. Rick Huang, our CFO, owns options and shares in Komo Foods. The CEO, President and director of Komo Foods is the spouse of Penny White.

See "*Description of the Business*", "*Escrowed Securities and Securities Subject to Contractual Restriction on Transfer*", "*Directors and Executive Officers" and "Material Contracts*".

AUDITORS, TRANSFER AGENT, WARRANT AGENT AND REGISTRARS

Our auditor is Saturna Group Chartered Professional Accountants LLP. Such auditor is independent in accordance with the auditor's code of professional conduct of the Chartered Professional Accountants of British Columbia.

Our transfer agent is Endeavor Trust Corporation.

MATERIAL CONTRACTS

Name of Contract	Parties	Date	Description of Agreement
Formula Acquisition	NeonMind and Better Plant and Cannacopia Therapeutics Inc., Vivek Taneka and 1134149 BC Ltd (the "**Creators**")	September 20, 2019, and amended on October 3, 2019	NeonMind purchased 10 edible mushroom recipe formulations inclusive of all know-how, trade secrets, research and data using wild edible mushroom recipes to create ready-to-eat packaged food products. The total consideration paid was an issuance of 120,000 common shares in Better Plant and paid as 40,000 shares to each of the Creators.
International License Agreement	NeonMind and Better Plant	November 4, 2019	NeonMind purchased a non-exclusive product license from Better Plant which included rights to various recipes and product formulations for foods, beverages, personal care, skin care, cosmetic and other wellness products and to sell the products worldwide, excluding Canada. In consideration for the license granted, NeonMind undertook to pay Better Plant a fee of $1,200,000 in cash and issued 90 million common shares of NeonMind to Better Plant. The term of the license is for 50 years from November 4, 2019.
Share Purchase Agreement & Assumption and Set-off Agreement	NeonMind and TLS and Dr. William Panenka	February 4, 2020	NeonMind, TLS and Dr. William Panenka agreed to a transaction whereby NeonMind would acquire approximately 18% of the issued and outstanding common shares of TLS, and in exchange NeonMind would issue 12,000,000 units to TLS and 3,000,000 units to Dr. Panenka.
License Agreement	NeonMind and Urban Juve	February 12, 2020	NeonMind purchased from Urban Juve a non-exclusive license to use, modify and sublicense the extraction technology for the purpose of developing an extraction process for mushroom extract. The total consideration paid for the license was $500,000 CAD paid in 6.25 million common shares of NeonMind at $0.08 per share. The term of the agreement is for twenty-five (25) years.
License Agreement	NeonMind and Komo Foods	February 20, 2020	NeonMind granted Komo Foods. a non-exclusive, non-royalty bearing license to all intellectual property, including knowledge, formulations, methods, techniques, technology, technological developments, processes, and other confidential information, currently in the possession or control of NeonMind, related to the preparation of an extract from plant or fungus material. The total consideration paid for the license was $500,000 CAD paid in 5 million common shares of Komo Foods at $0.10 per share.
Operating Agreement	NeonMind and Better Plant	April 1, 2020 and amended on August 30, 2020	Better Plant agreed to perform outsourced management services and deliverables to NeonMind for an indefinite term. In consideration for services rendered, NeonMind paid a monthly fee of $10,000, and as of June 1, 2020 NeonMind will reimburse Better Plant for services provided at cost.
Share Cancellation Agreement	Better Plant and NeonMind	May 6, 2020	Better Plant agreed to cancel 55,000,000 shares it owns in NeonMind and in consideration receive 55,000,000 warrants at $0.20 for 2 years, subject to escrow terms.

Clinical Study Start-Up Agreement	NeonMind and TLS	May 6, 2020	According to the terms of the agreement, NeonMind and TLS shall work together to conduct the evaluation of Psilocybin on food addiction, food cravings, and various metabolic parameters (including weight, glucose, and insulin). NeonMind has authorized TLS to perform activities required to prepare the study and the parties shall work towards entering into a clinical study agreement. NeonMind has agreed to pay for all costs related to the study and TLS has agreed to arrange for any required submission to Health Canada and engagement of all necessary parties to conduct the study.
Agreement to Escrow Securities and Amend Sale Restriction Terms of Letter of Intent	NeonMind and Dr. William Panenka	May 6, 2020	NeonMind and Dr. Panenka agreed to replace the sale restrictions on the shares and common shares received upon conversion of warrants with an escrow agreement governing the release from escrow of the securities.
Share Cancellation Agreement	NeonMind and TLS	May 6, 2020	TLS agreed to surrender 4,000,000 shares in exchange for the removal of the sale restrictions in the Letter of Intent on the remaining 8,000,000 shares and the 12,000,000 common shares received upon conversion of warrants and entering into an escrow agreement governing the release from escrow of the securities is in the best interests of NeonMind and TLS.
Amended and Restated Operating Agreement	Better Plant and TLS	August 30, 2020	Better Plant agreed to perform outsourced management services and deliverables to TLS for an indefinite term. In consideration for services rendered, TLS will pay a fee of Better Plant' cost plus 25% for the services and deliverables, except where the company utilizes third party contracts in which case the fees will be that of the third party contract cost plus 10%. To date less than $10,000 has been charged by Better Plant to TLS for services pursuant to this agreement. We don't anticipate more than $50,000 per year will be charged under this agreement.
Restricted Drug Supply Agreement	Psygen and NeonMind	September 26, 2020	Psygen Labs Inc. agreed to act as agent to provide Psilocybin for the Preclinical Trial and to directly supply Psilocybin for clinical research and for manufacture and commercial sale of Psilocybin as a drug product to promote and cause weight loss.
Fee for Service Agreement	NeonMind and UBC and Provincial Health Authority (on behalf of Children's & Women's Health Care Centre of BC, a public hospital	October 2020	UBC and the Hospital agreed to provide services under the supervision of the Principal Investigator, to conduct preclinical research to evaluate Psilocybin's capacity to reduce food cravings and the capacity of Psilocybin to promote and cause a reduction in body weight. The term of the agreement is for 2 years beginning October 26, 2020, the effective date of the agreement. NeonMind has agreed to pay $153,300 for the services.
Share Cancellation Agreement	NeonMind and Better Plant	October 21, 2020	Better Plant agreed to cancel 37,000,000 shares it owns in NeonMind.

Share Cancellation Agreement	NeonMind and Urban Juve	October 21, 2020	Urban Juve agreed to cancel 937,500 shares it owns in NeonMind.
Escrow Agreement	NeonMind and Endeavor Trust Corporation and Penny White, Jeff B. Smith, Dr. William Panenka, TLS, Better Plant and Urban Juve	November 4, 2020	The parties entered into an Initial Public Offering agreement in connection with the proposed distribution of common shares by Prospectus and listing shares on the Canadian Securities Exchange. NeonMind will remunerate the Transfer Agent reasonable compensation for its services under the agreement.

INTERESTS OF EXPERTS

Our auditor is Saturna Group Chartered Professional Accountants LLP. Such auditor is independent in accordance with the auditor's code of professional conduct of the Chartered Professional Accountants of British Columbia.

Certain legal matters relating to the Offering will be passed upon by Stikeman Elliott LLP, on the Company's behalf; and by Vantage Law Corporation, on behalf of the Agent. As at the date hereof, the designated professionals of Stikeman Elliott LLP, as a group, and the designated professionals of Vantage Law Corporation, as a group, each beneficially own, directly or indirectly, less than one percent of the securities of the Company.

No person whose profession or business gives authority to a statement made by such person and who is named in this Prospectus has received or will receive a direct or indirect interest in our property or any of our associates or affiliates. As at the date hereof, other than as disclosed above, none of the aforementioned persons beneficially owns, directly or indirectly, securities of ours or our associates and affiliates. In addition, other than as disclosed above, none of the aforementioned persons nor any director, officer or employee of any of the aforementioned persons, is or is expected to be elected, appointed or employed as, a director, senior officer or employee of us or of any of our associates or affiliates, or as a promoter of ours or an associate or affiliate of ours.

OTHER MATERIAL FACTS

There are no further facts or particulars in respect of the securities being distributed pursuant to this Prospectus that are not already disclosed herein that are necessary to be disclosed for this Prospectus to contain full, true and plain disclosure of all material facts relating to such securities.

RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in the Selling Provinces provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a Prospectus and any amendment. In these provinces, the securities legislation further provides a purchaser with remedies for rescission or damages

if this Prospectus and any amendment contains a material misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. **The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights or consult with a legal advisor.**

In an offering of Warrants, investors are cautioned that the statutory right of action for damages for a misrepresentation contained in this Prospectus is limited, in certain provincial securities legislation, to the price at which the Warrants are offered to the public under the Offering. This means that, under the securities legislation of certain provinces, if the purchaser pays additional amounts upon exercise of the Warrants, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of this right of action for damages or consult with a legal adviser.

FINANCIAL STATEMENT DISCLOSURE FOR ISSUERS

The following Financial Statements are included herein:

- **Schedule "B" -** Unaudited condensed interim financial statements for the three and the nine months ended August 31, 2020;
- **Schedule "C"** - Financial statements for the financial year ended November 30, 2019; and
- **Schedule "D"** - Management's Discussion and Analysis for the three and the nine months ended August 31, 2020, and the year ended November 30, 2019.

SCHEDULE "A"

Audit Committee Charter

NEONMIND BIOSCIENCE INC.

AUDIT COMMITTEE CHARTER

This charter (the "**Charter**") sets forth the purpose, composition, responsibilities, and authority of the Audit Committee (the "**Committee**") of the Board of Directors (the "**Board**") of NeonMind Biosciences Inc. ("**NeonMind**").

1.0 Purpose

The purpose of the Committee is to assist the Board in fulfilling its oversight responsibilities with respect to:

- financial reporting and disclosure requirements;
- ensuring that an effective risk management and financial control framework has been implemented and tested by management of NeonMind; and
- external and internal audit processes.

2.0 Composition and Membership

(a) The Board will appoint the members ("**Members**") of the Committee. The Members will be appointed to hold office until the next annual general meeting of shareholders of NeonMind or until their successors are appointed. The Board may remove a Member at any time and may fill any vacancy occurring on the Committee. A Member may resign at any time and a Member will automatically cease to be a Member upon ceasing to be a director.

(b) The Committee will consist of at least three directors. Each Member will meet the criteria for financial literacy established by applicable laws and the rules of any stock exchanges upon which NeonMind's securities are listed, including National Instrument 52-110 - Audit Committees.

(c) The Board will appoint one of the Members to act as the Chair of the Committee (the "**Chair**") who will be the secretary of all meetings and will maintain minutes of all meetings and deliberations of the Committee. If the Chair is not in attendance at any meeting, the Committee will appoint another person who may, but need not, be a Member to act as the secretary of that meeting.

3.0 Meetings

(a) Meetings of the Committee will be held at such times and places as the Chair may determine, but in any event not less than four (4) times per year. Twenty-four (24) hours advance notice of each meeting will be given to each Member orally, by telephone, by facsimile or email, unless all Members are present and waive notice, or if those absent waive notice before or after a meeting. Members may attend all meetings either in person or by telephone.

(b) At the request of the external auditors of NeonMind, the Chief Executive Officer or the Chief Financial Officer of NeonMind or any Member, the Chair will convene a meeting of the Committee. Any such request will set out in reasonable detail the business proposed to be conducted at the meeting so requested.

(c) The Chair, if present, will act as the Chair of meetings of the Committee. If the Chair is not present at a meeting of the Committee the Members in attendance may select one of their number to act as Chair of the meeting.

(d) A majority of Members will constitute a quorum for a meeting of the Committee. Each Member

will have one vote and decisions of the Committee will be made by an affirmative vote of the majority. The Chair will not have a deciding or casting vote in the case of an equality of votes. Powers of the Committee may also be exercised by written resolutions signed by all Members.

(e) The Committee may invite from time to time such persons as it sees fit to attend its meetings and to take part in the discussion and consideration of the affairs of the Committee. The Committee will meet in camera without members of management in attendance for a portion of each meeting of the Committee.

(f) In advance of every regular meeting of the Committee, the Chair, with the assistance of the Secretary, will prepare and distribute to the Members and others as deemed appropriate by the Chair, an agenda of matters to be addressed at the meeting together with appropriate briefing materials. The Committee may require officers and employees of NeonMind to produce such information and reports as the Committee may deem appropriate in order for it to fulfill its duties.

4.0 Duties and Responsibilities

The duties and responsibilities of the Committee as they relate to the following matters, are as follows:

4.1 Financial *Reporting and Disclosure*

(a) review and recommend to the Board for approval, the audited annual financial statements, including the auditors' report thereon, the quarterly financial statements, management discussion and analysis, financial reports, and any guidance with respect to earnings per share to be given, prior to the public disclosure of such information, with such documents to indicate whether such information has been reviewed by the Board or the Committee;

(b) review and recommend to the Board for approval, where appropriate, financial information contained in any prospectuses, annual information forms, annual report to shareholders, management proxy circular, material change disclosures of a financial nature and similar disclosure documents prior to the public disclosure of such information;

(c) review with management of NeonMind, and with external auditors, significant accounting principles and disclosure issues and alternative treatments under International Financial Reporting Standards ("**IFRS**"), with a view to gaining reasonable assurance that financial statements are accurate, complete and present fairly NeonMind's financial position and the results of its operations in accordance with IFRS, as applicable;

(d) seek to ensure that adequate procedures are in place for the review of NeonMind's public disclosure of financial information extracted or derived from NeonMind's financial statements, periodically assess the adequacy of those procedures and recommend any proposed changes to the Board for consideration;

(e) review the minutes from each meeting of the disclosure committee, established pursuant to NeonMind's corporate disclosure policy, since the last meeting of the Committee;

4.2 *Internal Controls and Audit*

(a) review the adequacy and effectiveness of NeonMind's system of internal control and management information systems through discussions with management and the external auditor to ensure that NeonMind maintains: (i) the necessary books, records and accounts in sufficient detail to accurately and fairly reflect NeonMind's transactions; (ii) effective internal control systems; and (iii) adequate processes for assessing the risk of material misstatement of the financial statement and for detecting control weaknesses or fraud. From time to time the Committee shall assess whether it is necessary or desirable to establish a formal internal audit

department having regard to the size and stage of development of NeonMind at any particular time;

(b) satisfy itself that management has established adequate procedures for the review of NeonMind's disclosure of financial information extracted or derived directly from NeonMind's financial statements;

(c) satisfy itself, through discussions with management, that the adequacy of internal controls, systems and procedures has been periodically assessed in order to ensure compliance with regulatory requirements and recommendations;

(d) review and discuss NeonMind's major financial risk exposures and the steps taken to monitor and control such exposures, including the use of any financial derivatives and hedging activities;

(e) review, and in the Committee's discretion make recommendations to the Board regarding, the adequacy of NeonMind's risk management policies and procedures with regard to identification of NeonMind's principal risks and implementation of appropriate systems to manage such risks including an assessment of the adequacy of insurance coverage maintained by NeonMind;

(f) recommend the appointment, or if necessary, the dismissal of the head of NeonMind's internal audit process;

4.3 ***External Audit***

(a) recommend to the Board a firm of external auditors to be nominated for appointment as the external auditor of NeonMind;

(b) ensure the external auditors report directly to the Committee on a regular basis;

(c) review the independence of the external auditors, including a written report from the external auditors respecting their independence and consideration of applicable auditor independence standards;

(d) review and recommend to the Board the fee, scope and timing of the audit and other related services rendered by the external auditors;

(e) review the audit plan of the external auditors prior to the commencement of the audit;

(f) establish and maintain a direct line of communication with NeonMind's external and internal auditors;

(g) meet in camera with only the auditors, with only management, and with only the members of the Committee at every Committee meeting where, and to the extent that, such parties are present;

(h) oversee the performance of the external auditors who are accountable to the Committee and the Board as representatives of the shareholders, including the lead partner of the independent auditors team;

(i) oversee the work of the external auditors appointed by the shareholders of NeonMind with respect to preparing and issuing an audit report or performing other audit, review or attest services for NeonMind, including the resolution of issues between management of NeonMind and the external auditors regarding financial disclosure;

(j) review the results of the external audit and the report thereon including, without limitation, a discussion with the external auditors as to the quality of accounting principles used, any alternative treatments of financial information that have been discussed with management of NeonMind, the ramifications of their use as well as any other material changes. Review a report describing all material written communication between management and the auditors such as management letters and schedule of unadjusted differences;

(k) discuss with the external auditors their perception of NeonMind's financial and accounting personnel, records and systems, the cooperation which the external auditors received during their course of their review and availability of records, data and other requested information and any recommendations with respect thereto;

(l) discuss with the external auditors their perception of NeonMind's identification and management of risks, including the adequacy or effectiveness of policies and procedures implemented to mitigate such risks;

(m) review the reasons for any proposed change in the external auditors which is not initiated by the Committee or Board and any other significant issues related to the change, including the response of the incumbent auditors, and enquire as to the qualifications of the proposed auditors before making its recommendations to the Board;

(n) review annually a report from the external auditors in respect of their internal quality control procedures, any material issues raised by the most recent internal quality control review, or peer review of the external auditors, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the external auditors, and any steps taken to deal with any such issues;

4.4 *Associated Responsibilities*

(a) monitor and periodically review the Whistleblower Policy and associated procedures for:

(i) the receipt, retention and treatment of complaints received by NeonMind regarding accounting, internal accounting controls or auditing matters;

(ii) the confidential, anonymous submission by directors, officers and employees of NeonMind of concerns regarding questionable accounting or auditing matters;

(iii) any violations of any applicable law, rule or regulation that relates to corporate reporting and disclosure, or violations of NeonMind's Code of Business Conduct and Ethics; and

(b) review and approve NeonMind's hiring policies regarding employees and partners, and former employees and partners, of the present and former external auditors of NeonMind; and

4.5 *Non-Audit Services*

(a) pre-approve all non-audit services to be provided to NeonMind or any subsidiary entities by its external auditors or by the external auditors of such subsidiary entities. The Committee may delegate to one or more of its members the authority to pre-approve non-audit services but pre-approval by such member or members so delegated shall be presented to the full Committee at its first scheduled meeting following such pre-approval.

5.0 Oversight Function

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that NeonMind's financial statements are

complete and accurate or comply with IFRS and other applicable requirements. These are the responsibilities of Management and the external auditors. The Committee, the Chair and any Members identified as having accounting or related financial expertise are members of the Board, appointed to the Committee to provide broad oversight of the financial, risk and control related activities of NeonMind, and are specifically not accountable or responsible for the day to day operation or performance of such activities. Although the designation of a Member as having accounting or related financial expertise for disclosure purposes is based on that individual's education and experience, which that individual will bring to bear in carrying out his or her duties on the Committee, such designation does not impose on such person any duties, obligations or liability that are greater than the duties, obligations and liability imposed on such person as a member of the Committee and Board in the absence of such designation. Rather, the role of a Member who is identified as having accounting or related financial expertise, like the role of all Members, is to oversee the process, not to certify or guarantee the internal or external audit of NeonMind's financial information or public disclosure.

6.0 Reporting

The Chair will report to the Board at each Board meeting on the Committee's activities since the last Board meeting. The Committee will annually review and approve the Committee's report for inclusion in the Annual Information Form. The Secretary will circulate the minutes of each meeting of the Committee to the members of the Board.

7.0 Access to Information and Authority

The Committee will be granted unrestricted access to all information regarding NeonMind that is necessary or desirable to fulfill its duties and all directors, officers and employees will be directed to cooperate as requested by Members. The Committee has the authority to retain, at NeonMind's expense, independent legal, financial and other advisors, consultants and experts, to assist the Committee in fulfilling its duties and responsibilities, including sole authority to retain and to approve any such firm's fees and other retention terms without prior approval of the Board. The Committee also has the authority to communicate directly with internal and external auditors.

8.0 Review of Charter

The Committee will annually review and assess the adequacy of this Charter and recommend any proposed changes to the Board for consideration.

Dated: May 8, 2020
Approved by: The Board of NeonMind

SCHEDULE "B"

Unaudited condensed interim financial statements for the three and the nine months ended August 31, 2020.

NeonMind Biosciences Inc.

Condensed Interim Financial Statements
(Expressed in Canadian Dollars)

For the Three and Nine Months Ended August 31, 2020
(Unaudited)

NEONMIND BIOSCIENCES INC.

Condensed Interim Statements of Financial Position
(Expressed in Canadian Dollars)

	August 31, 2020 (unaudited)	November 30, 2019
ASSETS		
Current assets		
Cash	$ 1,515	$ 107,689
Accounts receivable	5,159	–
Prepaid expenses and deposits	59,600	–
Total current assets	66,274	107,689
Non-current assets		
Investment (Note 3)	750,000	–
Investment in associate (Note 4)	396,385	–
Intangible assets (Note 5)	32,400	32,400
Total non-current assets	1,178,785	32,400
Total assets	$ 1,245,059	$ 140,089
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities (Note 6)	$ 81,855	$ 21,000
Due to related parties (Note 6)	129,285	1,247,224
Total current liabilities	211,140	1,268,224
Non-current liabilities		
Deferred revenue (Note 6)	415,000	–
Promissory note (Note 6)	691,245	–
Total non-current liabilities	1,106,245	–
Total liabilities	1,317,385	1,268,224
SHAREHOLDERS' EQUITY (DEFICIT)		
Share capital (Note 7)	1,727,851	237,105
Equity reserves (Notes 8, 9 and 10)	2,278,874	–
Deficit	(4,079,051)	(1,365,240)
Total shareholders' equity (deficit)	(72,326)	(1,128,135)
Total liabilities and shareholders' equity (deficit)	$ 1,245,059	$ 140,089

Nature of operations and continuance of business (Note 1)
Subsequent events (Note 13)

Approved and authorized for issuance on behalf of the Board of Directors on October 28, 2020:

/s/ "Penny White"
Director

/s/ "Kari Richardson"
Director

(The accompanying notes are an integral part of these condensed interim financial statements)

NEONMIND BIOSCIENCES INC.

Condensed Interim Statement of Operations and Comprehensive Loss
(Expressed in Canadian Dollars)
(Unaudited)

	Three months ended August 31, 2020	Nine months ended August 31, 2020
EXPENSES		
Advertising, marketing and media	$ 37,376	$ 133,314
Amortization and depreciation (Note 5)	25,205	55,068
Consulting fees (Note 6)	81,016	258,392
Office and administrative	14,003	26,024
Product development, research and registration (Note 6)	31,510	108,474
Professional fees	49,192	70,642
Share-based compensation (Notes 6, 9 and 10)	152,540	542,046
Total expenses	390,842	1,193,960
LOSS BEFORE OTHER ITEMS	(390,842)	(1,193,960)
OTHER ITEMS		
Loss on impairment of intangible assets (Note 5)	(444,932)	(444,932)
Loss on investment in associate (Note 4)	(9,463)	(18,615)
NET AND COMPREHENSIVE LOSS FOR THE PERIOD	$ (845,237)	$ (1,657,507)
LOSS PER SHARE, BASIC AND DILUTED	$ (0.01)	$ (0.01)
Weighted average shares outstanding	104,368,000	126,701,000

(The accompanying notes are an integral part of these condensed interim financial statements)

NEONMIND BIOSCIENCES INC.

Condensed Interim Statement of Changes in Equity
(Expressed in Canadian Dollars)
(Unaudited)

	Share capital				Total
	Number of shares	Amount	Equity reserves	Deficit	shareholders' equity (deficit)
BALANCE, NOVEMBER 30, 2019	122,151,000	$ 237,105	$ –	$ (1,365,240)	$ (1,128,135)
Units issued for cash	14,577,000	803,865	–	–	803,865
Share issuance costs	–	(108,360)	42,423	–	(65,937)
Shares issued on exercise of stock options	5,180,000	353,306	(244,306)	–	109,000
Shares issued for intangible assets	6,250,000	500,000	–	–	500,000
Units issued for purchase of investments	15,000,000	750,000	–	–	750,000
Units issued for services	210,000	10,500	–	–	10,500
Restricted share units for services	–	–	63,842	–	63,842
Share cancellations (Notes 7(s) & 7(t))	(59,000,000)	(818,565)	1,874,869	(1,056,304)	–
Fair value of stock options granted	–	–	436,962	–	436,962
Fair value of restricted share units granted	–	–	105,084	–	105,084
Net loss for the period	–	–	–	(1,657,507)	(1,657,507)
BALANCE, AUGUST 31, 2020	104,368,000	$ 1,727,851	$ 2,278,874	$ (4,079,051)	$ (72,326)

(The accompanying notes are an integral part of these condensed interim financial statements)

NEONMIND BIOSCIENCES INC.

Condensed Interim Statement of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)

	Nine months ended August 31, 2020
OPERATING ACTIVITIES	
Net loss for the period	$ (1,657,507)
Items not involving cash:	
Amortization of intangible assets	55,068
Share-based compensation	542,046
Shares issued for services	10,500
Restricted share units for services	63,842
Exercise of stock options for bonus	100,000
Loss on impairment of intangible assets	444,932
Loss on investment in associate	18,615
Changes in non-cash operating working capital:	
Accounts receivable	(5,159)
Prepaid expenses and deposits	(59,600)
Accounts payable and accrued liabilities	60,855
Due to related parties	(426,694)
Net cash used in operating activities	(853,102)
FINANCING ACTIVITIES	
Proceeds from issuance of units	803,865
Share issuance costs	(65,937)
Proceeds from exercise of stock options	9,000
Net cash provided by financing activities	746,928
CHANGE IN CASH	(106,174)
Cash, beginning of period	107,689
CASH, END OF PERIOD	$ 1,515
Non-cash investing and financing activities:	
Shares issued for purchase of intangible assets	$ 500,000
Shares received from licensing agreement	(415,000)
Fair value of brokers' warrants issued as finder's fees	42,423
Units issued for investment	750,000
Fair value of warrants issued in exchange for return of shares	1,819,373
Shares cancelled in exchange for removal of share sale restrictions	55,496

(The accompanying notes are an integral part of these condensed interim financial statements)

1. Nature of Operations and Continuance of Business

NeonMind Biosciences Inc. (formerly Flourish Mushroom Labs Inc.) ("NeonMind" or the "Company") was incorporated under the laws of the province of British Columbia, Canada, on September 18, 2019. On April 9, 2020, the Company changed its name to NeonMind Biosciences Inc. The Company develops ready-to-eat packaged food products or packaged food products that may be mixed with mushroom varietals of the consumer's choice.

These condensed interim financial statements have been prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to realize its assets and satisfy its liabilities in the normal course of business for the foreseeable future. Management is aware, in making its going concern assessment, of material uncertainties related to events and conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

The Company has recorded no revenues, incurred a net loss of $1,657,507, and used $853,102 of cash for operating activities during the nine months ended August 31, 2020. As at August 31, 2020, the Company had a working capital deficit of $144,866 and an accumulated deficit of $4,079,051. The continued operations of the Company are dependent on future profitable operations, management's ability to manage costs, and the future availability of equity or debt financing. Whether and when the Company can generate sufficient operating cash flows to pay for its expenditures and settle its obligations as they fall due is uncertain. These condensed interim financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary were the going concern assumption be inappropriate. The impact of these adjustments could be material.

The recent outbreak of the novel coronavirus COVID-19, which was declared a pandemic by the World Health Organization on March 11, 2020, has led to adverse impacts on the Canadian and global economies, disruptions of financial markets, and created uncertainty regarding potential impacts to the Company's supply chain and operations. The COVID-19 pandemic has impacted and could further impact the Company's operations and the operations of the Company's suppliers and vendors as a result of quarantines, facility closures, and travel and logistics restrictions. As a result of the pandemic, the Company experienced delays in its planned product launches. The extent to which the COVID-19 pandemic impacts the Company's business, results of operations and financial condition will depend on future developments, which are highly uncertain and cannot be predicted, including, but not limited to the duration, spread, severity, and impact of the COVID-19 pandemic, the effects of the COVID-19 pandemic on the Company's suppliers and vendors and the remedial actions and stimulus measures adopted by local and federal governments, and to what extent normal economic and operating conditions can resume. The management team is closely following the progression of COVID-19 and its potential impact on the Company, and is working on alternative measures and resources to minimize such impact. Even after the COVID-19 pandemic has subsided, the Company may experience adverse impacts to its business as a result of any economic recession or depression that has occurred or may occur in the future. Therefore, the Company cannot reasonably estimate the impact at this time our business, liquidity, capital resources and financial results.

2. Significant Accounting Policies

Statement of Compliance

These condensed interim financial statements of the Company have been prepared in accordance with International Accounting Standards 34, *Interim Financial Reporting*, and based on the principles of International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and the interpretations of the International Financial Reporting Interpretations Committee. These condensed interim financial statements should be read in conjunction with the Company's annual financial statements for the year ended November 30, 2019, which include the Company's significant accounting policies, and have been prepared in accordance with the same methods of application.

2. Significant Accounting Policies (continued)

Basis of Presentation

These condensed interim financial statements have been prepared on a historical cost basis. In addition, these condensed interim financial statements have been prepared using the accrual basis of accounting, except for the cash flow information. The presentation and functional currency of the Company is the Canadian dollar.

In the opinion of the Company's management, all adjustments considered necessary for a fair presentation have been included.

Significant Accounting Estimates and Judgments

The preparation of condensed interim financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income, and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Significant areas requiring the use of estimates include the useful life and carrying value of intangible assets, fair value of investments and share-based compensation, and measurement of unrecognized deferred income tax assets. Share-based compensation expense relating to restricted share units was determined using the fair value of common shares of the Company on the date of grant, which was determined based on previous private placements with third parties.

Judgments made by management in the application of IFRS that have a significant effect on the condensed interim financial statements include the factors that are used in determining whether the Company has significant influence over another entity, and the application of the going concern assumption which requires management to consider all available information about the future, which is at least but not limited to 12 months from the year end of the reporting period.

Another significant area requiring the use of judgments made by management includes the assessment of fair value of investments in private companies. The fair value of shares and warrants of private companies is determined by valuation techniques such as recent arm's-length transactions, option pricing models, or other valuation techniques commonly used by market participants. The investments in common shares and warrants are measured at fair value through profit or loss and unrealized gains and losses are recorded in the statement of operations.

On February 4, 2020, the Company entered into share purchase agreements for the purchase of 7,285,000 common shares of Translational Life Science Inc. ("TLS") with a fair value of $750,000. TLS is a private company and as at August 31, 2020, management assessed that the fair value of investment in TLS remains unchanged based on the forecasted business plans and projections in TLS.

The Company has determined that it has significant influence in Komo Plant Based Foods Inc. (formerly Kingdom Brands Inc.) ("Komo Foods") despite holding less than 20% of the voting rights in Komo Foods due to the CEO and President of the Company being the spouse of the CEO of Komo Foods. As a result, Komo Foods is considered an associate of the Company, and the investment in Komo Foods is accounted for using the equity method. The equity method involves recording the initial investment at cost and subsequently adjusting the carrying value of the investment for the Company's proportionate share of the profit or loss, other comprehensive income or loss and any other changes in the associate's net assets, such as further investments or dividends.

(Expressed in Canadian Dollars)

2. Significant Accounting Policies (continued)

Future Accounting Pronouncements

Certain pronouncements have been issued by the IASB, or the IFRS Interpretations Committee that are not mandatory for the current period and have not been early adopted. Management has assessed that there are no future accounting pronouncements that are expected to have a material impact on the Company in the current or future reporting periods.

3. Investment

On February 4, 2020, the Company entered into share purchase agreements for the purchase of 7,285,000 common shares of Translational Life Science Inc. ("TLS"), in exchange for 15,000,000 units of the Company with a fair value of $750,000. The Company's investment in TLS has been classified as non-current as the Company has no intention to sell its investment in TLS in the next 12 months, and it will take considerable time and effort to find a buyer as TLS is a privately-owned company. All shares of TLS are being held and there was no change in fair value as at August 31, 2020.

4. Investment in Associate

Komo Plant Based Foods Inc. (formerly Kingdom Brands Inc.) ("Komo Foods") makes and sells branded clothing and personal care products, leases property, and provides services to a cannabis dispensary license applicant in California.

On February 20, 2020, the Company entered into a license agreement with Komo Foods, whereby the Company granted Komo Foods a 25-year non-exclusive license to the Company's mushroom extraction technology for use in the United States. Pursuant to the license agreement, the Company received 5,000,000 common shares of Komo Foods, with a fair value of $415,000, representing 4.05% ownership interest in Komo Foods.

As the President and CEO of the Company holds an investment in Komo Foods and is the spouse of the CEO of Komo Foods, the Company is deemed to have significant influence in Komo Foods. The Company's investment in Komo Foods was accounted for as an investment in associate using the equity method.

In March 2020, Komo Foods closed a private placement which diluted the Company's ownership to 4.00%.

During the period ended August 31, 2020, the Company recorded its proportionate loss from Komo Foods of $18,615 (2019 - $nil). The carrying value of the Company's investment in Komo Foods as at August 31, 2020 was $396,385 (November 30, 2019 - $nil).

The following table outlines the changes in investment in associate that are accounted for using the equity method for the nine months ended August 31, 2020. As the Company does not have the same reporting date as its associate, the Company was provided with unaudited financial statements for the nine months ended August 31, 2020, to calculate the portion of net loss attributable to the Company.

	February 21, 2020 – March 9, 2020	March 10, 2020 – August 31, 2020	Total
Komo Foods net income (loss)	$ (210,835)	$ (252,020)	
% ownership	4.05%	4.00%	
Portion of net income (loss) from investment in associate	$ (8,541)	$ (10,074)	$ (18,615)

(Expressed in Canadian Dollars)

4. Investment in Associate (continued)

The following table outlines the carrying amount of the investment in Komo Foods as at August 31, 2020:

	Investment in associate
Carrying value of investment, November 30, 2019	$ –
Additions	415,000
Gain (loss) from investment in associate	(18,615)
Carrying value of investment, August 31, 2020	$ 396,385

The following table summarizes the financial information of the associate as at August 31, 2020 and for the three and nine months ended August 31, 2020:

	Komo Foods August 31, 2020
Cash	$ 85,027
Current and total assets	945,341
Current and total liabilities	840,466

	Three months ended August 31, 2020	Nine months ended August 31, 2020
Net and comprehensive loss for the period	$ (70,394)	$ (1,199,265)

5. Intangible Assets

	Product Formulations	Technology License	Total
Cost:			
Balance, November 30, 2019	$ 32,400	$ –	$ 32,400
Additions	–	500,000	500,000
Impairment	–	(500,000)	(500,000)
Balance, August 31, 2020	32,400	–	32,400
Accumulated depreciation:			
Balance, November 30, 2019	–	–	–
Additions	–	55,068	55,068
Impairment	–	(55,068)	(55,068)
Balance, August 31, 2020	–	–	–
Carrying amounts:			
As at November 30, 2019	$ 32,400	$ –	$ 32,400
As at August 31, 2020	$ 32,400	$ –	$ 32,400

On September 20, 2019, the Company entered into a definitive agreement to acquire recipes, trade secrets, research and data ("Know-How") related to 10 formulations designed to include wild edible mushrooms as key ingredients. Pursuant to the agreement, the Company's parent company, Better Plant Sciences Inc. ("Better Plant") (formerly "The Yield Growth Corp."), issued 120,000 common shares with a fair value of $32,400. On October 3, 2019, the Company issued 30,000,000 common shares to repay Better Plant. The Know-How has an indefinite useful life and is valued at fair value. The Company will periodically evaluate these assets to assess whether they have determinable useful lives or whether their value has become impaired over time.

(Expressed in Canadian Dollars)

5. Intangible Assets (continued)

On February 12, 2020, the Company entered into a license agreement with Urban Juve Provisions Inc. ("Urban Juve"), a related party, to acquire a license to use, modify and sublicense extraction technology for the purpose of developing an extraction process for mushroom extract for a term of 25 years. Pursuant to the agreement, the Company issued 6,250,000 common shares with a fair value of $500,000. Due to the impact of the COVID-19 pandemic, the commercialization of the Company's products has been delayed, and utilization of the licensed technology has been deferred. The Company still intends to use the technology, but the timing of further development of the technology is uncertain and unplanned as the Company's focus on its cash flows is on the day-to-day operations and development of its business operations. As a result, management assessed that the extraction technology no longer meets the capitalization standards of IAS 38, and recognized an impairment loss on the carrying value of the extraction technology as at August 31, 2020.

6. Related Party Transactions

During the three and nine months ended August 31, 2020, compensation of key management personnel and related parties were as follows:

	Three months ended August 31, 2020	Nine months ended August 31, 2020
Bonus expense	$ –	$ 100,000
Consulting fees	72,399	135,399
Product development, research and registration	22,014	95,500
Share-based compensation	128,520	463,254
	$ 222,933	$ 794,153

As at August 31, 2020, the Company owed $837,858 (November 30, 2019 - $1,247,224) to its parent company, Better Plant, which included a promissory note balance of $691,245 (November 30, 2019 - $nil) for previously advanced payment (November 30, 2019 - $nil), bearing interest at 5% compounded annually, and due and payable in full by October 30, 2021. Amounts owing also included interest payable balance of $17,328 (November 30, 2019 - $nil) relating to the promissory note. The remaining $129,285 (November 30, 2019 - $1,247,224) is unsecured, non-interest bearing, and due on demand.

During the nine months ended August 31, 2020, the Company entered into a license agreement with a related company under common control to acquire a license to use, modify and sublicense extraction technology for the purpose of developing an extraction process for mushroom extract for a term of 25 years. Pursuant to the agreement, the Company issued 6,250,000 common shares with a fair value of $500,000, Refer to Note 5.

During the nine months ended August 31, 2020, the Company entered into a license agreement with a company where the President and CEO of the Company has significant influence, whereby the Company granted a 25-year non-exclusive license to the Company's mushroom extraction technology for use in the United States. Pursuant to the license agreement, the Company received 5,000,000 common shares of the related company, with a fair value of $415,000, which is included in deferred revenue as at August 31, 2020.

7. Share Capital

Authorized: unlimited number of common shares without par value.

During the nine months ended August 31, 2020, the Company completed the following transactions:

(a) On December 19, 2019, the Company issued 4,270,000 units in a private placement at a price of $0.05 per unit for proceeds of $213,500. Each unit consists of one common share and one share purchase warrant exercisable at $0.50 per share for a period of 24 months from the date of issuance. In connection with the private placement, the Company incurred share issuance costs of $21,000 and issued 420,000 brokers' warrants with a fair value of $15,043, which are exercisable at $0.05 per share for a period of 24 months. The estimated fair value associated with the brokers' warrants granted was determined using the Black-Scholes Pricing Model with the following assumptions: stock price at grant date of $0.05; an annualized volatility of 150%; an expected life of 2 years; a dividend yield of 0%; a forfeiture rate of 0%; and a risk-free rate of 1.70%.

(b) On January 10, 2020, the Company issued 1,000,000 units in a private placement at a price of $0.05 per unit for proceeds of $50,000. Each unit consists of one common share and one share purchase warrant exercisable at $0.50 per share for a period of 24 months from the date of issuance.

(c) On January 15, 2020, the Company issued 4,246,500 units in a private placement at a price of $0.05 per unit for proceeds of $212,325. Each unit consists of one common share and one share purchase warrant exercisable at $0.50 per share for a period of 24 months from the date of issuance. In connection with the private placement, the Company incurred share issuance costs of $21,232 and issued 424,650 brokers' warrants with a fair value of $15,206, which are exercisable at $0.05 per share for a period of 24 months. The estimated fair value associated with the brokers' warrants granted was determined using the Black-Scholes Pricing Model with the following assumptions: stock price at grant date of $0.05; an annualized volatility of 150%; an expected life of 2 years; a dividend yield of 0%; a forfeiture rate of 0%; and a risk-free rate of 1.64%.

(d) On January 21, 2020, the Company issued 1,800,000 units in a private placement at a price of $0.05 per unit for proceeds of $90,000. Each unit consists of one common share and one share purchase warrant exercisable at $0.50 per share for a period of 24 months from the date of issuance. In connection with the private placement, the Company incurred share issuance costs of $9,000 and issued 180,000 brokers' warrants with a fair value of $6,445, which are exercisable at $0.05 per share for a period of 24 months. The estimated fair value associated with the brokers' warrants granted was determined using the Black-Scholes Pricing Model with the following assumptions: stock price at grant date of $0.05; an annualized volatility of 150%; an expected life of 2 years; a dividend yield of 0%; a forfeiture rate of 0%; and a risk-free rate of 1.62%.

(e) On January 22, 2020, the Company issued 200,000 units in a private placement at a price of $0.05 per unit for proceeds of $10,000. Each unit consists of one common share and one share purchase warrant exercisable at $0.50 per share for a period of 24 months from the date of issuance.

(f) On January 24, 2020, the Company issued 200,000 units in a private placement at a price of $0.05 per unit for proceeds of $10,000. Each unit consists of one common share and one share purchase warrant exercisable at $0.50 per share for a period of 24 months from the date of issuance. In connection with the private placement, the Company incurred share issuance costs of $1,000 and issued 20,000 brokers' warrants with a fair value of $717, which are exercisable at $0.05 per share for a period of 24 months. The estimated fair value associated with the brokers' warrants granted was determined using the Black-Scholes Pricing Model with the following assumptions: stock price at grant date of $0.05; an annualized volatility of 150%; an expected life of 2 years; a dividend yield of 0%; a forfeiture rate of 0%; and a risk-free rate of 1.50%.

7. Share Capital (continued)

(g) On January 28, 2020, the Company issued 200,000 units in a private placement at a price of $0.05 per unit for proceeds of $10,000. Each unit consists of one common share and one share purchase warrant exercisable at $0.50 per share for a period of 24 months from the date of issuance.

(h) On February 3, 2020, the Company issued 60,000 units in a private placement at a price of $0.05 per unit for proceeds of $3,000, and 210,000 units in exchange for product development services with fair value of $10,500. Each unit consists of one common share and one share purchase warrant exercisable at $0.50 per share for a period of 24 months from the date of issuance.

(i) On February 4, 2020, the Company issued 15,000,000 units with a fair value of $750,000 for the purchase of 7,285,000 common shares of Translational Life Science Inc. ("TLS"). Each unit consists of one common share and one share purchase warrants exercisable at $0.50 per share for a period of 24 months from the date of issuance.

(j) On February 7, 2020, the Company issued 100,000 units in a private placement at a price of $0.05 per unit for proceeds of $5,000. Each unit consists of one common share and one share purchase warrant exercisable at $0.50 per share for a period of 24 months from the date of issuance.

(k) On February 20, 2020, the Company issued 50,000 units in a private placement at a price of $0.08 per unit for proceeds of $4,000. Each unit consists of one common share and one share purchase warrant exercisable at $0.40 per share for a period of 24 months from the date of issuance.

(l) On February 20, 2020, the Company issued 6,250,000 common shares pursuant to a license agreement with Urban Juve (Note 4) for a fair value of $500,000.

(m) On March 23, 2020, the Company issued 387,500 units in a private placement at a price of $0.08 per unit for proceeds of $31,000. Each unit consists of one common share and one share purchase warrant exercisable at $0.40 per share for a period of 24 months from the date of issuance.

(n) On March 25, 2020, the Company issued 100,000 units in a private placement at a price of $0.08 per unit for proceeds of $8,000. Each unit consists of one common share and one share purchase warrant exercisable at $0.40 per share for a period of 24 months from the date of issuance.

(o) On April 27, 2020, the Company issued 250,000 units in a private placement at a price of $0.08 per unit for proceeds of $20,000. Each unit consists of one common share and one share purchase warrant exercisable at $0.40 per share for a period of 24 months from the date of issuance.

(p) On April 29, 2020, the Company issued 30,000 common shares for proceeds of $1,500 pursuant to the exercise of stock options. The fair value of the stock options of $1,365 was transferred from equity reserves to share capital upon exercise.

(q) On April 30, 2020, the Company issued 100,000 common shares for cash proceeds of $5,000 pursuant to the exercise of stock options. The fair value of the stock options of $4,548 was transferred from equity reserves to share capital upon exercise.

(r) On May 4, 2020, the Company issued 50,000 common shares for cash proceeds of $2,500 pursuant to the exercise of stock options. The fair value of the stock options of $2,274 was transferred from equity reserves to share capital upon exercise.

(Expressed in Canadian Dollars)

7. Share Capital (continued)

(s) On May 6, 2020, the Company entered into a share cancellation agreement with TLS for the purpose of having the share structure of the Company more likely to meet stock exchange listing standards in preparation for a planned initial public offering. Pursuant to the agreement, the Company cancelled 4,000,000 common shares in exchange for changes to contractual selling restrictions on the remaining shares and warrants held by TLS.

(t) On May 6, 2020, the Company entered into a share cancellation agreement with Better Plant for the purpose of having the share structure of the Company more likely to meet stock exchange listing standards in preparation for a planned initial public offering. Pursuant to the agreement, the Company cancelled 55,000,000 common shares in exchange for 55,000,000 warrants exercisable at $0.20 per share for a period of 24 months from the date of issuance. The estimated fair value associated with the warrants granted was $1,819,373 and determined using the Black-Scholes Pricing Model with the following assumptions: stock price at grant date of $0.06; an annualized volatility of 160%; an expected life of 2 years; a dividend yield of 0%; a forfeiture rate of 0%; and a risk-free rate of 0.29%.

(u) On May 8, 2020, the Company issued 5,000,000 common shares pursuant to the exercise of stock options as a $100,000 bonus to the President and CEO of the Company. The proceeds receivable of $100,000 was offset by a bonus payable to the President and CRO of the Company. The fair value of the stock options of $236,119 was transferred from equity reserves to share capital upon exercise.

(v) On May 14, 2020, the Company issued 1,713,000 units in a private placement at a price of $0.08 per unit for proceeds of $137,040. Each unit consists of one common share and one share purchase warrant exercisable at $0.15 per share for a period of 12 months from the date of issuance. In connection with the private placement, the Company incurred share issuance costs of $13,704 and issued 171,300 brokers' warrants with a fair value of $5,013, which are exercisable at $0.08 per unit for a period of 12 months. The estimated fair value associated with the brokers' warrants granted was determined using the Black-Scholes Pricing Model with the following assumptions: stock price at grant date of $0.06; an annualized volatility of 156%; an expected life of 1 year; a dividend yield of 0%; a forfeiture rate of 0%; and a risk-free rate of 0.29%.

8. Share Purchase Warrants

The following table summarizes the continuity of the Company's share purchase warrants:

	Number of warrants	Weighted average exercise price
Balance, November 30, 2019	2,150,000	$ 0.50
Issued	86,002,950	0.29
Balance, August 31, 2020	88,152,950	$ 0.30

(Expressed in Canadian Dollars)

8. Share Purchase Warrants (continued)

As at August 31, 2020, the following share purchase warrants were outstanding:

Number of warrants outstanding	Exercise price	Expiry date
1,713,000	$ 0.15	May 14, 2021
171,300	$ 0.08	May 14, 2021
2,150,000	$ 0.50	November 29, 2021
4,270,000	$ 0.50	December 19, 2021
420,000	$ 0.05	December 19, 2021
1,000,000	$ 0.50	January 10, 2022
4,246,500	$ 0.50	January 15, 2022
424,650	$ 0.05	January 15, 2022
1,800,000	$ 0.50	January 21, 2022
180,000	$ 0.05	January 21, 2022
200,000	$ 0.50	January 22, 2022
200,000	$ 0.50	January 24, 2022
20,000	$ 0.05	January 24, 2022
200,000	$ 0.50	January 28, 2022
270,000	$ 0.50	February 3, 2022
15,000,000	$ 0.50	February 4, 2022
100,000	$ 0.50	February 7, 2022
50,000	$ 0.40	February 20, 2022
387,500	$ 0.40	March 23, 2022
100,000	$ 0.40	March 25, 2022
250,000	$ 0.40	April 27, 2022
55,000,000	$ 0.20	May 6, 2022
88,152,950		

9. Stock Options

On January 13, 2020, the Company adopted an incentive stock option plan. Pursuant to the Company's stock option plan, directors may, from time to time, authorize the issuance of options to directors, officers, employees, and consultants of the Company. The terms of the granted stock options as well as the vesting conditions are at the sole discretion of the directors.

The following table summarizes the continuity of the Company's stock options:

	Number of options	Weighted average exercise price
Outstanding, November 30, 2019	–	$ –
Granted	16,700,000	0.05
Exercised	(5,180,000)	0.02
Expired/Cancelled	(5,165,000)	0.02
Outstanding, August 31, 2020	6,355,000	$ 0.10
Exercisable, August 31, 2020	2,020,000	$ 0.10

(Expressed in Canadian Dollars)

9. Stock Options (continued)

Additional information regarding stock options outstanding and exercisable as at August 31, 2020, is as follows:

Range of exercise prices	Stock options outstanding	Stock options exercisable	Weighted average remaining contracted life (years)
$ 0.10	6,355,000	2,020,000	4.29

Share-based compensation expense related to stock options was determined using the Black-Scholes option pricing model. During the nine months ended August 31, 2020, the Company recognized share-based compensation expense relating to stock options of $436,962 (2019 - $nil) in equity reserves, of which $358,169 (2019 - $nil) pertains to directors and officers of the Company. The weighted average fair value of options granted during the nine months ended August 31, 2020, was $0.05 (2019 - $nil) per share. The weighted average share price for stock options exercised was $0.02 (2019 - $nil). Weighted average assumptions used in calculating the fair value of share-based compensation expense, including no expected dividends or forfeitures, are as follows:

	2020
Risk-free interest rate	1.14%
Dividend yield	0%
Expected volatility	150%
Expected life (years)	5.00

As at August 31, 2020 there was $187,326 (November 30, 2019 - $nil) of unrecognized share-based compensation related to unvested stock options.

10. Restricted Share Units

On April 27, 2020, the Company adopted a restricted share unit plan. Pursuant to the Company's restricted share unit plan, directors may, from time to time, authorize the issuance of restricted share units to directors, officers, employees, and consultants of the Company. The terms of the granted restricted share units as well as the vesting conditions are at the sole discretion of the directors.

	Number of Restricted share units
Balance, November 30, 2019	–
Granted	10,087,500
Balance, August 31, 2020	10,087,500

Share-based compensation expense relating to restricted share units was determined using the fair value of common shares of the Company on the date of grant, which was determined based on previous private placements with third parties. During the nine months ended August 31, 2020, the Company recognized share-based compensation expense relating to restricted share units of $105,084 (2019 - $nil) in equity reserves, all of which pertains to directors and officers of the Company. During the nine months ended August 31, 2020, the Company granted restricted share units with a total fair value of $63,842 in exchange for consulting services. The weighted average fair value of restricted share units granted during the nine months ended August 31, 2020, was $0.02 (2019 - $nil) per share.

As at August 31, 2020 there was $410,864 (November 30, 2019 - $nil) of unrecognized share-based compensation related to unvested restricted share units.

11. Capital Management

The Company manages its capital structure and makes adjustments, based on the funds available to the Company, to support the general operations of the Company and facilitate the liquidity needs of its operations. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital to include its working capital position and share capital.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to externally imposed capital requirements.

12. Financial Instruments and Risks

Fair Values

Assets and liabilities measured at fair value on a recurring basis were presented on our condensed interim statement of financial position as at August 31, 2020, as follows:

	Fair Value Measurements Using			
	Quoted prices in active markets for identical instruments (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Balance, August 31, 2020
Investments	$ –	$ 396,385	$ 750,000	$ 1,146,385

The fair values of financial instruments, including cash, accounts receivable, accounts payable and accrued liabilities, and amounts due to related parties, approximate their carrying values due to the relatively short-term maturity of these instruments.

Credit Risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counter-party default on its obligation. The Company's credit risk is primarily attributable to cash. The Company minimizes its credit risk associated with its cash balance by dealing with major financial institutions in Canada, and has no other significant concentration of credit risk arising from operations. The carrying amount of financial assets represents the maximum credit exposure.

Foreign Exchange Rate and Interest Rate Risk

The Company is not exposed to any significant foreign exchange rate or interest rate risk.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company manages liquidity risk by maintaining sufficient cash balances and adjusting its operating budget and expenditure. Liquidity requirements are managed based on expected cash flows to ensure that there are sufficient funds to meet short-term and specific obligations.

12. Financial Instruments and Risks (continued)

Price Risk

The Company is exposed to price risk with respect to its investments, which consists of common shares and warrants held in private companies and is dependent upon the market price or the fair value of the common shares for those companies. The market price or the fair value of the common shares of those companies can fluctuate significantly, and there is no assurance that the future market price or the fair value of those companies will not decrease significantly.

13. Subsequent Events

On October 21, 2020, the Company entered into share cancellation agreements to cancel 37,000,000 common shares held by its parent company and 937,500 common shares held by a related company under common control.

On October 23, 2020, the Company granted 109,383 restricted share units to a consultant in exchange for consulting services with a fair value of $8,751. The restricted share units vest four months and one day after the grant date.

SCHEDULE "C"

Financial statements for the financial year ended November 30, 2019.

NeonMind Biosciences Inc.
(formerly Flourish Mushroom Labs Inc.)

Financial Statements
(Expressed in Canadian Dollars)

For the Period from September 18, 2019 (date of incorporation) to November 30, 2019

SATURNAGROUP
CHARTERED PROFESSIONAL ACCOUNTANTS LLP
1066 West Hastings Street, Suite 1250
Vancouver, BC Canada V6E 3X1

INDEPENDENT AUDITORS' REPORT

To the Shareholders of NeonMind Biosciences Inc. (formerly Flourish Mushroom Labs Inc.)

Opinion

We have audited the financial statements of NeonMind Biosciences Inc. (formerly Flourish Mushroom Labs Inc.) (the "Company"), which comprise the statement of financial position as at November 30, 2019, and the statements of operations and comprehensive loss, changes in equity, and cash flows for the period from September 18, 2019 (date of incorporation) to November 30, 2019, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at November 30, 2019, and its financial performance and its cash flows for the period from September 18, 2019 (date of incorporation) to November 30, 2019 in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the Company had no revenues, and incurred a net loss of $1,365,240 during the period ended November 30, 2019. As at November 30, 2019, the Company had a working capital deficit of $1,160,535 and an accumulated deficit of $1,365,240. These events or conditions, along with other matters as set forth in Note 1 of the financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Management's Discussion and Analysis, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditors' report is Henry Chow.

Saturna Group Chartered Professional Accountants LLP

Vancouver, Canada

May 26, 2020

NEONMIND BIOSCIENCES INC. (formerly Flourish Mushroom Labs Inc.)

Statement of Financial Position
(Expressed in Canadian Dollars)

	November 30, 2019
ASSETS	
Current assets	
Cash	$ 107,689
Total current assets	107,689
Non-current assets	
Intangible assets (Note 3)	32,400
Total assets	$ 140,089
LIABILITIES	
Current liabilities	
Accounts payable and accrued liabilities (Note 4)	$ 21,000
Due to related party (Note 4)	1,247,224
Total current liabilities	1,268,224
SHAREHOLDERS' DEFICIT	
Share capital (Note 5)	237,105
Deficit	(1,365,240)
Total shareholders' deficit	(1,128,135)
Total liabilities and shareholders' deficit	$ 140,089

Nature of operations and continuance of business (Note 1)
Subsequent events (Note 10)

Approved and authorized for issuance on behalf of the Board of Directors on May 26, 2020:

/s/ "Penny White"
Director

/s/ "Kari Richardson"
Director

(The accompanying notes are an integral part of these financial statements)

NEONMIND BIOSCIENCES INC. (formerly Flourish Mushroom Labs Inc.)

Statement of Operations and Comprehensive Loss
(Expressed in Canadian Dollars)

	For the period from September 18, 2019 (date of incorporation) to November 30, 2019
EXPENSES	
Advertising, marketing and media	$ 659
Consulting fees (Note 4)	21,000
Licensing fees (Note 4)	1,297,200
Listing fees	3,675
Office and administrative	61
Product development, research, and registration (Note 4)	42,000
Professional fees	645
Total expenses	1,365,240
NET AND COMPREHENSIVE LOSS FOR THE PERIOD	(1,365,240)
LOSS PER SHARE, BASIC AND DILUTED	$ (0.02)
Weighted average shares outstanding	76,880,000

(The accompanying notes are an integral part of these financial statements)

NEONMIND BIOSCIENCES INC. (formerly Flourish Mushroom Labs Inc.)

Statement of Changes in Equity
(Expressed in Canadian Dollars)

	Share capital			
	Number of shares	Amount	Deficit	Total shareholders' equity (deficit)
BALANCE, SEPTEMBER 18, 2019 (date of incorporation)	1,000	$ 5	$ –	$ 5
Units issued for cash	2,150,000	107,500	–	107,500
Shares issued for intangible assets	30,000,000	32,400	–	32,400
Shares issued for licensing fees	90,000,000	97,200	–	97,200
Net loss for the period	–	–	(1,365,240)	(1,365,240)
BALANCE, NOVEMBER 30, 2019	122,151,000	$ 237,105	$ (1,365,240)	$ (1,128,135)

(The accompanying notes are an integral part of these financial statements)

NEONMIND BIOSCIENCES INC. (formerly Flourish Mushroom Labs Inc.)
Statement of Cash Flows
(Expressed in Canadian Dollars)

	For the period September 18, 2019 (date of incorporation) to November 30, 2019
OPERATING ACTIVITIES	
Net loss for the period	$ (1,365,240)
Items not involving cash:	
Shares issued for licensing fees	97,200
Changes in non-cash operating working capital:	
Accounts payable and accrued liabilities	21,000
Due to related party	1,246,974
Net cash used in operating activities	(66)
FINANCING ACTIVITIES	
Advance from related party	250
Proceeds from issuance of shares	107,505
Net cash provided by financing activities	107,755
CHANGE IN CASH	107,689
Cash, beginning of period	–
CASH, END OF PERIOD	$ 107,689
Non-cash investing and financing activities	
Shares issued for purchase of intangible assets	$ 32,400

(The accompanying notes are an integral part of these financial statements)

1. Nature of Operations and Continuance of Business

NeonMind Biosciences Inc. (formerly Flourish Mushroom Labs Inc.) ("NeonMind" or the "Company") was incorporated under the laws of the province of British Columbia, Canada, on September 18, 2019. On April 9, 2020, the Company changed its name to NeonMind Biosciences Inc. The Company develops ready-to-eat packaged food products or packaged food products that may be mixed with mushroom varietals of the consumer's choice.

These financial statements have been prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to realize its assets and satisfy its liabilities in the normal course of business for the foreseeable future. Management is aware, in making its going concern assessment, of material uncertainties related to events and conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

The Company has incurred a net loss of $1,365,240 during the period ended November 30, 2019, and has a working capital deficit of $1,160,534 and an accumulated deficit of $1,365,240 as at November 30, 2019. The continued operations of the Company are dependent on future profitable operations, management's ability to manage costs and the future availability of equity or debt financing. Whether and when the Company can generate sufficient operating cash flows to pay for its expenditures and settle its obligations as they fall due is uncertain. These financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary were the going concern assumption be inappropriate. These adjustments could be material.

The recent outbreak of the novel coronavirus COVID-19, which was declared a pandemic by the World Health Organization on March 11, 2020, has led to adverse impacts on the Canadian and global economies, disruptions of financial markets, and created uncertainty regarding potential impacts to the Company's supply chain and operations. The COVID-19 pandemic has impacted and could further impact the Company's operations and the operations of the Company's suppliers and vendors as a result of quarantines, facility closures, and travel and logistics restrictions. The extent to which the COVID-19 pandemic impacts the Company's business, results of operations and financial condition will depend on future developments, which are highly uncertain and cannot be predicted, including, but not limited to the duration, spread, severity, and impact of the COVID-19 pandemic, the effects of the COVID-19 pandemic on the Company's suppliers and vendors and the remedial actions and stimulus measures adopted by local and federal governments, and to what extent normal economic and operating conditions can resume. The management team is closely following the progression of COVID-19 and its potential impact on the Company. Even after the COVID-19 pandemic has subsided, the Company may experience adverse impacts to its business as a result of any economic recession or depression that has occurred or may occur in the future. Therefore, the Company cannot reasonably estimate the impact at this time our business, liquidity, capital resources and financial results.

2. Significant Accounting Policies

Statement of Compliance

These financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and the interpretations of the International Financial Reporting Interpretations Committee.

Basis of Presentation

These financial statements have been prepared on a historical cost basis. In addition, these financial statements have been prepared using the accrual basis of accounting, except for the cash flow information. The presentation and functional currency of the Company is the Canadian dollar.

2. Significant Accounting Policies (continued)

Basis of Presentation (continued)

In the opinion of the Company's management, all adjustments considered necessary for a fair presentation have been included.

Significant Accounting Estimates and Judgments

The preparation of financial statements in accordance with IFRS requires management to make judgments, estimates, and assumptions that affect the application of policies and reported amounts of assets, liabilities, income, and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Significant areas requiring the use of estimates include the useful life and carrying value of intangible assets, fair value of share-based payments, and measurement of unrecognized deferred income tax assets.

Judgments made by management in the application of IFRS that have a significant effect on the financial statements include the factors that are used in determining the application of the going concern assumption which requires management to consider all available information about the future, which is at least but not limited to 12 months from the year end of the reporting period.

Cash and Cash Equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance, are readily convertible to known amounts of cash, and which are subject to insignificant risk of changes in value to be cash equivalents.

Intangible Assets

Intangible assets consist of product formulations. Intangible assets are carried at cost less accumulated amortization and impairment and are capitalized when the costs can be measured reliably and it is probable that future economic benefits that are attributable to the asset will flow to the Company. Product formulations are deemed to have an indefinite useful life and will be periodically evaluated by the Company to assess whether they have a determinable useful life or whether their value has become impaired over time.

Impairment of non-current assets

Intangible assets are reviewed for indicators of impairment at each statement of financial position date or whenever events or changes in circumstances indicate that the carrying amount of an asset exceeds its recoverable amount. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the CGU). The recoverable amount of an asset or a CGU is the higher of its fair value, less costs to sell, and its value in use. If the carrying amount of an asset exceeds its recoverable amount, an impairment charge is recognized immediately in profit or loss by the amount by which the carrying amount of the asset exceeds the recoverable amount. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the lesser of the revised estimate of recoverable amount, and the carrying amount that would have been recorded had no impairment loss been recognized previously.

2. Significant Accounting Policies (continued)

Income (Loss) Per Share

Basic Income (loss) per common share is computed by dividing their respective net income (loss) by the weighted average number of common shares outstanding during the year. The computation of diluted income per share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on the income per share. The dilutive effect of convertible securities is reflected in the diluted income per share by application of the "if converted" method. The dilutive effect of outstanding incentive stock options and their equivalents is reflected in the diluted income per share by application of the treasury stock method. As at November 30, 2019, there were 2,150,000 potentially dilutive shares outstanding.

Comprehensive Income (Loss)

Comprehensive income (loss) is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that are not included in the consolidated statement of operations. Items impacting comprehensive income (loss) includes foreign currency translation.

Income Taxes

Current income tax:

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax:

Deferred income tax is provided using the statement of financial position method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable income will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Financial Instruments

Under IFRS 9, financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 contains three primary measurement categories for financial assets: measured at amortized cost, fair value through other comprehensive income (FVTOCI), and fair value through profit and loss (FVTPL).

2. Significant Accounting Policies (continued)

Financial Instruments (continued)

The following is the Company's accounting policy for financial instruments under IFRS 9:

Financial instrument	Classification under IFRS 9
Cash	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Due to related parties	Amortized cost

Non-derivative financial assets:

On initial recognition, financial assets are recognized at fair value and are subsequently classified and measured at: (i) amortized cost; (ii) fair value through other comprehensive income ("FVOCI"); or (iii) fair value through profit or loss ("FVTPL"). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at fair value net of transaction costs that are directly attributable to its acquisition except for financial assets at FVTPL where transaction costs are expensed. All financial assets not classified and measured at amortized cost or FVOCI are classified as FVTPL. On initial recognition of an equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income/loss.

The classification determines the method by which the financial assets are carried on the statement of financial position subsequent to inception and how changes in value are recorded.

Impairment:

An 'expected credit loss' impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of future cash flows associated with the asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in the statement of operations for the period. The Company recorded bad debts expense based on the expected credit loss model.

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through the statement of operations to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Non-derivative financial liabilities:

Financial liabilities, other than derivatives, are initially recognized at fair value less directly attributable transaction costs. Subsequently, financial liabilities are measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and allocating the interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon recognition as FVTPL. Fair value changes on these liabilities are recognized in the statement of operations. The Company has no hedging arrangements and does not apply hedge accounting.

2. Significant Accounting Policies (continued)

Financial Instruments (continued)

Share Capital

Common shares are classified as equity. Transaction costs directly attributable to the issuance of common shares are recognized as a deduction from equity.

Revenue Recognition

Under IFRS 15, Revenue from Contracts with Customers, the Company uses the 5-step model for revenue recognition based on identifying the contract with the customer, identifying the performance obligations, determining the individual transaction price, and allocating the transaction price to the individual performance obligations making up the contract. Revenue is then recognized when or as the associated performance obligations are delivered and based on the expected consideration to be received. The Company expects to recognize future revenues in licensing and product sales, which are primarily derived from licensing and distribution fees from companies for the right to the Company's formulations and technology, or the right to manufacture and distribute the Company's proprietary products, and the sale of products on the Company's ecommerce website and through retail locations in Canada. The fees that are outlined in an agreement are recognized when the Company's obligations have been performed. For licenses with multiple performance obligations, the Company will identify specific distinct goods and services and will recognize income when the performance obligations for each distinct good or service has been performed.

Share-based Payments

The grant date fair value of share-based payment awards granted to employees is recognized as share-based compensation expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Where equity instruments are granted to parties other than employees, they are recorded by reference to the fair value of the services received. If the fair value of the services received cannot be reliably estimated, the Company measures the services received by reference to the fair value of the equity instruments granted, measured at the date the counterparty renders service.

All equity-settled share-based payments are reflected in share-based payment reserve, unless exercised. Upon exercise, shares are issued from treasury and the amount reflected in share-based payment reserve is credited to share capital, adjusted for any consideration paid.

Future Accounting Pronouncements

Certain pronouncements have been issued by the IASB, or the IFRS Interpretations Committee that are not mandatory for the current period and have not been early adopted. Management has assessed that there are no future accounting pronouncements that are expected to have a material impact on the Company in the current or future reporting periods.

(Expressed in Canadian Dollars)

3. Intangible Assets

	Product Formulations
Cost:	
Balance, September 18, 2019 (date of incorporation)	$ –
Additions	32,400
Balance, November 30, 2019	$ 32,400
Accumulated depreciation:	
Balance, September 18, 2019 and November 30, 2019	$ –
Carrying amounts:	
As at November 30, 2019	$ 32,400

On September 20, 2019, the Company entered into a definitive agreement to acquire recipes, trade secrets, research and data ("Know-How") related to 10 formulations designed to include wild edible mushrooms as key ingredients. Pursuant to the agreement, the Company's parent company, The Yield Growth Corp. ("Yield Growth"), issued 120,000 common shares with a fair value of $32,400. On October 3, 2019, the Company issued 30,000,000 common shares to repay Yield Growth. The Know-How has an indefinite useful life and is valued at fair value. The Company will periodically evaluate these assets to assess whether they have determinable useful lives or whether their value has become impaired over time.

4. Related Party Transactions

As at November 30, 2019, the Company owed $1,247,224 to its parent company, The Yield Growth Corp. ("Yield Growth"), which is unsecured and non-interest bearing, and due on demand. During the period ended November 30, 2019, the Company entered into a license agreement with Yield Growth whereby the Company was granted a license for 128 product formulations to manufacture products infused with functional mushrooms for a term of 50 years for aggregate proceeds of $3,000,000. Pursuant to the license agreement, the Company issued 90,000,000 shares with a fair value of $97,200 and $1,200,000 payable in cash. During the period ended November 30, 2019, the Company incurred $21,000 of consulting fees from Yield Growth.

As at November 30, 2019, the Company owed $10,500 to a company controlled by the Vice President, Operations, which is included in accounts payable and accrued liabilities. During the period ended November 30, 2019, the Company entered into a purchase agreement for the acquisition of 10 product formulations with three sellers, one of which was the Vice President, Operations, whose portion of the transaction was $10,800. During the period ended November 30, 2019, the Company incurred $21,000 of product development, research, and registration fees from the Vice President, Operations.

As at November 30, 2019, the Company owed $10,500 to a company controlled by the Vice President, Research and Development, which is included in accounts payable and accrued liabilities. During the period ended November 30, 2019, the Company entered into a purchase agreement for the acquisition of 10 product formulations with three sellers, one of which was the company controlled by the Vice President, Research and Development, whose portion of the transaction was $10,800. During the period ended November 30, 2019, the Company incurred $21,000 of product development, research, and registration fees from the Vice President, Research and Development.

(Expressed in Canadian Dollars)

5. Share Capital

Authorized: unlimited number of common shares without par value.

(a) Upon incorporation on September 18, 2019, the Company issued 1,000 common shares at $0.005 per share for proceeds of $5 to Yield Growth, its parent company.

(b) On October 3, 2019, the Company issued 30,000,000 common shares for the purchase of intangible assets for a fair value of $32,400.

(c) On October 18, 2019, the Company issued 90,000,000 common shares pursuant to a license agreement with Yield Growth for a fair value of $97,200.

(d) On November 29, 2019, the Company issued 2,150,000 units in a private placement at a price of $0.05 per unit for proceeds of $107,500. Each unit consisted of one common share and one share purchase warrant exercisable at $0.50 per share until November 29, 2021.

6. Share Purchase Warrants

The following table summarizes the continuity of the Company's share purchase warrants:

	Number of warrants	Weighted average exercise price
Issued and Balance at November 30, 2019	2,150,000	$ 0.50

As at November 30, 2019, the following share purchase warrants were outstanding:

Number of warrants outstanding	Exercise price	Expiry date
2,150,000	$ 0.50	November 29, 2021

7. Capital Management

The Company manages its capital structure and makes adjustments, based on the funds available to the Company, to support the general operations of the Company and facilitate the liquidity needs of its operations. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital to include its working capital position and share capital.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company is not subject to externally imposed capital requirements.

8. Financial Instruments and Risk Management

Fair Values

The fair values of financial instruments, including cash, accounts payable and accrued liabilities, and amounts due to a related party, approximate their carrying values due to the relatively short-term maturity of these instruments.

(Expressed in Canadian Dollars)

8. Financial Instruments and Risk Management (continued)

Credit Risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counter-party default on its obligation. The Company is not exposed to any significant credit risk. The Company minimizes its credit risk associated with its cash balance by dealing with major financial institutions in Canada, and has no other significant concentration of credit risk arising from operations. The carrying amount of financial assets represents the maximum credit exposure.

Foreign Exchange Rate and Interest Rate Risk

The Company is not exposed to any significant foreign exchange rate or interest rate risk.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company manages liquidity risk by maintaining sufficient cash balances and adjusting its operating budget and expenditure. Liquidity requirements are managed based on expected cash flows to ensure that there are sufficient funds to meet short-term and specific obligations.

Price Risk

The Company is not exposed to any significant price risk.

9. Income Taxes

The Company is subject to Canadian federal and provincial tax at the rate of 27%. The tax effect of the significant temporary differences, which comprise deferred income tax assets and liabilities, are as follows:

	2019 $
Net loss	(1,365,240)
Statutory income tax rate	27%
Income tax provision at statutory rate	(368,615)
Tax effect of:	
Change in unrecognized deferred income tax assets	368,615
Income tax provision	–

The significant components of deferred income tax assets and liabilities are as follows:

	2019 $
Deferred income tax assets	
Non-capital losses carried forward	368,615
Total gross deferred income tax assets	368,615
Unrecognized deferred income tax assets	(368,615)
Net deferred income tax assets	–

(Expressed in Canadian Dollars)

9. Income Taxes (continued)

As at November 30, 2019, the Company has non-capital losses carried forward of $1,365,240 which are available to offset future years' taxable income. These losses expire as follows:

Year of expiry	Non-capital loss carryforward
2039	$ 1,365,240

10. Subsequent Events

Private Placements

Subsequent to November 30, 2019, the Company closed multiple private placements for a total of 12,076,500 units at a price of $0.05 per unit for aggregate proceeds of $603,825. Each unit consisted of one common share and one share purchase warrant exercisable at $0.50 per share for a period of two years from the date of issuance. In connection with the private placements, the Company paid total finder's fees of $52,233 and issued 1,044,650 finder's warrants exercisable at $0.05 per share for a period of two years.

Subsequent to November 30, 2019, the Company closed multiple private placements for a total of 787,500 units at a price of $0.08 per unit for aggregate proceeds of $63,000. Each unit consisted of one common share and one share purchase warrant exercisable at $0.40 per share for a period of two years from the date of issuance.

On May 14, 2020, the Company closed a private placement for a total of 1,713,000 units at a price of $0.08 per unit for aggregate proceeds of $137,040. Each unit consisted of one common share and one share purchase warrant exercisable at $0.08 per share for a period of 12 months from the date of issuance. In connection with the private placement, the Company paid total finder's fees of $13,704 and issued 171,300 finder's warrants, which are exercisable at $0.08 per share for a period of 12 months.

Shares Issued on Exercise of Stock Options

Subsequent to November 30, 2019, the Company issued 180,000 common shares upon the exercise of 180,000 stock options for total proceeds of $9,000.

On May 8, 2020, the Company issued 5,000,000 common shares to a director pursuant to a $100,000 bonus granted that was automatically applied to the exercise of 5,000,000 stock options.

Units Issued for Consulting Services

On February 3, 2020, the Company issued 210,000 units with a fair value of $10,500 to an officer of the Company in exchange for consulting services. Each unit consisted of one common share and one share purchase warrant exercisable at $0.50 per share for a period of two years from the date of issuance.

10. Subsequent Events (continued)

Other Unit Issuances

On February 4, 2020, the Company acquired 5,825,000 common shares of Translational Life Sciences Inc. ("TLS"), in exchange for 15,000,000 units of the Company. Each unit consisted of one common share and one share purchase warrant exercisable at $0.50 per share for a period of two years from the date of issuance.

On February 12, 2020, the Company entered into a license agreement with a related subsidiary company, Urban Juve Provisions Inc. ("Urban Juve"), whereby the Company was granted a license to use Urban Juve's proprietary extraction technology and all related intellectual property rights, in exchange for $500,000, payable in 6,250,000 shares of the Company. The Company intends to use the technology to develop an extraction process for mushroom extract to commercialize mushroom-related products.

Share Cancellation Agreements

On May 6, 2020, the Company entered into a share cancellation and warrant agreement with its parent company, Yield Growth, to cancel 55,000,000 common shares in exchange for 55,000,000 warrants to purchase common shares at an exercise price of $0.20 for two years.

On May 6, 2020, the Company entered into a share cancellation agreement with TLS to cancel 4,000,000 common shares in exchange for the removal of the sale restrictions on the remaining 8,000,000 common shares and the 12,000,000 common shares that would be received upon conversion of warrants held by TLS.

Stock Options Granted

Subsequent to November 30, 2019, the Company granted 1,100,000 stock options to a consultant, an employee and officers of the Company. The options are exercisable at $0.05 per share for a period of five years, and vest immediately.

10. Subsequent Events (continued)

Stock Options Granted (continued)

Subsequent to November 30, 2019, the Company granted 10,000,000 stock options to directors of the Company, which are exercisable at $0.02 per share for a period of five years. The stock options will vest on the earlier of (a) $1,000,000 in financing being completed by the Company, or, (b) a preliminary prospectus being filed for the Company.

On February 3, 2020, the Company granted 1,000,000 stock options to officers of the Company, which are exercisable at $0.05 per share for a period of five years. The stock options vest every 3 months over a 30-month period in 10 equal tranches.

Subsequent to November 30, 2019, the Company granted 500,000 stock options to a consultant and an officer of the Company. The options are exercisable at $0.10 per share for a period of five years, and vest immediately.

Subsequent to November 30, 2019, the Company granted 600,000 stock options to consultants. The options are exercisable at $0.10 per share for a period of five years. The stock options vest every 3 months over a one-year period in 4 equal tranches, commencing 3 months after the grant date.

On May 6, 2020, the Company granted 3,000,000 stock options to a director, which are exercisable at $0.10 per share for a period of five years. The stock options vest over 12 equal tranches over 3 years.

Restricted Share Units Granted

Subsequent to November 30, 2019, the Company granted 4,000,000 restricted share units to directors and officers of the Company, which will be converted to common shares upon redemption. The restricted share units vest as follows: 10% on the date that the Company's securities are listed on a Canadian exchange, and the remaining restricted share units vest over 6 equal tranches every 6 months over three years thereafter.

On May 6, 2020, the Company entered into an amended and restated director agreement whereby 5,000,000 stock options that were previously granted to a director were cancelled in exchange for 5,000,000 restricted share units. The restricted share units will be converted to common shares upon redemption, and vest as follows: 10% on the date that the Company's securities are listed on a Canadian exchange, and the remaining restricted share units vest over 6 equal tranches every 6 months over three years thereafter.

On May 26, 2020, the Company granted 493,750 restricted share units to a consultant in exchange for product development services with a fair value of $39,500, which will be converted to common shares upon redemption. The restricted share units vest over 2 equal tranches every 2 months after the date that the Company's securities are listed on a Canadian exchange.

Licensing Agreement

On February 20, 2020, the Company entered into a license agreement with Kingdom Brands Inc. ("Kingdom"), a company where the President and CEO of the Company and the CFO of the Company are officers and directors, whereby the Company granted Kingdom the rights to use and sublicense its mushroom extract manufacturing technology in the United States, in exchange for $500,000, payable in 5,000,000 common shares of Kingdom.

SCHEDULE "D"

Management's Discussion and Analysis for the three and the nine months ended August 31, 2020, and for the financial year ended November 30, 2019.

NEONMIND BIOSCIENCES INC.

MANAGEMENT DISCUSSION AND ANALYSIS

For the Three and Nine Months Ended August 31, 2020, and the Year Ended November 30, 2019

This Management's Discussion and Analysis ("MD&A") relates to the financial position and financial performance of NeonMind Biosciences Inc. (formerly "Flourish Mushroom Labs Inc.") ("NeonMind", or the "Company") for the three and nine months ended August 31, 2020 and the year ended November 30, 2019. All references to "us" "we" and "our" refer to the Company.

Except where otherwise indicated, the financial information contained in this MD&A was prepared in accordance with International Financial Reporting Standards ("IFRS"). This MD&A should be read in conjunction with the Company's unaudited condensed interim financial statements for the three and nine months ended August 31, 2020 and audited annual financial statements for the year ended November 30, 2019 (referred to as the "Financial Statements").

Financial information contained in this MD&A has been prepared on the basis that we will continue as a going concern, which assumes that we will be able to realize our assets and satisfy our liabilities in the normal course of business for the foreseeable future. Management is aware, in making its going concern assessment, of material uncertainties related to events and conditions that may cast significant doubt upon our ability to continue as a going concern.

We have recorded no revenues, incurred a net loss of $1,657,507, and used $853,102 of cash for operating activities during the nine months ended August 31, 2020. As at August 31, 2020, we had a working capital deficit of $144,866 and an accumulated deficit of $4,079,051. Our continued operations are dependent on future profitable operations, management's ability to manage costs, and the future availability of equity or debt financing. Whether and when we can generate sufficient operating cash flows to pay for our expenditures and settle our obligations as they fall due is uncertain. These condensed interim financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary were the going concern assumption be inappropriate. The impact of these adjustments could be material.

The outbreak of the coronavirus COVID-19, which was declared a pandemic by the World Health Organization on March 11, 2020, has led to adverse impacts on the Canadian and global economies, disruptions of financial markets, and created uncertainty regarding potential impacts to the Company's supply chain and operations. The COVID-19 pandemic has impacted and could further impact our operations and the operations of our suppliers and vendors as a result of quarantines, facility closures, and travel and logistics restrictions. As a result of the pandemic, we experienced delays in our planned product launches. The extent to which the COVID-19 pandemic impacts our business, results of operations and financial condition will depend on future developments, which are highly uncertain and cannot be predicted, including, but not limited to the duration, spread, severity, and impact of the COVID-19 pandemic, the effects of the COVID-19 pandemic on our suppliers and vendors and the remedial actions and stimulus measures adopted by local and federal governments, and to what extent normal economic and operating conditions can resume. The management team is closely following the progression of COVID-19 and its potential impact on us, and is working on alternative measures and resources to minimize such impact. Even after the COVID-19 pandemic has subsided, we may experience adverse impacts to our business as a result of any economic recession or depression that has occurred or may occur in the future. Therefore, we can not reasonably estimate the impact at this time on our business, liquidity, capital resources and financial results.

Except where otherwise indicated, all financial information is expressed in Canadian dollars.

SELECTED ANNUAL INFORMATION

Management considers that the main indicators of our performance are the following: revenues, net income and loss, total assets, earnings/loss per share. We were incorporated on September 18, 2019. The following information was derived from the Company's audited financial statements for the period from its incorporation date to the year end on November 30, 2019.

For the period ended November 30,

	2019 $
Revenues	-
Net loss	1,365,240
Basic and diluted loss per share	0.02
Total assets	140,089
Dividends declared and paid out	-

The net loss for the year ended November 30, 2019 primarily consisted of licensing fees of $1,297,200 for 128 product formulas to manufacture products infused with functional mushrooms for a term of 50 years, and product development, research and registration expenses of $42,000. Total assets included cash of $107,689 and intangible assets in product formulas of $32,400 as recipes, trade secrets, research and data ("Know-How") purchased from a third party related to 10 formulations designed to include wild edible mushrooms as key ingredients.

OVERALL PERFORMANCE

For the three and nine months ended August 31, 2020

As at August 31, 2020, we had total assets of $1,245,059, which primarily consists of the following:

- Current assets of $66,274 including cash, accounts receivable, and prepaid expenses.

- Investment of $750,000 which consists of 7,285,000 common shares of Translational Life Science Inc. ("TLS"). TLS is a third party at arm's length. TLS is a private company with expertise in clinical and medical research. The transaction built a partnership that will benefit our business plan going forward. The shares of TLS are valued at the cost of our shares exchanged and they are considered as non-current assets.

- Investment in Associates of $396,385, which consists of 5,000,000 common shares of Komo Plant Based Foods Inc. (formerly Kingdom Brands Inc.) ("Komo Foods"). Komo Foods is a related party as our President and CEO holds an investment in Komo Foods and is the spouse of the CEO of Komo Foods. Komo Foods is in the process of obtaining listing status on a Canadian security exchange. Our investment in Komo Foods was accounted for as an investment in associate using the equity method. As at August 31, 2020, we held a 4% ownership in Komo Foods.

- Intangible assets of $32,400 in product formulas which include edible mushrooms as a key ingredient, that may be used to create ready-to-eat packaged food products or packaged food products.

As at August 31, 2020, we have total liabilities of $1,317,385 which consists of a promissory note to our parent company, Better Plant Sciences Inc. ("Better Plant"), of $691,245, deferred revenue of $415,000, accounts payable and accrued liabilities of $81,855, and due to related parties of $129,285 which includes primarily amounts owed to Better Plant and its subsidiaries.

For the three and nine months ended August 31, 2020, we incurred a net loss of $845,237 and $1,657,507 respectively. The net loss was primarily driven by share-based compensation expense related to stock options granted to our directors, officers, employees and consultants, impairment loss on intangible assets, and other operating expenses and consulting fees related to the development of our mushroom coffee products which is targeted for launch in the fourth quarter of 2020.

For the year ended November 30, 2019

As of November 30, 2019, we have total assets of $140,089, which includes cash of $107,689 and intangible assets of $32,400 consisting of product formulas.

We are currently at a developmental stage. We incurred a net loss of $1,365,240 for the period ended November 30, 2019, which was primarily driven by fees of $1,297,200 for 128 product formulas to manufacture products infused with functional mushrooms for a term of 50 years and product development, research and registration expenses of $42,000.

ADJUSTED EBITDA

Adjusted EBITDA, a measure used by management to indicate operating performance, is defined as earnings before interest, taxes, depreciation and amortization, excluding certain non-operating amounts as shown below. Adjusted EBITDA is not a recognized term under IFRS and is not intended to be an alternative either to gross profit or income before taxes as a measure of operating performance or to cash flows from operating activities as a measure of liquidity.

Additionally, Adjusted EBITDA is not intended to be a measure of free cash flow available for discretionary use, as it does not consider certain cash requirements such as interest payments, tax payments and debt service requirements. We use Adjusted EBITDA to supplement IFRS results to provide a more complete understanding of the factors and trends affecting the business than IFRS results alone. Because not all companies use identical calculations, the presentation of Adjusted EBITDA may not be comparable to other similarly titled measurements used by other companies. Readers should not consider Adjusted EBITDA in isolation or as a substitute for profit (loss) for the period as determined by IFRS, or as a substitute for an analysis of our Financial Statements.

Reconciliation of Adjusted EBITDA for the three-month and nine-month periods ended August 31, 2020:

	Three months ended August 31, 2020	Nine months ended August 31, 2020
Net loss for the period	$ (845,237)	$ (1,657,507)
Add:		
Depreciation & Amortization	25,205	55,068
Interest	8,712	17,328
Adjustments:		
Share-based compensation	152,540	542,046
Loss on impairment of intangible assets	444,932	444,932
Loss on investment in associate	9,463	18,615
Adjusted EBITDA	$ (204,385)	$ (579,518)

The negative EBITDA was primarily driven by operating expenses including advertising, marketing and media expenses, consulting fees and product development, research and registration expenses related to the development of our mushroom infused coffee products which are scheduled for launch in the remainder of 2020.

LAUNCH OF FUNCTIONAL MUSHROOM INFUSED PRODUCTS

Four of our mushroom-infused coffees completed their first manufacturing run in October 2020 and our e-commerce website to sell the coffees is scheduled to launch in mid November 2020. These coffee products contain reishi, cordyceps, lion's mane or turkey tail mushrooms. We are also reviewing our extensive product catalogue to select the next products to commercialize. We believe our products have a strong competitive edge in their functional contents, taste profiles, and their brand presentation.

Our website, which will focus on speed and reducing friction for the customer, will be powered by Shopify, allowing for an optimized user experience across all devices that encourages online sales conversions.

Our initial marketing initiatives will focus on building brand awareness through cost efficient tactics, leaning most heavily on digital channels due not only do COVID-19 restrictions, but also the dramatically increased web traffic and adoption of online shopping. To drive traffic to our e-commerce site we plan to leverage influencer marketing across social channels such as Instagram, Facebook, and YouTube, Pinterest and Tiktok. We also intend to use paid media, including retargeting and keywords as the functional mushroom business has not yet reached mass audiences making paid media attainable and efficient.

We are also talking to potential distribution and retail partners to bring our products to market through retail channels in Canada.

ACQUISITION OF FORMULAS

On September 30, 2019, we acquired 10 proprietary recipes which include edible mushrooms as a key ingredient from a consortium of creators of the formulas, including a chemical engineer, a holistic health coach and food chemist, and a chef (the "Consortium"). The formulas and know-how acquired relate to formulations that may be used to create ready-to-eat packaged food products or packaged food products that may be mixed with mushroom varieties of the consumer's choice. The formulations are:

- Chai latte green tea flavor mushroom tea;
- Lemon grass, lemon and hibiscus lemon mushroom tea;
- Veggie mix for mushroom soup;
- Miso dehydrated seaweed mix for mushroom soup;
- Vanilla flavoured mushroom elixir;
- Dark chocolate cocoa mushroom elixir;
- Pumpkin spice mushroom elixir;
- White chocolate truffle relaxing formula;
- Dark chocolate truffle energy formula; and
- Wild mushroom bliss ball with coco and dried fruits

On November 4, 2019, we entered into a license agreement with our parent company, Better Plant, whereby we were granted a license for 128 product formulations to manufacture products infused with functional mushroom extracts for a term of 50 years. Pursuant to the license agreement, 90,000,000 common shares were issued to Better Plant, and the remaining $1,200,000 was payable in cash. These formulas provide us with a solid foundation to grow by launching edible and wellness products infused with functional mushroom extracts. On May 6, 2020, we entered into a share cancellation agreement with Better Plant and cancelled 55,000,000 common shares in exchange for 55,000,000 warrants exercisable at $0.20 per share for a period of 24 months from the date of issuance.

JOINT VENTURE AND COLLABORATIONS

On February 6, 2020, we completed an acquisition of approximately 18% of the outstanding shares of TLS. TLS is a start-up biotechnology company focused on developing proprietary formulations that contain restricted substances such as psilocybin and cannabis for clinical applications to serve unmet medical needs in the market. The company also offers services to design and oversee clinical trials of restricted substances for third parties.

The TLS team is comprised of physicians and scientists who are recognized thought leaders in the fields of Neurology, Pharmacology, Addiction and Biochemistry and have significant experience in the clinical application of cannabinoid compounds. The company's principal medical team includes

- Dr. William Honer: Head, Scientific Advisory Board at TLS and an Internationally recognized translational scientist and physician. He is a Psychiatrist and the previous Head of the Department at UBC. He is Fellowship trained at Columbia University and the Albert Einstein College of Medicine. He has published over 300 peer-reviewed manuscripts including primary clinical trial authorship works in journals such as the New England Journal of Medicine.
- Dr. Caroline MacCallum is the Chief Medical Officer of TLS. She is a pharmacist and internal medicine physician with deep expertise in complex pain and medical cannabis. She is a medical director of a Vancouver- based private cannabis clinic and an internationally sought after speaker and world recognized leader in cannabis education, policy, clinical guideline development and research.
- Dr. William Panenka, MD, MSc, FRCPC (Neurology and Psychiatry). The founder of TLS, Dr. Panenka, is a dually boarded Neurologist and Psychiatrist and a Canadian Institute of Health Research funded academic faculty member at the University of British Columbia. He did a post doctoral fellowship at UBC and Harvard University. He maintains an internationally recognized research program in brain injury, mental health and addictions.

This acquisition enables us to work with TLS to develop intellectual property in plant-based medicine and will help us grow our business in the emerging industry of psychedelic medicine, which involves research and investigations into mind-altering substances to treat illnesses.

PROGRESS IN MEDICAL RESEARCH

Our goal is to develop a product which can be used as a treatment to aid in weight loss which contains psilocybin, which is a psychedelic compound found in Magic Mushrooms. We are developing plans for pre-clinical and a clinical trial to support our research into potentially therapeutic benefits of compounds found in psychedelic mushrooms for development of one or more product candidates to treat weight loss and related illnesses. We have filed 5 US provisional patent applications for the use of psilocybin and other psychedelic compounds to aid in weight loss, to treat obesity and diabetes, and to help prevent heart disease. We have engaged TLS, a contract research organization of which we own 18%, to design and evaluate a pre-clinical trial. According to the terms of the agreement, NeonMind and TLS shall work together to conduct the evaluation of psilocybin on food addiction, cravings, and various metabolic parameters.

We anticipate that we will commence our preclinical trial this fall.

EXTRACTION TECHNOLOGY

On February 12, 2020, we entered into a license agreement with Urban Juve, whereby we were granted a license to use Urban Juve's proprietary extraction technology and all related intellectual property rights, in exchange for $500,000, payable in 6,250,000 shares of the Company. We intend to use the technology to develop an extraction process for mushroom extract to when our mushroom-related products reach a certain scale. Due to the impact of the COVID-19 pandemic, the commercialization of our products has been delayed, and utilization of the licensed technology has been deferred. We still intend to use the technology, but the timing of further development of the technology is uncertain and unplanned as the focus of our cash flows is on the day-to-day operations and development of business operations. As a result, management assessed that the extraction technology no longer meets the capitalization standards of IAS 38, and recognized an impairment loss on the carrying value of the extraction technology as at August 31, 2020.

DISCUSSION ON OPERATIONS

We were established in September 2019, and therefore there was no comparative information for the prior year for the following discussions.

For the Three and Nine months Ended August 31, 2020

Advertising, marketing and media

For the three and nine months ended August 31, 2020, we incurred advertising, marketing and media costs of $37,376 and $133,314 respectively. Advertising, marketing and media expenses include market research for our mushroom infused coffee products and media spent to promote our corporate brand.

Amortization and depreciation

For the three and nine months ended August 31, 2020, we incurred amortization and depreciation expense of $25,205 and $55,068 respectively. Amortization and depreciation expenses were related to the extraction technology we licensed from Urban Juve, which is being amortized over 5 years.

Consulting fees

We are an emerging business which engages consultants regularly to obtain expertise in various business areas. For the three and nine months ended August 31, 2020, we incurred consulting fees of $81,016 and $258,392 respectively.

Office and administrative expenses

For the three and nine months ended August 31, 2020, we incurred office and administration expense of $14,003 and $26,024 respectively.

Product development, research and registration

Product development, research and registration expenses are related to product testing, research and regulatory registrations. For the three and nine months ended August 31, 2020, we incurred product development, research and

registration costs of $31,510 and $108,474, respectively. These costs were related to our mushroom infused coffee products which are scheduled for launch in the fourth quarter of 2020.

Professional fees

Professional fees include legal, audit and taxation fees. For the three and nine months ended August 31, 2020, we incurred professional fees of $49,192 and $70,642, respectively. The majority of the professional fees incurred in the three months are related to mushroom coffee products launch and going public projects.

Share-based compensation

As at August 31, 2020, we had 6,355,000 stock options granted and outstanding for our directors, officers, employees and consultants, and we incurred share-based compensation expense of $152,540 and $542,046 for the three and nine months ended August 31, 2020 respectively. We expect to continue to utilize stock options, and other form of equity instruments, to incentivize our teams.

Loss from investment in associate

During the three and nine months ended August 31, 2020, we recorded a proportionate loss from our investment in Kingdom of $9,463 and $18,615 respectively. Kingdom is an early stage company engaged in launching its business and getting their shares listed on a Canadian security exchange.

Net loss and comprehensive loss

We incurred a net and comprehensive loss of $845,237 and $1,657,507 respectively for the three and nine months ended August 31, 2020.

Dividends

No dividends were declared or paid for the three and nine months ended August 31, 2020.

For the Year Ended November 30, 2019

Consulting Fees

For the period ended November 30, 2019, we incurred consulting expenses of $21,000. Consulting services provided consisted primarily of corporate finance and regulatory advisory services.

Licensing fees

During the period ended November 30, 2019, we incurred licensing fees of $1,297,200 for the license of 128 product formulations to develop a product line to be infused with functional mushroom extracts.

Product Development, Research and Registration

Product development, research and registration expenses are related to product testing, research and regulatory registrations. For the period ended November 30, 2019, we incurred product development costs of $42,000.

Net and Comprehensive Loss

We incurred a net and comprehensive loss of $1,365,240 for the period ended November 30, 2019, which was mainly due to licensing fees, consulting and product development fees as described above.

Dividends

No dividends were declared or paid for the period ended November 30, 2019.

SUMMARY OF QUARTERLY RESULTS

The summary of our quarterly results are as follows:

	Q3 2020	Q2 2020	Q1 2020	Q4 2019
Net loss	$ 845,237	$ 494,557	$ 317,713	$ 1,365,240
Basic loss per share	$ 0.01	$ 0.00	$ 0.00	$ 0.02
Diluted loss per share	$ 0.01	$ 0.00	$ 0.00	$ 0.02

LIQUIDITY

	August 31, 2020	November 30, 2019
Current ratio[(1)]	0.31	0.08
Cash	$ 1,515	$ 107,689
Working capital deficit [(2)]	$ (144,866)	$ (1,160,535)
Debt[(3)]	$ -	$ -
Equity (Deficit)	$ (72,326)	$ (1,128,135)

(1) Current ratio is current assets divided by current liabilities.
(2) Working capital is current assets minus current liabilities
(3) Debt is defined as any commercial debt.

Cash Position

As at August 31, 2020, we had $1,515 in cash. During the nine months ended August 31, 2020, we spent $853,102 of cash in operating activities primarily to finance operating expenses and partially repay a balance owing to Better Plant resulting from a license agreement for product formulas. Cash provided by financing activities was $746,928 for the nine months ended August 31, 2020, which was primarily from proceeds received from the issuance of units through private placements. We did not have investing activities during this period.

As at November 30, 2019, we had $107,689 of cash. For the period ended November 30, 2019, we spent $66 of cash in operating activities primarily in start-up operating expenses. Cash provided by financing activities was $107,755 for the period ended November 30, 2019, which was primarily from proceeds received from the issuance of units through a private placement.

Working Capital

We had a working capital deficit of $144,866 as at August 31, 2020, which primarily consists of an amount due to related parties of $129,285, the amount we advanced from our parent and sister companies as at August 31, 2020.

As at November 30, 2019, we had negative working capital of $1,160,535, primarily consisting of amounts due to Better Plant resulting from a license agreement for product formulas.

CAPITAL RESOURCES AND MANAGEMENT

As at August 31, 2020, we had cash of $1,515. We expect to rely on the financial support from our parent company Better Plant to fund our operations until we complete our initial public offering. We fully intend to carry out, and our parent is fully committed in funding of, our activities to achieve our business objectives and milestones during this period of time.

After our planned initial public offering, our objective is to maintain a sufficient capital base to support the development of the business including launching products of our own brands through the commercialization of over 100 formulas for beverages and wellness products that include edible mushrooms as a key ingredient.

We are authorized to issue an unlimited number of common shares. As at August 31, 2020, there were 104,368,000 common shares issued and outstanding. We had 88,152,950 share purchase warrants with weighted average exercise

price of $0.30. We had 6,355,000 stock options with weighted average exercise price of $0.10 per share. We also had restricted share units of 10,087,500.

OFF-BALANCE SHEET ARRANGEMENTS

As at August 31, 2020 and November 30, 2019, we had no off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

For the nine months ended August 31, 2020

During the three and nine months ended August 31, 2020, compensation of key management personnel and related parties were as follows:

	Three months ended August 31, 2020	Nine months ended August 31, 2020
Bonus expense	$ –	$ 100,000
Consulting fees	72,399	135,399
Product development, research and registration	22,014	95,500
Share-based compensation	128,520	463,254
	$ 222,933	$ 794,153

As at August 31, 2020, we owed $837,858 (November 30, 2019 - $1,247,224) to our parent company, Better Plant, which included a promissory note balance of $691,245 for previously advanced payment (November 30, 2019 - $nil), bearing interest at 5% compounded annually, and due and payable in full by October 30, 2021. Amounts owing also included interest payable balance of $17,328 relating to the promissory note. The remaining $129,285 (November 30, 2019 - $1,247,224) is unsecured, non-interest bearing, and due on demand.

During the nine months ended August 31, 2020, we entered into a license agreement with a related company under common control, Urban Juve Provisions Inc. ("Urban Juve"), to acquire a license to use, modify and sublicense extraction technology for the purpose of developing an extraction process for mushroom extract for a term of 25 years. Pursuant to the agreement, we issued 6,250,000 common shares with a fair value of $500,000. Please refer to discussion on extraction technology above.

During the nine months ended August 31, 2020, we entered into a license agreement with a company where our President and CEO, Penny White, has significant influence, Komo Foods whereby we granted a 25-year non-exclusive license to our mushroom extraction technology for use in the United States. Pursuant to the license agreement, we received 5,000,000 common shares of the related company, with a fair value of $415,000, which is included in deferred revenue as at August 31, 2020.

For the period ended November 30, 2019

As at November 30, 2019, we owed $1,247,224 to our parent company, Better Plant, which is included in accounts payable and due to related parties, and is unsecured, non-interest bearing, and due on demand. During the period ended November 30, 2019, we entered into a license agreement with Better Plant whereby we were granted a license for 128 product formulations to manufacture products infused with functional mushrooms for a term of 50 years. Pursuant to the license agreement, we issued 90,000,000 common shares and $1,200,000 was payable in cash. During the period ended November 30, 2019, we incurred $21,000 of consulting fees from Better Plant.

As at November 30, 2019, we owed $10,500 to 1191144 B.C. Ltd., a company controlled by the former Vice President, Operations, Vivek Taneja, which is consulting fees plus taxes and is included in accounts payable. During the period ended November 30, 2019, we entered into a purchase agreement for the acquisition of Know-How related to 10 formulations with six sellers, one of which was 1191144 B.C. Ltd., whose portion of the transaction was $10,800. During the period ended November 30, 2019, we incurred $21,000 of product development, research, and registration fees from 1191144 B.C. Ltd.

As at November 30, 2019, we owed $10,500 to Cannacopia Therapeutics Inc., a company controlled by the former Vice President, Research and Development, Bhavna Solecki, which is included in accounts payable and accrued liabilities. During the period ended November 30, 2019, we entered into a purchase agreement for the acquisition of

10 product formulations with six sellers, one of which was Cannacopia Therapeutics Inc., whose portion of the transaction was $10,800. During the period ended November 30, 2019, we incurred $21,000 of product development, research, and registration fees from Cannacopia Therapeutics Inc.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of condensed interim financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income, and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Significant areas requiring the use of estimates include the useful life and carrying value of intangible assets, fair value of investments and share-based compensation and measurement of unrecognized deferred income tax assets. Share-based compensation expense relating to restricted share units was determined using the fair value of common shares of the Company on the date of grant, which was determined based on previous private placements with third parties.

Judgments made by management in the application of IFRS that have a significant effect on the condensed interim financial statements include the factors that are used in determining the application of the going concern assumption which requires management to consider all available information about the future, which is at least but not limited to 12 months from the year end of the reporting period.

Another significant area requiring the use of judgments made by management includes the assessment of fair value of investments in private companies. The fair value of shares and warrants of private companies is determined by valuation techniques such as recent arm's-length transactions, option pricing models, or other valuation techniques commonly used by market participants. The investments in common shares and warrants are measured at fair value through profit or loss and unrealized gains and losses are recorded in the statement of operations.

On February 4, 2020, we entered into share purchase agreements for the purchase of 7,285,000 common shares of Translational Life Science Inc. ("TLS") with a fair value of $750,000. TLS is a private company and as at August 31, 2020, management assessed that the fair value of investment in TLS remains unchanged based on the forecasted business plans and projections in TLS.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Fair Values

Assets and liabilities measured at fair value on a recurring basis were presented on our condensed interim statement of financial position as at August 31, 2020, as follows:

	Fair Value Measurements Using			
	Quoted prices in active markets for identical instruments (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Balance, August 31, 2020
Investments	$ –	$ 396,385	$ 750,000	$ 1,146,385

The fair values of financial instruments, including cash, accounts receivable, accounts payable and accrued liabilities, and amounts due to related parties, approximate their carrying values due to the relatively short-term maturity of these instruments.

Credit Risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counter-party default on its obligation. The Company's credit risk is primarily attributable to cash. The Company minimizes its credit risk associated with its cash balance by dealing with major financial institutions in Canada, and has no other significant concentration of credit risk arising from operations. The carrying amount of financial assets represents the maximum credit exposure.

Foreign Exchange Rate and Interest Rate Risk

The Company is not exposed to any significant foreign exchange rate or interest rate risk.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company manages liquidity risk by maintaining sufficient cash balances and adjusting its operating budget and expenditure. Liquidity requirements are managed based on expected cash flows to ensure that there are sufficient funds to meet short-term and specific obligations.

Price Risk

The Company is exposed to price risk with respect to its investments, which consists of common shares and warrants held in private companies and is dependent upon the market price or the fair value of the common shares for those companies. The market price or the fair value of the common shares of those companies can fluctuate significantly, and there is no assurance that the future market price or the fair value of those companies will not decrease significantly.

CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Disclosure controls and procedures are designed to provide reasonable assurance that all material information related to the Company, including our consolidated subsidiaries, is made known to senior management, including the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") on a timely basis so that appropriate decisions can be made regarding public disclosure.

Internal Control over Financial Reporting ("ICOFR")

Our management, with the participation of our CEO and CFO, are responsible for establishing and maintaining adequate internal control over financial reporting. Under the supervision of the CEO and CFO, our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Our internal control over financial reporting includes policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS and that our receipts and expenditures are made only in accordance with authorization of management and our directors; and

- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the annual or interim financial statements.

Limitations on the Effectiveness of Disclosure Controls and the Design of ICOFR

Our management, including the CEO and CFO, do not expect that our disclosure controls and procedures and ICFR will prevent all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable assurance that the control system objectives will be met. The likelihood of achievement is affected by limitations inherent in all internal control systems. These inherent limitations include the realities that judgments or decision making can be faulty, and that breakdowns occur because of simple errors or mistakes. Controls can also be circumvented in numerous ways including collusion, overrides and deception. In addition to the inherent limitations, the design of a control system must reflect that there are resource constraints, and the expected benefit of controls must be considered relative to the expected costs. Due to inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected. Further, no evaluation of controls can provide absolute assurance that all control issues within a company will be detected.

SUBSEQUENT EVENTS

On September 28, 2020 we entered into a restricted drug supply agreement with Psygen Labs Inc. ("Psygen"), pursuant to which Psygen has acted as an agent to supply us with psilocybin from a licensed dealer for our preclinical trial, and Psygen agreed to directly supply us with psilocybin for clinical research and for the manufacture and commercial sale of a drug product, after it receives its license from Health Canada.

On October 21, 2020, the Company entered into share cancellation agreements to cancel 37,000,000 common shares held by its parent company and 937,500 common shares held by a related company under common control.

On October 23, 2020, the Company granted 109,383 restricted share units to a consultant in exchange for consulting services with a fair value of $8,751. The restricted share units vest four months and one day after the grant date.

CERTIFICATE OF THE COMPANY

Dated: December 8, 2020

This Prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by the securities legislation of British Columbia, Alberta, Saskatchewan, Manitoba and Ontario.

/s/ "Penny White"

Penny White
President & Chief Executive Officer

/s/ "Yucai (Rick) Huang"

Yucai (Rick) Huang
Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

/s/ "Kari Richardson"

Kari Richardson
Director

/s/ "Jeff B. Smith"

Jeff B. Smith
Director

CERTIFICATE OF THE PROMOTER

Dated: December 8, 2020

This Prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by the securities legislation of British Columbia, Alberta, Saskatchewan, Manitoba and Ontario.

/s/ "Penny White"

Penny White

CERTIFICATE OF THE AGENT

Dated: December 8, 2020.

To the best of our knowledge, information and belief, this Prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by the securities legislation of British Columbia, Alberta, Saskatchewan, Manitoba and Ontario.

MACKIE RESEARCH CAPITAL CORPORATION

/s/ "Jovan Stupar"

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Jovan Stupar
Managing Director