HAVN Life Sciences Inc.
(Formerly 1246780 B.C. LTD.)

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the three months ended July 31, 2020

This Management's Discussion and Analysis ("MD&A") should be read in conjunction with the condensed interim financial statements and notes thereto for the three months ended July 31, 2020 of HAVN Life Sciences Inc. (formerly 1246780 B.C. LTD.) (the "Company"). Such financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

All dollar amounts are expressed in Canadian dollars unless otherwise indicated.

DATE

This MD&A is prepared as of September 29, 2020.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this report are forward-looking statements, which reflect our management's expectations regarding our future growth, results of operations, performance and business prospects and opportunities including statements related to the development of existing and future property interests, availability of financing and projected costs and expenses. Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations or intentions regarding the future. Such statements are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the statements. No assurance can be given that any of the events anticipated by the forward-looking statements will occur or, if they do occur, what benefits we will obtain from them. These forward-looking statements reflect management's current views and are based on certain assumptions and speak only as of the date of this report. These assumptions, which include management's current expectations, estimates and assumptions about the global economic environment, the market price and demand for products and our ability to manage our operating costs, may prove to be incorrect. A number of risks and uncertainties could cause our actual results to differ materially from those expressed or implied by the forward-looking statements, including: (1) a downturn in general economic conditions, (2) the uncertainty of government regulation and politics (3) potential negative financial impact from regulatory investigations, claims, lawsuits and other legal proceedings and challenges, (4) other factors beyond our control, and (5) the risk factors set out in the Prospectus (as defined below).

There is a significant risk that such forward-looking statements will not prove to be accurate. Investors are cautioned not to place undue reliance on these forward-looking statements. No forward-looking statement is a guarantee of future results. We disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. Additional information about these and other assumptions, risks and uncertainties are set out in the section entitled "Risk Factors" below as well as in the Prospectus as set out in the section entitled "Risk Factors".

DESCRIPTION OF BUSINESS

The Company has been active in establishing strategic relationships towards executing the goal of acquiring assets and businesses in the psychopharmacological industry, through an acquisition transaction. On June 3, 2020, the Company entered into a share purchase agreement (the "SPA") with HAVN Research Inc. ("HAVN"), a privately owned research and development biotechnology company. Pursuant to the terms of the Agreement, the Company will acquire all of the issued and outstanding securities of HAVN in exchange for the issuance of 15,233,333 common shares to the HAVN shareholders on a pro rata basis (the "Acquisition"). Consequently, this Acquisition will constitute control of HAVN by the Company, with HAVN representing a wholly-owned subsidiary of the Company for accounting and reporting purposes.

In connection with completion of the Acquisition and acceptance of its Prospectus, the Company successfully began trading its shares on the CSE. The Company will focus its business on pursuing opportunities in the biotechnology healthcare industry.

HIGHLIGHTS FOR THE THREE MONTHS ENDED JULY 31, 2020

The Corporation has been active in establishing strategic relationships towards executing the goal of acquiring assets and businesses in the psychopharmacological industry (through the Acquisition Transaction). The Corporation is still in its start-up phase.

On April 20, 2020, HAVN Life Sciences issued 4,000,000 units of the Corporation (each, "Unit"), at a price of $0.25 per Unit for aggregate gross proceeds of $1,000,000. Each Unit consists of one Common Share and one Common Share purchase warrant (each, a "Warrant") entitling the holder thereof to acquire one additional Common Share at an exercise price of $0.50 per Common Share for a period of two years after the date of issuance, provided that in the event that the Common Shares trade on the CSE, or other recognized stock exchange or market, as applicable, at a price of $0.75 or more for a period of at least ten (10) consecutive trading days, the Corporation shall be entitled to accelerate the exercise period to a period ending at least 30 days from the date that notice of such acceleration is provided to the holders of the Warrants ("First Tranche of the Unit Offering").

April 29, 2020, HAVN Life Sciences issued 2,924,000 Units, at a price of $0.25 per Unit for aggregate gross proceeds of $731,000. Each Unit consists of one Common Share and one Warrant entitling the holder thereof to acquire one additional Common Share at an exercise price of $0.50 per Common Share for a period of two years after the date of issuance, provided that in the event that the Common Shares trade on the CSE, or other recognized stock exchange or market, as applicable, at a price of $0.75 or more for a period of at least ten (10) consecutive trading days, the Corporation shall be entitled to accelerate the exercise period to a period ending at least 30 days from the date that notice of such acceleration is provided to the holders of the Warrants ("Second Tranche of the Unit Offering").

On May 27, 2020, HAVN Life Sciences issued 3,340,000 Units, at a price of $0.25 per Unit for aggregate gross proceeds of $835,000. Each Unit consists of one Common Share and one Warrant entitling the holder thereof to acquire one additional Common Share at an exercise price of $0.50 per Common Share for a period of two years after the date of issuance, provided that in the event that the Common Shares trade on the CSE, or other recognized stock exchange or market, as applicable, at a price of $0.75 or more for a period of at least ten (10) consecutive trading days, the Corporation shall be entitled to accelerate the exercise period to a period ending at least 30 days from the date that notice of such acceleration is provided to the holders of the Warrants ("Third Tranche of the Unit Offering").

On May 28, 2020, HAVN Life Sciences issued a total of 33,906,667 $0.02 Special Warrants pursuant to the $0.02 Special Warrant Offering for aggregate proceeds of $678,133.34.

On June 1, 2020, HAVN Life Sciences issued a total of 249,000 $0.10 Special Warrants pursuant to the $0.10 Special Warrant Offering for aggregate proceeds of $24,900.

June 5, 2020, HAVN Life Sciences issued 6,210,000 Units, at a price of $0.25 per Unit for aggregate gross proceeds of $1,552,500. Each Unit consists of one Common Share and one Warrant entitling the holder thereof to acquire one additional Common Share at an exercise price of $0.50 per Common Share for a period of two years after the date of issuance, provided that in the event that the Common Shares trade on the CSE, or other recognized stock exchange or market, as applicable, at a price of $0.75 or more for a period of at least ten (10) consecutive trading days, the Corporation shall be entitled to accelerate the exercise period to a period ending at least 30 days from the date that notice of such acceleration is provided to the holders of the Warrants ("Fourth Tranche of the Unit Offering", and together with the First Tranche of the Unit Offering, the Second Tranche of the Unit Offering and the Third Tranche of the Unit Offering, the "Unit Offering"). In connection with the Unit Offering, the Corporation paid a finder's fee, to certain finders, comprised of a cash payment of $49,500, the issuance of 198,000 common share purchase warrants having the same terms as the Warrants comprising part of the Units (the "Finder Warrants") and the issuance of 110,00 finder units having the same terms as the Units (the "Finder Units"). In addition, the Corporation paid a finder's fee comprised of a cash payment of $150,000 and the issuance of 798,000 Finder Units to certain finders in consideration for identifying potential targets for the purposes of negotiating the Acquisition Transaction

On September 4, 2020, the Company announced that is successfully completed the acquisition of HAVN Research Inc. In consideration for 100% of the issued and outstanding shares of HAVN Research Inc, the Company will issue and an aggregate of 15,233,333 common shares of the Company (the "Purchaser Shares"). The Purchaser Shares issued to complete the transaction are subject to escrow terms with $1/10^{th}$ of the Purchaser Shares released on date of successful listing subject to the applicable resale of security restrictions under National Instrument 45-102, with the remaining shares released every 6 months over a 36-month escrow period.

Following the completion of the acquisition, the Company announced it will be listed and posted on the Canadian Securities Change and anticipated to commence trading at market open on September 8, 2020 under the symbol 'HAVN.'

On September 8, 2020, the Company announced it has successfully commenced trading on the Canadian Securities Exchange under the symbol 'HAVN' and provided an introduction of the key HAVN team members from management, board of directors, and advisors.

On September 10, 2020, the Company announced that it has been granted Section 56 exemption by Health Canada, pursuant to which it now has the ability to possess certain amounts of pure psilocybin for scientific purpose, specifically for the research and development of quality control methods. The Company also announced that it has granted an aggregate of 2,135,000 stock options and 500,000 restricted share units. The options are exercisable at a price of $0.65 for a period of 5 years. The Company also announced it issued 200,000 common shares pursuant to a debt settlement.

On September 23, 2020. The Company announced that it has submitted a range of natural health product formulations to Health Canada.

OVERALL PERFORMANCE

The Company has not generated revenues to date from operations as it is in the start up phase. Once the Company completes the proposed Acquisition it will begin recognizing revenue from the wholly-owned subsidiary and continue pursuing biotechnology healthcare related operating activities.

The net assets of the Company increased from $1,901,424 as at April 30, 2020 to $3,723,148 at July 31, 2020, an increase of $1,821,724. The most significant assets at July 31, 2020 consist of cash of $2,862,917 (April 30, 2020 - $1,616,985), prepaid expenses of $768,718 (April 30, 2020 - $75,000), and promissory note receivable of $350,548 (April 30, 2020 - $250,548).

The most significant liability at July 31, 2020 consists of accounts payable and accrued liabilities of $304,173 (April 30, 2020 - $41,109).

RESULTS OF OPERATIONS

HAVN Life Sciences Inc. (formerly 1246780 B.C. LTD.) was incorporated under the laws of British Columbia on April 8, 2020 and as such, the comparative periods for the statement of loss and comprehensive loss and statement of cash flows are not presented. The following highlights the key operating expenditures during the three months ended July 31, 2020.

For the three months ended July 31, 2020

During the three months ended July 31, 2020, the Company incurred a net and comprehensive loss of $1,159,642. The net and comprehensive loss for the period consists primarily of the following:

- Finders' fees of $342,357 consists of fees incurred pursuant to identifying and negotiating the acquisition transaction. Finder's fee comprised of a cash payment of $142,857 and the fair value of 798,000 finder units measured at a fair value of $199,500.

- Management fees of $128,000 consists of internal services used in operational and corporate activities as the Company transitions from the start up phase to completing the Acquisition and go public transaction;

- Professional fees of $198,309 consists primarily of legal fees incurred to complete the acquisition and preliminary submission of its prospectus on June 9, 2020;

- Share based payments of $341,823 consists primarily of the non-cash fair value as measured by the Black-Scholes option pricing model to reflect the grant of restricted share rewards ($9,988), option grants ($84,702) and shares issued for services during the quarter ($247,133).

SUMMARY OF QUARTERLY RESULTS

The following is a summary of the Company's financial results for the most recently completed quarters since inception:

	Quarter Ended July 31, 2020 $	**Period from inception on April 8, 2020 to April 30, 2020 $**
Revenue	Nil	Nil
Net loss	(1,159,642)	(40,576)
Loss per share, basic and diluted	(0.07)	(0.01)

On a quarter-by-quarter basis, losses are expected to fluctuate significantly due to a number of factors including timing of operating activities from the date of incorporation due to the nature of a start up company, timing of stock option grants, and Acquisition related expenses.

An analysis of the quarterly result from inception shows that the Company shows changes in financial performance primarily due to the pending acquisition agreement and activities related to the go public transaction. During the first period ended April 30, 2020, the Company incurred mostly professional fees related to the newly formed entity and the Acquisition transaction. In the quarter ended July 31, 2020, the Company incurred additional professional fees of $198,309 and total non-cash and cash finders' fees of $342,357 related primarily to the SPA agreement and the preliminary submission of its prospectus. The company also incurred management fees of $128,000 and non-cash share-based payments fair valued at $341,823 related to fees and compensation incurred from members of the management team and service providers.

LIQUIDITY

The Company had cash of $2,862,917 at July 31, 2020 ($1,616,985 – April 30, 2020). The Company had working capital of $3,723,148 at July 31, 2020 ($1,901,424 – April 30, 2020).

In addition to the above, the Company holds a promissory note receivable of $350,548 that were forgiven on completion of the acquisition transaction. See Note 6 of the condensed interim financial statements for the three ended July 31, 2020.

During the three months ended July 31, 2020:

a. Issued 21,550,000 special warrants at a price of $0.02 per special warrant for total net proceeds of $431,000

b. Issued 249,000 special warrants at a price of $0.10 per special warrant for total proceeds of $24,900.

c. Issued 9,550,000 units at a price of $0.25 per common share for total net proceeds of $2,387,500 In connection with completing the aforementioned private placements, the Company paid $49,500, issued 110,000 finder's units and 198,000 finder's warrants pursuant to finders' fees.

In connection with completing the SPA, the Company paid $142,857 and issued 798,000 units pursuant to finders' fees.

The Company plans to raise additional capital primarily through the private placement of its equity securities and warrant exercises. Under such circumstances, there is no assurance that the Company will be able to obtain further funds required for the Company's continued working capital requirements.

Operating Activities

The Company used net cash of $1,293,611 in operating activities during the three months ended July 31, 2020.

Financing Activities

The Company received net cash of $2,639,543 from financing activities during the three months ended July 31, 2020.

Investing Activities

The Company used net cash of $100,000 in investing activities during the three months ended July 31, 2020.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

Key management personnel are the directors and officers of the Company.

As of July 31, 2020, $40,000 (April 30, 2020 - $nil) is owed to directors and officers of the Company for unpaid fees and expenses.

During the three months ended July 31, 2020, the Company paid $38,000 included in management fees to Tim Moore, the Co-CEO pursuant to CEO services provided. Tim Moore was also granted 500,000 stock options and 500,000 restricted share rewards measured at fair values of $33,305 included in share-based payments.

During the three months ended July 31, 2020, the Company paid $40,000 included in management fees to Eli Dusenbury, the CFO of the Company pursuant to CFO services provided and $50,000 pursuant to the additional Co-CEO, Director, and President services provided. Eli Dusenbury was also granted 250,000 stock options and 150,000 restricted share rewards measured at fair values of $ 61,385 included in share-based payments.

PROPOSED TRANSACTIONS

As of the date of this MD&A, there were no proposed transactions aside from the SPA described in the section titled DESCRIPTION OF BUSINESS.

SUBSEQUENT EVENTS

i) On September 4, 2020, the Company successfully acquired HAVN for an aggregate of 15,233,333 common shares of the Company (the "Purchaser Shares"). The Purchaser Shares issued to complete the SPA are subject to escrow terms with 1/10th of the Purchaser Shares released on date of successful listing (September 2, 2020), and the remaining shares released every 6 months over a 36-month escrow period.

Cost of acquisition		
Common shares issued: 15,233,333 common shares at $0.61 per share	$	9,292,333
Fair value of Net assets acquired		
Cash	$	3,171
Deposit and taxes receivable		6,586
Total assets	$	9,757
Current liabilities	$	31,234
Net liabilities acquired		**21,477**
Goodwill	**$**	**9,313,810**

Measurement period: The fair values of assets and liabilities as at acquisition date are still within the measurement period as defined in IFRS 3. As such, these values are subject to change.

In connection with entering into the original SPA on May 29, 2020, the Company paid $142,857 and issued 798,000 units pursuant to finder's fees measured at a fair value of $0.25 per unit for an aggregate total finders' fee expense of $342,357. Each unit consists of one common share and one warrant at an exercise price of $0.50 per warrant for a period of two years, provided that in the event that the common shares trade on the CSE, or other recognized stock exchange or market, as applicable, at a price of $0.75 or more for a period of at least ten (10) consecutive trading days, the Company shall be entitled to accelerate the exercise period to a period ending at least 30 days from the date that notice of such acceleration is provided to the holders of the warrants.

ii) On September 14, 2020, the Company issued 200,000 common shares in respect of marketing services measured at a fair value of $0.70 per share.

iii) Subsequent to period end, the Company granted the following performance warrants, options and RSRs directors, officers, employees:

	Expiry date	Amount		Price
Performance Warrants	**September 4, 2023**	10,000,000	$	0.05
Options	**September 4, 2022**	1,600,000	$	0.25
Options	**September 4, 2022**	200,000	$	0.50
Options	**September 10, 2025**	2,135,000	$	0.65
RSRs	**September 4, 2023**	100,000		n/a
RSRs	**September 10, 2023**	500,000		n/a

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

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

(i) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The Company classifies its financial instruments as follows:

Financial assets/liabilities	
Cash	FVTPL
Promissory note receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

(ii) Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statements of loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statement of loss in the period in which they arise.

(iii) Impairment of financial assets at amortized cost.

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

(iv) Derecognition

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the statements of loss.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

During the three months ended July 31, 2020, the Company incurred the following significant expenses:

	2020
Finders' fees	$342,357
Management fees	$128,000
Professional fees	$198,309
Share-based payments	$341,823

An analysis of material components of the Company's general and administrative expenses is disclosed in the condensed interim financial statements for the three months ended July 31, 2020 to which this MD&A relates as well as the Discussion of Operations section of this MD&A. An analysis of the material components of the Acquisition is disclosed in the notes to the condensed interim financial statements for the three months ended July 31, 2020 to which this MD&A relates.

The professional fees consist of the audit fee accruals and legal fees incurred and accrued for work performed to date. Management fees consist of the fees incurred for the directors and officers for work performed to date. Share-based payments consist of non-cash fair value of options, restricted share rewards, and shares issued for services provided by management and services providers. Finders' fees consists of the non-cash fair value of finder's units and warrants and cash paid pursuant to the private placement and the acquisition.

DISCLOSURE OF OUTSTANDING SHARE DATA

Common Shares

The Company's common shares are listed on the CSE under the symbol 'HAVN.' The Company's authorized share capital consists of an unlimited number common shares without par value. As at September 29, 2020 the Company had 66,971,000 (July 31, 2020 – 17,382,000) common shares issued and outstanding.

Share Purchase Warrants

As at September 29, 2020 and July 31, 2020, the following share purchase warrants were outstanding:

Expiry date	Warrants		Exercise Price
Warrants			
April 20, 2022	4,000,000	$	0.50
April 29, 2022	2,924,000		0.50
May 27, 2022	3,340,000		0.50
June 5, 2022	6,210,000		0.50
	16,474,000	**$**	**0.50**

Finder's Warrants

As at September 29, 2020 and July 31, 2020, the following finders' warrants were outstanding:

Expiry date	Warrants		Exercise Price
Warrants			
May 29, 2022	798,000		0.50
June 4, 2022	308,000		0.50
	1,106,000	**$**	**0.50**

Performance Warrants

As at September 29, 2020, the following performance warrants were outstanding (July 31, 2020 – 9,000,000):

Expiry date	Warrants		Exercise Price
Warrants	**-**	**$**	**-**
June 5, 2023	9,000,000		0.05
September 4, 2023	10,000,000		0.05
	19,000,000	**$**	**0.05**

Options

As at September 29, 2020, the following options were outstanding (July 31, 2020 – 750,000):

Expiry date	Options		Exercise Price
Options			
June 4, 2025	750,000		0.25
September 4, 2022	1,600,000		0.25
September 4, 2022	1,600,000		0.50
September 10, 2022	2,135,000		0.65
	6,085,000	**$**	**0.46**

As at September 29, 2020, the Company has 1,250,000 RSRs outstanding (July 31, 2020 – 750,000).

RISK FACTORS

Much of the information included in this report includes or is based upon estimates, projections or other forward-looking statements. Such forward-looking statements include any projections or estimates made by the Company and its management in connection with the Company's business operations. While these forward-looking statements, and any assumptions upon which they are based, are made in good faith and reflect the Company's current judgment regarding the direction of its business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions, or other future performance suggested herein. Except as required by law, the Company undertakes no obligation to update forward-looking statements to reflect events or circumstances occurring after the date of such statements.

Such estimates, projections or other forward-looking statements involve various risks and uncertainties as outlined below as well as in the Prospectus. The Company cautions readers of this report that important factors in some cases have affected and, in the future, could materially affect actual results and cause actual results to differ materially from the results expressed in any such estimates, projections or other forward-looking statements. In evaluating the Company, its business and any investment in its business, readers should carefully consider the following factors:

Risks Related to the Company's Business

The Company's future is dependent upon its ability to obtain financing and if the Company does not obtain such financing, the Company may have to cease its activities and investors could lose their entire investment.

There is no assurance that the Company will operate profitably or will generate positive cash flow in the future. The Company will require additional financing to sustain its business operations if it is not successful in earning revenues. The Company currently does not have any arrangements for further financing and it may not be able to obtain financing when required. The Company's future is dependent upon its ability to obtain financing. If the Company does not obtain such financing, its business could fail and investors could lose their entire investment.

The Company's directors and officers are engaged in other business activities and accordingly may not devote sufficient time to the Company's business affairs, which may affect its ability to conduct operations and generate revenues.

The Company's directors and officers are involved in other business activities. As a result of their other business endeavours, the directors and officers may not be able to devote sufficient time to the Company's business affairs, which may negatively affect its ability to conduct its ongoing operations and its ability to generate revenues. In addition, the management of the Company may be periodically interrupted or delayed as a result of its officers' other business interests.

The Company has no operating history

The Company has no operating history and may not succeed. The Company is subject to all risks inherent in a developing business enterprise. The Company's likelihood of continued success must be considered in light of the problems, expenses, difficulties, undercapitalization, cash shortages, limitations with respect to personnel, financial and other resources, lack of revenues, complications, and delays frequently encountered in connection with the competitive and regulatory environment in which it operates. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of the early stage of operations.

History of Losses

The Company has incurred losses in the three months ended July 31, 2020. The Company may not be able to achieve or maintain profitability and may continue to incur significant losses in the future. In addition, the Company expects to continue to increase operating expenses as it implements initiatives to continue to grow its business. If the Company's revenues do not increase to offset these expected increases in costs and operating expenses, it will not be profitable.

Reliance on Management

The Company is currently in good standing with all high-level employees and believes that with well managed practices will remain in good standing. The success of the Company will be dependent upon the ability, expertise, judgment, discretion and good faith of its senior management and key personnel. While employment agreements are customarily used as a primary method of retaining the services of key employees, these agreements cannot assure the continued services of such employees. Any loss of the services of such individuals could have a material adverse effect on the Company's business, operating results or financial condition.

Insurance and Uninsured Risks

The Company's business is subject to a number of risks and hazards including accidents, labour disputes and changes in the regulatory environment. Such occurrences could result in damage to assets, personal injury or death, delays in operations, monetary losses and possible legal liability.

Although the Company intends to continue to maintain insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance will not cover all the potential risks associated with its operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability.

The psychedelic industry and market are relatively new and this industry may not succeed in the long term

Following completion of the Acquisition Transaction, the Corporation has begun operating its business in a relatively new industry and market. In addition to being subject to general business risks, the Corporation must continue to build brand awareness in this industry and market through significant investments in its strategy, its production capacity, quality assurance and compliance with regulations. In addition, there is no assurance that the industry and market will continue to exist and grow as currently estimated or anticipated or function and evolve in the manner consistent with management's expectations and assumptions. Any event or circumstance that adversely affects the psychedelic industry and market could have a material adverse effect on the Corporation's business, financial conditions and results of operations.

The psychedelic market will face specific marketing challenges given the products' status as a controlled substance which resulted in past and current public perception that the products have negative health and lifestyle effects and have the potential to cause physical and social harm due to psychoactive and potentially addictive effects. Any marketing efforts by the Corporation would need to overcome this perception to build consumer confidence, brand recognition and goodwill.

Dependence on Suppliers and Skilled Labour

The ability of the Company to compete and grow will be dependent on it having access, at a reasonable cost and in a timely manner, to skilled labour, equipment, parts and components. No assurances can be given that the Company will be successful in maintaining its required supply of skilled labour, equipment, parts and components. This could have an adverse effect on the financial results of the Company.

Difficulty to Forecast

The Company must rely largely on its own market research to forecast sales as detailed forecasts are not generally obtainable from other sources at this early stage of the biotechnology industry. A failure in the demand for its products to materialize as a result of competition, technological change or other factors could have a material adverse effect on the business, results of operations and financial condition of the Company.

Management of Growth

The Company may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Company to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Company to deal with this growth may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Internal Controls

Effective internal controls are necessary for the Company to provide reliable financial reports and to help prevent fraud. Although the Company will undertake a number of procedures and will implement a number of safeguards, in each case, in order to help ensure the reliability of its financial reports, including those imposed on the Company under Canadian securities law, the Company cannot be certain that such measures will ensure that the Company will maintain adequate control over financial processes and reporting. Failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm the Company's results of operations or cause it to fail to meet its reporting obligations. If the Company or its auditors discover a material weakness, the disclosure of that fact, even if quickly remedied, could reduce the market's confidence in the Company's financial statements and materially adversely affect the trading price of the Company's shares.

Liquidity

The Company cannot predict at what prices the Company will trade and there can be no assurance that an active trading market will develop or be sustained. There is a significant liquidity risk associated with an investment in the Company.

Litigation

The Company may become party to litigation from time to time in the ordinary course of business which could adversely affect its business. Should any litigation in which the Company becomes involved be determined against the Company such a decision could adversely affect the Company's ability to continue operating and the market price for Reporting Issuer's shares and could use significant resources. Even if the Company is involved in litigation and wins, litigation can redirect significant Reporting Issuer resources.

For a complete list of risk factors, please see the section entitled "Risk Factors" in the Prospectus.

BOARD APPROVAL

The board of directors of the Company has approved this MD&A.