Havn Life Sciences Inc.

ANNUAL INFORMATION FORM
For Fiscal Year Ended April 30, 2020

October 20, 2020

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FORWARD LOOKING STATEMENTS

This annual information form ("**AIF**" or "**Annual Information Form**") of Havn Life Sciences Inc. ("**Havn**" or the "**Company**") contains "forward-looking statements" or "forward-looking information" within the meaning of applicable Canadian securities legislation (collectively, "**forward-looking statements**"), based on current expectations, estimates, forecasts, projections, beliefs and assumptions made by management of the Company including about the industry in which it operates. Forward-looking statements are not guarantees of future performance and involve assumptions and risks and uncertainties that are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed, implied or forecast in such forward-looking statements. The Company does not intend, and disclaims any obligation, to update any forward-looking statements after it files this Annual Information Form, whether as a result of new information, future events or otherwise, except as required by applicable securities laws. Forward-looking statements are made as of the date of this Annual Information Form.

In some cases, forward-looking statements can be identified by words or phrases such as "may", "might", "will", "expect", "anticipate", "estimate", "intend", "plan", "indicate", "seek", "believe", "predict" or "likely", or the negative of these terms, or other similar expressions (or variations of such words or phrases). The Company has based these forward-looking statements on its current expectations and projections about future events and financial trends that it believes might affect its financial condition, results of operations, business strategy and financial needs. These forward-looking statements include, among other things, statements relating to:

- the Company's expectations regarding its revenue, expenses and operations;
- the Company's anticipated cash needs and its needs for additional financing;
- the Company's intention to grow the business and operations;
- expectations with respect to future production costs and capacity;
- the grant and impact of any license or supplemental license to conduct activities with psychopharmacological products or any amendments thereof;
- the Company's competitive position and the regulatory environment in which the Company operates;
- the Company's expectation that available funds will be sufficient to cover its expenses over the next 12 months;
- the Company's expected business objectives and milestones, including costs of the foregoing, for the next 12 months;
- the Company's ability to obtain additional funds through the sale of equity or debt commitments;
- the timing, progress and timely completion of various stages of the regulatory approval process;
- projections for development plans and progress of products and technologies, including with respect to timely and successful completion of studies and trials and availability of results from such studies and trials;
- expectations regarding product safety and efficacy;
- expectations regarding acceptance of products and technologies by the market;
- expectations about clinical and regulatory milestones being achieved; and

- the intentions of the board of directors of the Company (the "**Board**") with respect to executive compensation and corporate governance plans.

Certain of the forward-looking statements and other information contained in this Annual Information Form concerning our industry and the markets in which we will operate, including our general expectations and market position, market opportunities and market share, are based on estimates prepared by the Company using data from publicly available governmental sources, as well as from market research and industry analyses, and on assumptions based on data and knowledge of this industry which the Company believes to be reasonable. While the Company is not aware of any misstatement regarding any industry or government data presented herein, it is noted that the psychopharmacological industry involves risks and uncertainties that are subject to change based on various factors and the Company has not independently verified such third-party information.

Forward-looking statements are based on certain assumptions and analyses made by the Company in light of the experience and perception of historical trends, current conditions and expected future developments and other factors it believes are appropriate and are subject to risks and uncertainties. In making the forward-looking statements included in this Annual Information Form, the Company has made various material assumptions, including but not limited to: (i) obtaining the necessary regulatory approvals; (ii) that regulatory requirements will be maintained; (iii) general business, economic and political conditions; (iv) the Company's ability to successfully execute its plans and intentions; (v) the availability of financing on reasonable terms; (vi) the Company's ability to attract and retain skilled staff; (vii) market competition; (viii) the products and technology offered by the Company's competitors; (ix) that good relationships with service providers and other third parties will be established and maintained; (x) continued growth of the psychopharmacological industry; and (xi) positive public opinion with respect to the psychopharmacological industry. Although the Company believes that the assumptions underlying these statements are reasonable, they may prove to be incorrect, and the Company cannot assure that actual results will be consistent with these forward-looking statements. Further, the aforementioned assumptions may be affected by the negative disruptive effect of the COVID-19 (as defined below) pandemic, which has resulted in a widespread health crisis that has already affected the economies and financial markets of many countries around the world. The international response to the spread of COVID-19 has led to significant restrictions on travel; temporary business closures; quarantines; global stock market and financial market volatility; a general reduction in consumer activity; operating, supply chain and project development delays and disruptions; and declining trade and market sentiment, all of which have and could further affect commodity prices, interest rates, credit ratings and credit risk. The continuing and additional business interruptions, expenses and delays relating to COVID-19, could have a material adverse impact on the Company's operations, financial condition and the market for its securities; however, as at the date of this Annual Information Form, such cannot be reasonably estimated.

Whether actual results, performance or achievements will conform to the Company's expectations and predictions is subject to a number of known and unknown risks, uncertainties, assumptions and other factors, including those listed under "*Risk Factors*", which include:

- forward-looking statements may prove to be inaccurate;
- the Company has minimal operating history;
- the Company has negative cash flow;
- uncertainty about the Company's ability to continue as a going concern;
- the Company actual financial position and results of operations may differ materially from the expectations of management;
- the Company expects to incur future losses and may never become profitable;

- there is no assurance that the Company will turn a profit or generate revenues;
- the Company expects to incur significant ongoing costs and obligations;
- failure to realize the anticipated benefits of the acquisition of Havn Research Inc.;
- potential undisclosed liabilities associated with the acquisition of Havn Research Inc.;
- failure to successfully integrate acquired businesses, products and other assets into the Company, or if integrated, failure to further the Company's business strategy may result in the Company's inability to realize any benefit from such acquisition;
- the psychopharmacological industry is a relatively new market and new industry that may not succeed in the long term;
- the Company's prospects depend on the consumer perception of fungus-based products and brand awareness;
- the Company's prospects depend on the success of its products/compounds which are not yet in development;
- the Company will rely on third parties to plan and conduct preclinical and clinical trials;
- the Company expects to rely on contract manufacturers over whom it will have limited control;
- the Company will require commercial scale and quality manufactured product to be available for pivotal or registration clinical trials;
- clinical trials of the Company's product/compound candidates may fail to demonstrate safety and efficacy to the satisfaction of regulatory authorities or not otherwise produce positive results;
- there could be delays in clinical testing;
- the Company may not be able to file appropriate clinical trial or regulatory approval applications;
- if the Company (or a third party conducting clinical trials) has difficulty enrolling patients in clinical trials, the completion of the trials may be delayed or cancelled;
- the expansion of the use of psychedelics in the medical industry may require new clinical research into effective medical therapies;
- negative results from clinical trials or studies of others and adverse safety events involving the targets of the Company's products/compounds may have an adverse impact on the Company's future commercialization efforts;
- the Company may be subject to product recalls for product defects self-imposed or imposed by regulators;
- the Company does not carry product liability insurance;
- dependence on a single Facility;
- unfavourable publicity and consumer perception;

- in certain circumstances, the Company's reputation could be damaged;

- regulatory approval processes are lengthy, expensive and inherently unpredictable, and the Company may not be able to obtain all necessary licenses and permits in a timely manner, which could, among other things, delay or prevent the Company from becoming profitable;

- the Company will be subject to government regulation, as well as subject to changes (including uncertainty regarding any such changes) in laws, regulations and guidelines, which could adversely affect the Company's future business, financial condition and results of operations, and the enforcement of relevant laws is a significant risk, with any violations of laws and regulations potentially resulting in serious repercussions;

- regulatory scrutiny of the Company's industry may negatively impact its ability to raise additional capital;

- the Company may not achieve its publicly announced milestones according to schedule, or at all;

- the Company will face competition from other companies (including other natural health product, biotechnology and pharmaceutical companies), where it will conduct business that may have a higher capitalization, more experienced management or may be more mature as a business;

- there are factors which may prevent the Company from the realization of growth targets;

- the Company may not be able to effectively manage its growth and operations, which could materially and adversely affect its business;

- the Company may be unable to adequately protect its proprietary and intellectual property rights;

- the Company may be forced to litigate to defend its intellectual property rights, or to defend against claims by third parties against the Company relating to intellectual property rights;

- if the Company loses its licenses from third-party owners, it may be unable to continue a substantial part of its business;

- the Company may require additional third-party licenses to effectively develop and manufacture its key products/compounds and is currently unable to predict the availability or cost of such licenses;

- changes in patent law and its interpretation could diminish the value of patents in general, thereby impairing the Company's ability to protect its product/compound candidates;

- the Company may become subject to litigation, which may have a material adverse effect on the Company's reputation, business, results from operations and financial condition;

- the Company's reliance on third parties requires the Company to share its trade secrets, which increases the possibility that a competitor will discover them;

- the Company's operations are subject to environmental regulation in the jurisdiction in which it operates;

- if the Company is unable to attract and retain key personnel, it may not be able to compete effectively in the psychopharmacological market;

- the size of the Company's target market is difficult to quantify, and investors will be reliant on their own estimates as to the accuracy of market data;

- the Company could be liable for fraudulent or illegal activity by its employees, contractors and consultants resulting in significant financial losses to claims against the Company;

- reliance on information technology systems and risks of cyberattacks;

- the Company's officers and directors may be engaged in a range of business activities resulting in conflicts of interest;

- the Company's officers and directors are expected to control a large percentage of the Company's issued and outstanding Common Shares and such officers and directors may have the ability to control matters affecting the Company and its business;

- need for additional financing and issuance of additional securities;

- the Company will continue to sell securities for cash to fund operations, capital expansion, mergers and acquisitions that will dilute the current shareholders;

- discretion and uncertainty in use of available funds;

- if there is a material weakness in our internal controls over financial reporting, investors could lose confidence in the reliability of our financial statements, which could result in a decrease in the value of our securities;

- novel coronavirus ("**COVID-19**");

- risk of high bonding and insurance costs;

- the Company may face significant competition from other facilities;

- the Company will be reliant on information technology systems, and may be subject to damaging cyberattacks;

- the Company may be subject to breaches of security at its facilities, or in respect of electronic documents and data storage, and may face risks related to breaches of applicable privacy laws;

- there are constraints on marketing products;

- the market price for Common Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond our control;

- the Company does not anticipate paying cash dividends;

- the Company will be subject to additional regulatory burden resulting from its public listing on the CSE;

- future sales of Common Shares by existing shareholders could reduce the market price of the Company shares;

- the Company may be subject to currency fluctuations; and

- other factors discussed under "*Risk Factors*".

The factors identified above are not intended to represent a complete list of the risks and factors that could affect the Company. Some of the important risks and factors that could affect forward-looking statements are discussed in the section entitled "*Risk Factors*" in this Annual Information Form. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

These forward-looking statements are based on the beliefs of the Company's management as well as on assumptions, which such management believes to be reasonable based on information currently available at the time such statements were made. Although the Company believes its expectations are based upon reasonable assumptions and 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.

Investors are cautioned not to put undue reliance on forward-looking statements. The forward looking-statements contained herein are made as of the date of this Annual Information Form and, accordingly, are subject to change after such date. The Company disclaims any intent or obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of assumptions or factors, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws. Investors are urged to read the Company's filings with Canadian securities regulatory agencies, which can be viewed online under the Company's profile on SEDAR at www.sedar.com.

INTRODUCTION

This AIF provides information about the Company and its subsidiaries. It has been prepared in accordance with Canadian securities laws and describes the Company's business, the risks the Company faces, and other matters concerning the Company's business.

This AIF is dated as of October 20, 2020. Unless otherwise indicated, all information in this AIF is as of April 30, 2020.

Except where otherwise indicated, all references to currency in this AIF are to Canadian Dollars ("$").

Certain Other Information

Certain information in this AIF is obtained from third party sources, including public sources, and there can be no assurance as to the accuracy or completeness of such information. Although believed to be reliable, management of the Company has not independently verified any of the data from third party sources unless otherwise stated.

CORPORATE STRUCTURE

Name, Address and Incorporation

Havn was incorporated under the *Business Corporations Act* (British Columbia) (the "**BCBCA**") on April 8, 2020 as "1246780 B.C. Ltd." On June 4, 2020, it changed its name to "Havn Life Sciences Inc."

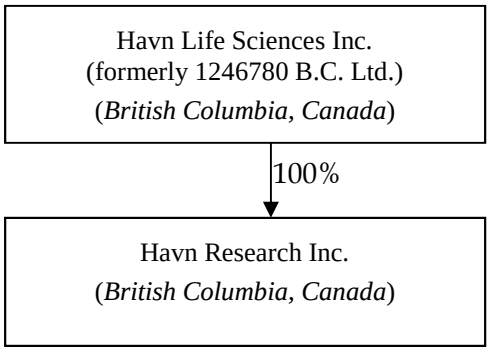
The Company's head office is located at 3800 Wesbrook Mall, Vancouver, British Columbia V6S 2L9 and its registered office is located at 2200-885 West Georgia Street, Vancouver, British Columbia V6C 3E8.

The Company is listed on the Canadian Securities Exchange (the "**CSE**" or the "**Exchange**") and commenced trading on the CSE on September 8, 2020, under the trading symbol "HAVN". On September 15, 2020, the Company began trading on the Frankfurt Stock Exchange under the stock symbol "5NP".

Unless otherwise noted or inconsistent with the context, references to Havn or the Company in this AIF are references to Havn Life Sciences Inc. and its subsidiary, Havn Research Inc.

Intercorporate Relationships

The following diagram illustrates the intercorporate relationships among Havn and its subsidiary, as well as the jurisdiction of incorporation of each entity.



GENERAL DEVELOPMENT OF THE BUSINESS

Overview

On September 4, 2020, the Company acquired Havn Research Inc. ("**Havn Research**") pursuant to a share purchase agreement dated June 3, 2020 among Havn Research, the shareholders of Havn Research and the Company. The Company issued to the former shareholders of Havn Research, on a pro rata basis, 15,233,333 common shares in the capital of the Company (the "**Common Shares**") at a deemed price of $0.25 per Common Share, in exchange for all of the issued and outstanding common shares in the capital of Havn Research. As a result of the completion of the acquisition of Havn Research, the business of Havn Research became the business of the Company.

Havn is a is a biotechnology company engaged in the business of the research and development of psychopharmacological products, including the formulation of standardized psychoactive compounds derived from fungi which Havn intends to supply to third parties for use in clinical trials and for production of natural health products ("**NHP**"). Havn intends for its compounds to be used to develop innovative therapies to improve mental health and human performance. Havn is also focused on developing methodologies for the standardized, quality-controlled extraction of psychoactive compounds from plants and fungi, and the development of natural health care products from non-regulated compounds.

Background

Although the Company and Havn Research were incorporated on April 8, 2020 and March 4, 2020, respectively, the underpinnings of its business plans and path to potential commercialization of its planned research efforts stretch back a number of years through the collective academic research, psychedelic industry initiatives and experience of its founders and scientific team. Below is a brief biographical description of each relevant member of the team, highlighting such individual's credentials, as well as their contribution to the development of Havn's business plans and objectives. See also "*Directors and Officers – Directors and Management Biographies*".

Mr. Vic Neufeld, Director of the Company, served as the Chief Executive Officer of Jamieson Laboratories, Canada's largest manufacturer and distributor of natural vitamins, minerals, concentrated food supplements, herbs and botanical medicines ("**Jamieson**"). During his 21-year tenure with Jamieson, the company went from $20 million in annual sales to over an estimated $250 million and expanded Jamieson's distribution network to over 40 countries, building Jamieson to a globally recognized brand name. Mr. Vic Neufeld is also the former President and Chief Executive Officer of Aphria Inc., a medical marijuana and cannabis oil company ("**Aphria**"). Mr. Neufeld's educational background includes a Bachelor of Economics from Western University, an Honours degree in Business from the University of Windsor and a Master of Business Administration from the University of Windsor. Mr. Neufeld is also a chartered professional accountant.

Mr. Tim Moore, Chief Executive Officer of the Company, served as the former President and General Manager of The Clorox Company of Canada, a chemicals company, as well as the former Chief Operating Officer of Synnex Canada Limited, a technology product distributor. Mr. Moore was also the Managing Director of Brita North America, Consumer and Foodservice (Water Filtration) division for seven years from 2009 to 2015. In addition, he is the former Chief Executive Officer of Green Growth Brands, a US multi-state cannabis operator, which operated over 200 mall-based cannabidiol kiosks that rose from its initial public offering to reach a peak valuation of over an estimated $1.2 billion.

Dr. Ivan Casselman, the Chief Psychedelic Officer of the Company, is an ethnobotanist, analytical phytochemist, and plant geneticist with over 15 years of experience working in the cannabis industry. Dr. Casselman obtained his PhD in Plant Science from Southern Cross University in Australia in 2015, and his MSc in Ethnobotany from Kent University in the UK in 2009. He has experience in the development of herbal formulations, authentication, and quality control as a Laboratory Analyst in the Southern Cross Plant Science Analytical Research Laboratory and as Herbal Product Development advisor at Happy Herb Company; both positions were held from 2011 to 2015. Dr. Casselman was a

named co-inventor in US Patent #10,569,189B1 issued on February 25, 2020 for “Method for acetylation of cannabinoids”. Dr. Casselman has over five years of experience as a psychedelics researcher at Southern Cross University in Australia, where he conducted research into the psychoactive properties of certain plant species, including Salvia Divinorum, resulting in the publication of three papers on his research (Casselman, I., and M. Heinrich. 2011. “Novel Use Patterns of Salvia Divinorum: Unobtrusive Observation Using YouTube.” Journal of Ethnopharmacology 138: 662–227; Casselman, Ivan, Catherine J. Nock, Hans Wohlmuth, Robert P. Weatherby, and Michael Heinrich. 2014. “From Local to Global—Fifty Years of Research on Salvia Divinorum.” Journal of Ethnopharmacology 151 (2); and Henrich, Michael, Casselman, Ivan. 2017. “Ethnopharmacology – From Mexican hallucinogen to a global transdisciplinary science” Ethnopharmacologic Search for Psychoactive Drugs Volume 2).

Mr. Gary Leong, the Chief Science Officer of the Company, has over thirty (30) years of experience in the pharmaceutical and the NHP industry. He served as the Chief Scientific Officer of Jamieson for 14 years. He also managed the scientific and quality function for Boehringer Ingelheim, a global pharmaceutical, animal health and biopharmaceuticals company, Natural Factors, one of the largest manufacturers of nutritional products in North America, and Nordion, a health science company that provides products for prevention, diagnosis and treatment of disease. Mr. Leong was also the Chief Scientific Officer of Aphria from its incorporation in 2014 to 2019. At Aphria, Mr. Leong established and oversaw the Quality Assurance, Quality Control, Regulatory Affairs and Research and Development functions. Mr. Leong’s educational background includes a BSc. in Chemistry and a Master of Business Administration in Quality Management. In addition, he has served on the Board of Directors of several public companies and research societies as well as an advisor to several Canadian government regulatory advisory committees, including serving as a member of the Government of Canada’s Natural and Non-prescription Health Products Directorate (“**NHPD**”), as well as two of the three advisory working groups for the NHPD (the Product Testing Requirements Connected to Good Manufacturing Practice Requirements for Natural Health Products and Compliance and Enforcement for Natural Health Products working groups) and a board member of the Ontario Ginseng Innovation and Research Consortium.

Mr. Alexzander Samuelsson, the Chief Research Officer of the Company is a chemist with a Bachelor of Science in Chemistry from Ryerson University (2014) and specializes in regulatory compliance, formulations, and the development of intellectual property leading to patented extraction technology and processes. From 2017 to 2019, Mr. Samuelsson was Lead Chemist with regulatory compliance and formulation responsibilities at Nextleaf Solutions Ltd., a public cannabis extraction company, and was a named co-inventor in US Patent #CA3063960A1 issued on April 4, 2019 for “Cannabinoid extraction process using brine”. Dr. Casselman and Mr. Samuelsson worked together at Nextleaf Solutions Ltd., where they performed literature reviews and collaborated on patents for cannabinoid extraction processing with brine and methods for acetylation of cannabinoids. In December 2019, they jointly launched an educational podcast to raise general public awareness of developments in the cannabis and psychedelics industries for the online plant science community in British Columbia named “High on Plants, Stoked on Science”, which published seven episodes until March 2020. Mr. Samuelsson acted as a Lab Assistant for Ryerson University, the Ontario Ministry of Environment, Johnson Matthey and Opalux during the period from 2011 to 2013, during which he gained experience in column chromatography with strict sanitation and quality control standards, sample preparation for trace analysis, extraction techniques and polymer test cell fabrication.

Dr. David Mokler, a scientific advisor of the Company, has published widely on the serotonergic system of the brain since 1981, including how the 5-hydroxytryptamine (5-HT, serotonin) and dopamine neurotransmitter systems of the brain work. Dr. Mokler has served as Professor Emeritus of Biomedical Sciences at The University of New England since 2018 and as Professor in the university’s pharmacology faculty since 1986. Dr. Mokler obtained his PhD, Pharmacology/Toxicology and Neuroscience from Michigan State University in 1984. Since 1981, Dr. Mokler has published 59 academic papers, including Commissaris RL, Mokler DJ, Lyness WH, Moore KE, Rech RH. The behavioral effects of hallucinogens in rats following 5,7-dihydroxytryptamine administration into the medial forebrain bundle. Pharmacol Biochem Behav. 1981 Jun;14(6):915-8. doi: 10.1016/0091-

3057(81)90384-1. PubMed PMID: 6973157; Mokler DJ, Stoudt KW, Rech RH. The 5HT2 antagonist pirenperone reverses disruption of FR-40 by hallucinogenic drugs. Pharmacol Biochem Behav. 1985 May;22(5):677-82. doi: 10.1016/0091-3057(85)90512-x. PubMed PMID: 3859879 and Rech RH, Mokler DJ, Briggs SL. Effects of combined opioids on pain and mood in mammals. Pain Res Treat. 2012;2012:145965. doi: 10.1155/2012/145965. Epub 2012 Mar 21. PubMed PMID: 22550575; PubMed Central PMCID.

Ms. Susan Chapelle, Executive Vice President (Research and Development) of the Company, has 30 years of practical, research and teaching experience, and has owned and operated multidisciplinary healthcare clinics for 30 years. Ms. Chappelle obtained an Executive Master of Business Administration from the Beedie School of Business at Simon Fraser University in 2018. Ms. Chapelle also has extensive experience in day-to-day lab and clinic management and was a Municipal Councilor for the District of Squamish, British Columbia from 2011 to 2018. In 2012, Ms. Chapelle became a research colleague of Dr. Mokler with respect to a scientific collaboration through the National Institute of General Medical Science, supported by a grant provided through the U.S. National Institute of Health. They co-authored two papers examining the effect of manual therapy on a model of adhesion formation, and the effect of morphine on intestinal transit times leading to adhesion formation (Bove GM, Chapelle SL, Boyle E, Mokler DJ, and Hartvigsen J. A Novel Method for Evaluating Postoperative Adhesions in Rats. J Invest Surg 30: 88-94, 2017; and Bove GM, Chapelle SL, Hanlon KE, Diamond MP, and Mokler DJ. Attenuation of postoperative adhesions using a modeled manual therapy. PLOS ONE 12: e0178407, 2017). Dr. Mokler's research into hallucinogenic drugs and Ms. Chapelle's clinical research experience alongside Dr. Mokler are expected to help Havn bring novel hypotheses to the therapeutic psychedelic industry through examining methodology and extraction of Psilocybe spp compounds.

The Honorable Sheila Copps, OC, PC, is a member of the Company's advisory board. Ms. Copps was the Deputy Prime Minister of Canada from November 1993, to April 1996, and June 1996, to June 1997, a Member of the Canadian Parliament for Hamilton East from November 1984 to May 2004, the Minister of Canadian Heritage from 1996 to 2003, the Minister of Environment from 1993 to 1996 and an Ontario Member of Parliament from 1981-1984. Ms. Copps is an experienced advisor to public companies, including European Electric Metals Inc., an early stage mineral exploration company focusing on projects in Europe and Hemostemix Inc., a clinical-stage biotechnology company focused on developing, manufacturing and commercializing blood-derived cell therapies for medical conditions. Ms. Copps earned a Bachelor of Arts (Honors) in French and English from the University of Western Ontario in London and pursued further studies at McMaster University in Hamilton and the University of Rouen in France.

Ms. Barinder Rasode, the President and a director of the Company, since 2018, has operated GrowTech Labs, a cannabis industry incubator. GrowTech Labs launched an online educational site in September 2019 named TruHavn in which explored the science and healing nature of plants and fungi and also launched the BC Craft Farmers Co-op, a non-profit cooperative society approved by the British Columbia government in April 2020, to advance the interests of micro-cultivators and processors in the province. A cannabis industry advocate, Ms. Rasode recognized that the US Food & Drug Administration's grant of Breakthrough Therapy designations for psychoactive compounds in 2019 signaled the emergence of a new psychedelics industry with potential for commercialization of products. In addition, Ms. Rasode served two terms as two-term elected Councillor for the City of Surrey and served on the Board of British Columbia's largest health authority, the Fraser Health Authority.

In early 2019, Dr. Casselman and Ms. Rasode commenced discussions as a result of Dr. Casselman's interest in GrowTech Labs' micro-cultivators project; subsequent to this, the scientists described above began to assemble around Dr. Casselman with a desire to bring their specific expertise to support his visions for research and development in the psychedelic-assisted therapy industry. Thereafter, the team embarked on an initiative to develop a set of methodologies to ensure the safe, quality-controlled production of Psilocybe spp mushrooms and the genera directive compounds, such as psilocybin, psilocin and baeocystin, believing that these methodologies will ensure the establishment of quality control, product safety and formulation protocols in a manner consistent with traditional pharmaceutical compound research and development.

Dr. Ivan Casselman is recognized as a thought leader in the field of psychedelic research and is widely regarded as being at the forefront with respect to the potential development of psychedelic compounds for consumer and therapeutic use. As a result of his extensive study of the discipline, Dr. Casselman has developed a unique ability to discern those psychoactive compounds that exhibit psychoactive characteristics but that are not listed as controlled substances under the *Controlled Drugs and Substances Act* (Canada) (the "**CDSA**"). Through the invention and the intellectual property assignment agreement dated June 2, 2020 among Havn Research, Phytoconfluence Labs Inc. and Dr. Ivan Casselman (the "**Invention and Intellectual Property Assignment Agreement**"), Dr. Casselman has assigned to the Company all current and future right, title and interest to the formulation and microdosing protocol trade secrets and the current and future non-public information associated with the formulation, extraction and production of psilocybin compounds including the non-public methodologies, recipes, processes and other know-how held by Dr. Casselman and Phytoconfluence Labs Inc., a company wholly owned by Dr. Casselman (the "**Intellectual Property**"). Such Intellectual Property and know-how is a key differentiator for the Company and its ability to formulate NHPs using psychoactive compounds for mental health and human performance that are derived from fungi and plants that are currently not listed as controlled substances under the CDSA.

Pursuant to a Memorandum of Understanding signed in September 2020, the Company is collaborating with the Heroic Hearts Project ("**HHP**"), a registered non-project charity that connects military veterans struggling with mental trauma to psychedelic therapy options. The HHP is also working to advance the body of scientific evidence around psychoactive compounds through institutional review board approved research studies with The University of Georgia and The University of Colorado Boulder. The collaboration project between the Company and HHP will deploy a pharmacology management platform and utilize surveys to collect pharmacology usage data from the veterans, including details on the current pharmaceuticals (if any) used by the veterans (the "**Data Collection Project**"). The results of the Data Collection Project will then be utilized to define future clinical studies to investigate the effects that low dosage psychoactive compounds which are listed as controlled substances under the CDSA and low dosage psychoactive compounds which are not listed as controlled substances under the CDSA (i.e. NHPs), in each case to be administered in the form of microdosing of psilocybin, may have in terms of mitigating symptoms associates with trauma, including Post Traumatic Stress Disorder (the "**Clinical Study Plan**"). Havn believes that its research into safe, quality-controlled production of Psilocybe spp mushrooms may be incorporated into the future clinical studies involving use of psychoactive compounds by veterans. Havn plans to enter into a detailed collaboration research agreement with HHP prior to the commencement of these projects, and it is anticipated that Havn will receive a perpetual, royalty-free license to use all de-identified data obtained from the research projects for its commercial use. Havn was introduced to HHP by Tim Laidler, a board member of Havn.

Havn notes that in order to conduct any scientific research, including pre-clinical and clinical trials, using psychoactive compounds listed as controlled substances under the CDSA, an exemption under Section 56 of the CDSA ("**Section 56 Exemption**") is required. This exemption allows the holder to possess and use the controlled substance without being subject to the restrictions set out in the CDSA. Havn Research received a Section 56 Exemption from Health Canada on August 31, 2020. Havn further notes that in order to conduct clinical trials using NHPs, authorization must be sought from Health Canada under Part IV of the Natural Health Product Regulations, once a determination is made to conduct clinical trials of NHPs as part of its Clinical Study Plan (or otherwise). Havn believes that its work in obtaining its Section 56 Exemption, and the data that will be generated from conducting studies thereunder, will help build the foundation for its NHP license application (see "*Description of the Business – Licenses"* and *"Description of the Business – Havn Labs Business Division - Controlled Psychoactive Products"*).

In addition to the laboratory research and studies described above, Havn will also operate a retail line of business, pursuant to which it will formulate and sell NHPs focused initially on four categories of human health and performance: immunity support, cognitive support, stress prevention, and energy support. These NHPs will be based upon existing Monographs (as defined below), and accordingly, will not be subject to clinical trials into safety and efficacy, thereby significantly reducing the timeline for getting these products to market; clinical trials of NHPs are generally only required if the active

ingredient in the NHP is novel or if the NHP contains a known active ingredient that is proposed to be used for a new indication such that no pre-approved Monographs exist for Health Canada to rely on, subject to Health Canada's residual discretion to require a clinical trial in other circumstances. Havn expects to obtain a Product License (as defined below) under the *Natural Health Products Regulations* for the sale of its NHPs (see *"Description of the Business – Licenses"* and *"Description of the Business – Havn Retail Business Division – Regulated Natural Health Products"*).

Havn is constructing a purpose-built Good Manufacturing Practices ("**GMP**") compliant facility in the Vancouver Campus of The University of British Columbia (the "**Facility**") to produce, extract and standardize psychoactive compounds.

Financing Transactions

On April 20, 2020, the Company issued 4,000,000 units of the Company (each, a "**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 greater than $0.75 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 45 days from the date that notice of such acceleration is provided to the holders of the Warrants (the "**First Tranche of the Unit Offering**").

On April 29, 2020, the Company 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 greater than $0.75 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 45 days from the date that notice of such acceleration is provided to the holders of the Warrants (the "**Second Tranche of the Unit Offering**").

On May 27, 2020, the Company 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 greater than $0.75 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 45 days from the date that notice of such acceleration is provided to the holders of the Warrants (the "**Third Tranche of the Unit Offering**").

On May 28, 2020, the Company issued a total of 33,906,667 special warrants (each, a "**$0.02 Special Warrant**") at a price of $0.02 per $0.02 Special Warrant for aggregate proceeds of $678,133.34. The $0.02 Special Warrants entitled the holder the right to acquire, without additional payment, one Common Share qualified under the Company's long form non-offering prospectus dated September 1, 2020 (each, a "**$0.02 Qualified Share**"), for each $0.02 Special Warrant held. The $0.02 Special Warrants converted to $0.02 Qualified Shares on September 3, 2020.

On June 1, 2020, the Company issued a total of 249,000 special warrants (each, a "**$0.10 Special Warrant**") at a price of $0.10 per $0.10 Special Warrant for aggregate proceeds of $24,900. The $0.10 Special Warrants entitled the holder the right to acquire, without additional payment, one Common Share qualified under the Company's long form non-offering prospectus dated September 1, 2020 (each, a "**$0.10 Qualified Share**"), for each $0.02 Special Warrant held. The $0.10 Special Warrants converted to $0.10 Qualified Shares on September 3, 2020.

On June 5, 2020, the Company 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 greater than $0.75 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 45 days from the date that notice of such acceleration is provided to the holders of the Warrants (the "**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 Company 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 110,000 finder units having the same terms as the Units (the "**Finder Units**"). In addition, the Company 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 of Havn Research.

On September 14, 2020, the Company issued 200,000 Common Shares in satisfaction of outstanding debt in the aggregate amount of $97,600.

Board and Management Appointments and Resignations

On April 21, 2020, Mr. Eli Dusenbury was appointed sole director and President, Chief Executive Officer, Chief Financial Officer and Corporate Secretary of the Company.

On May 6, 2020, Messrs. Tim Moore and Eli Dusenbury, respectively, were appointed as Co-Chief Executive Officers of the Company.

On June 4, 2020, Messrs. Vic Neufeld, Ricky Brar and Tim Laidler were appointed as directors of the Company.

On September 4, 2020: Mr. Dusenbury resigned as President, Co-Chief Executive Officer and as a director of the Company; Ms. Susan Chapelle was appointed President and Co-Chief Executive Officer of the Company; Mr. Ivan Casselman was appointed Chief Psychedelics Officer; Mr. Alexzander Samuelsson was appointed Chief Research Officer; Ms. Barinder Rasode was appointed as a director and Co-Head of Corporate Development of the Company; and Mr. Robert Nygren was appointed as a director and Co-Head of Corporate Development of the Company.

On September 10, 2020, Mr. Gary Leong was appointed Chief Science Officer of the Company.

On September 30, 2020, Mr. Nygren ceased to be Co-Head of Corporate Development and a director of the Company.

On October 15, 2020, Mr. Dennis Staudt was appointed as a director of the Company.

On October 18, 2020, Ms. Chapelle's role and title changes to Executive Vice President (Research and Development).

On October 18, 2020, Mr. Moore's role and title changed to Chief Executive Officer of the Company.

On October 18, 2020, Ms. Rasode's role and title changed to President (and a director) of the Company.

DESCRIPTION OF THE BUSINESS

The initiatives and business plans described above will form the basis upon which Havn proposes to operate its two business divisions: Havn Labs and Havn Retail. Separate divisions are being created to take into account the different revenue timelines and market segments for controlled and non-controlled psychoactive compounds:

1. Havn Labs: a dedicated licensed research lab from the Facility located at the Vancouver Campus of The University of British Columbia to conduct advanced formulation development, documentation, standardized testing protocols and quality control of psychoactive compounds developed by Havn and third parties, and derived from Psilocybe spp. mushrooms. The division also intends to provide an education platform to scientists in order to inform regulators and regulated healthcare practitioners of the evidence-based benefits of psychedelic-assisted therapies. See "*Description of the Business – Havn Labs Business Division – Controlled Psychoactive Products*".

2. Havn Retail: activities aimed at developing formulations using compounds, formulates and supplies that have psychoactive characteristics, but are not controlled substances, to provide safe and effective NHPs to consumers. The products are intended to be marketed to the NHP industry. See "*Havn Retail Business Division - Regulated Natural Health Care Products*".

Havn anticipates that the reputation and experience of its scientific team, and their continued involvement in cutting edge research in the psychedelic industry will facilitate brand accretion and awareness. In particular, the Havn Labs division research that will be undertaken pursuant to the Section 56 Exemption is expected to generate significant brand awareness and value for Havn Retail's NHPs.

Facility

Havn sub-leases the Facility under a sublease agreement between Havn and ETC3 Holdings Ltd. for its offices and laboratory facility (the "**Sublease Agreement**"). Havn currently pays $3,000 (plus tax) per month in rent under the Sublease agreement.

The initial term of the Sublease Agreement ends on April 30, 2021 and may be renewed for additional one-year terms, subject to termination by Havn upon sixty days' notice prior to an annual renewal or by the sub-lessor, after an initial term of two years and upon sixty days' notice prior to an annual renewal.

Technical Specifications

The Facility has the following characteristics that make it an advantageous location for the Company's business:

- The Facility is located at the Vancouver Campus of The University of British Columbia, which facilitates access to academic resources for research collaboration and access to university student hires.

- The Facility is housed within an 81,000 square foot multi-tenanted research building that contains over 60 offices, 20 wet labs, a 150-person auditorium and a pilot plant.

- The Facility includes other life science research tenants that have received licenses from Health Canada to handle controlled substances, which licenses required security reviews of the Facility. All security requirements for the Facility will conform to Health Canada's Directive on Physical Security Requirements for Controlled Substances. The Facility will comply with category B "Researchers and Analytical Firms - no distribution".

- The Facility provides the Company with opportunity for expansion.

Licenses

The below table summarizes the additional licenses that the Company intends to obtain for its operations at the Facility to support the Havn Labs and Havn Retail business divisions (the "**Licenses**"):

Description of type and purpose of License	Jurisdiction and applicable governmental authority	Anticipated timeline to apply for and obtain License[(1)]	Description of application process
Dealer's License under the *Food and Drugs Regulations* (Part J) for the Havn Labs business division; this license is required to transport and sell controlled substances.	Government of Canada through Health Canada	Havn has submitted the application on October 6, 2020 with an anticipated eleven-month approval process by Health Canada.	Havn prepared and submitted application to Health Canada.
Product License under the *Natural Health Products Regulations* for the Havn Retail business division; this license is required to sell any NHPs to consumers in Canada.	Government of Canada through Health Canada	Havn has submitted the application on September 4, 2020, for its initial four product lines described below, with an anticipated 60-day approval process by Health Canada	Havn prepared and submitted application to Health Canada.
Authorization under Part IV the *Natural Health Product Regulations* for the Havn Retail business division. This authorization is required in order to test the safety and efficacy of a novel NHP in a clinical trial (note that this is not required if the safety and efficacy of the NHP has already been established and approved by Health Canada and published as Monographs).	Government of Canada through Health Canada	Havn plans to submit the application at such time it deems necessary, after the completion of the Data Collection Project. Havn notes that the timing to receive such authorization can vary on a case by case basis.	Havn and any clinical site partners and investigators prepare and submit an application for authorization to Health Canada

Notes:

(1) Although Havn does not currently anticipate that the COVID-19 pandemic will cause material delays in the timelines set out above, due to the evolving nature of COVID-19 and its impacts, these timelines may require adjustment in the future. See "*Risk Factors — Government Regulation"* and *"Risk Factors – Novel Coronavirus (COVID-19)*".

As noted above, Havn Research obtained a Section 56 Exemption on August 31, 2020.

Principal Products and Services

Havn Labs Business Division - Controlled Psychoactive Products

There has been significant recent interest in the use of psychedelics for various indications, including mental health care, post-traumatic stress disorder and anti-inflammatory therapies, which interest is reflected in the increase in number of clinical trials of psychoactive compounds underway and proposed in Canada. As demand for standardized psychoactive compounds increases, the supply of such compounds remains limited. To date, the Company is not aware of any standardized or quality control methods for the production of compounds derived from Psilocybe spp. mushrooms for use in medical research, including in clinical trials with animals or humans.

For researchers to fully understand the therapeutic potential of psychoactive compounds, and how a particular fungi genus can be utilized to treat disease and mental conditions, methods must be developed to ensure the researchers have access to safe, standardized, quality-controlled derivatives and formulations. The standardized methodology is essential for growing, extracting and synthesizing these compounds.

The Company proposes to develop a set of methods to enable the safe, standardized, quality-controlled growing and production of Psilocybe spp. mushrooms and the extraction of compounds found in the Psilocybe spp. genus. The Company plans to undertake research to develop the research protocols to cover the production of Psilocybe spp. mushrooms in sterile conditions, the extraction and purification of psilocybin, psilocin, baeocystin and other compounds found in the genus, and quality control and testing necessary for safety and formulation protocols with Psilocybe spp. and/or constituents. The Company plans to develop a compound library designed to support the science of safe, quality-controlled psychoactive compounds for formulation to supply researchers with compounds for clinical trials.

The Company anticipates that it will take one year to complete the development of research protocols, after which approximately an additional four months will be required for the protocols to be published. The Company's research is expected to be split into two 17-week phases and one 18-week phase.

The Company has made an application to Health Canada for a Dealer's License under the *Food and Drugs Regulations* (Part J) to the *Food and Drugs Act* (Canada) (the "**Dealer's License**") for standardized psychoactive compounds (including the compound Psilocybe spp.) to permit sale of its proprietary formulations to third parties for use in research and clinical trials, and eventually to healthcare practitioners once permitted by health authorities. If necessary, the Company may utilize contract manufacturing services to scale production to meet demand.

Havn Retail Business Division - Regulated Natural Health Products

The Havn Retail business division intends to formulate and sell NHPs using compounds, the safety and efficacy of which have already been established and approved by Health Canada, and in respect of which Health Canada has published pre-approved data documents entitled the "Compendium of Monographs" (the "**Monographs**"). The Company has submitted an application for a Product License under the Natural Health Products Regulations for the sale of its products (the "**Product License**"); the

application required information regarding the Company, the site that will be producing the product (see below for further details), and the product itself, and will specify the Monographs that establish and prove the safety and efficacy of such product. The Product License application process is expected to take approximately 60 days to complete, during which time Health Canada will review the product information to confirm that the Monographs claimed can be relied upon with respect to the product.

Initially the Havn Retail NHPs will focus on four categories of human health and performance: immunity support, cognitive support, stress prevention, and energy support. Each of the four initial products developed by Havn Retail will contain a foundational medicinal mushroom (Chaga, Cordyceps, Lion's Mane, Reishi, Shiitake, or Turkey Tail), together with other herbs and other natural health ingredients that have been selected for each of the four products based on an evidence-informed model following the Health Canada regulatory framework. A brief description of these four product lines is set forth below.

1. Havn Immunity – Havn's formulation will be designed to target receptors and enzymes known to support immune regulation.

2. Havn Cognitive - Havn's formulation will be designed to target receptors and enzymes known to support the regulation and release of neurotransmitters that support mental cognition.

3. Havn Stress – Havn's formulation will be designed to support receptors and enzymes known to reduce stress response.

4. Havn Energy – Havn's formulation will be designed to target receptors and enzymes known to support mental energy.

Because the products described above will be based on existing Monographs, they will not be subject to clinical trials into safety and efficacy (subject to Health Canada's residual discretion to require clinical trials – see "*General Development of the Business – Background*"), thereby significantly reducing the timeline for getting these products to market, with the aim to have them ready for market in early 2021. The Company expects to market its proprietary formulations of these existing NHPs under the Havn brand through a direct to consumer market model and through third party point of sale locations of NHPs. The Havn Retail business division will be positioned to generate revenues from its NHPs on a faster timeline with higher potential product sales than the Havn Labs business division that will generate revenues on a slower timeline with lower product sales as controlled psychoactive compounds attain approval from health authorities over time. The Company expects that the clinical research to be carried out by its Havn Labs division (pursuant to the Section 56 Exemption) will generate significant brand awareness and value for Havn Retail's NHPs.

Following completion of the Data Collection Project (see "*The General Development of the Business – Background*") and the launch of its initial NHP formulations, (Havn Immunity, Havn Cognitive, Havn Stress and Havn Energy), Havn plans to submit an application for authorization from Health Canada (under Part IV of the *Natural Health Product Regulations*) to conduct the Clinical Study Plan (see "*The General Development of the Business – Background*"). The Havn Retail business division also plans to utilize the psychedelics research experience of Dr. Ivan Casselman, particularly with respect to his ability to discern which psychoactive compounds are not listed as controlled substances under the CDSA, to formulate additional NHPs using psychoactive compounds for mental health and human performance that are derived from fungi and plants that are currently not listed as controlled substances under the CDSA. The NHP formulations are intended to focus on compounds that have been the subject of peer-reviewed published research into their effectiveness on immunity support, cognitive support, stress prevention, and energy support, but have not yet been published in the Monographs and remain underutilized by the NHP industry at large.

The Company expects to utilize contract manufacturing services, and more specifically, one (or more) of the thirty existing facilities in British Columbia that already hold a Site License granted by Health

Canada, which permits the manufacturing, labelling, distribution and importing of NHPs; the Company may, in the future, move manufacturing of its NHPs to its own facility (subject to obtaining required licenses).

Sales for the Havn Labs and Havn Retail Business Divisions

The Company expects to generate revenue from any or all of the following:

Havn Labs Business Division:

1. Sales of controlled psychoactive compounds to third parties for research and clinical studies, and to healthcare practitioners once health authorities approve such compounds for patient use; and

2. Licensing and consulting fees from pharmaceutical companies and other psychedelic companies seeking assistance in understanding standardization, production and protocols for human and animal trials.

Havn Retail Business Division:

1. Sales of regulated NHP compounds through direct to consumer sales and through third party point of sale locations, inclusive of white label manufacturing arrangements with third party retailers and distributors that lack research capacity or expertise in formulations.

Competitive Conditions

Controlled Psychoactive Product Market

The market for psychoactive compounds is nascent, given the illegality of most such compounds since the 1960's. As a result, there currently are few legal sources of psychoactive compounds for use in medical research. The United States Food and Drug Administration's (the "**FDA**") recent granting of Breakthrough Therapy designations to the Usona Institute for psilocybin for the treatment of major depressive disorder and to COMPASS Pathways for psilocybin for the treatment-resistant depression, appears to have increased interest and the number of clinical studies of psilocybin and other psychedelic compounds.

When complete, the Facility is expected to permit the extraction, formulation and pilot scale manufacturing of controlled psychoactive compounds in a single location. Havn intends to seek GMP certification for the Facility and to seek a license from Health Canada for the production of a library of psychoactive compounds that will be made available to third parties for use in clinical trials.

Regulated Natural Health Product Market

The market for NHP is already established for compounds derived from fungi. The global functional mushroom industry is valued at over US$15.1 billion and projected to increase to US$34.3 billion by 2024. Havn intends to develop NHPs to serve an emerging niche segment of consumers seeking NHPs that provide the benefit of psychoactive compounds that are not currently considered controlled substances.

Competitor Comparison

The Company competes with a range of different entities. The Company's proposed development of psychoactive compounds for use in medical research will compete with other entities that are developing or supplying psychoactive compounds for use in medical research, including clinical trials. The Company's proposed development of NHPs will compete with other entities manufacturing and

selling NHP using psychoactive compounds or other compounds that may be targeted towards similar indications and conditions as the Company's NHPs.

Examples of some entities currently operating in businesses similar to Havn are as follows:

Competitor	Description of Business	Operations Location	Exchange
Mind Medicine (MindMed) Inc.	Neuro-pharmaceutical drug development platform advancing medicines based on psychedelic substances through rigorous science and clinical trials.	Toronto, ON	NEO:MMED
Champignon Brands Inc.	Formulation and distribution of artisanal mushroom-infused beverage products and health supplements for wellness.	Vancouver, BC	CSE:SHRM
Numinus Wellness Inc.	Integrative health through the provision of health-related therapies and respective research and development; analytics, testing and research of various controlled substances through its Health Canada licensed laboratory.	Vancouver, BC	TSXV:NUMI
Psygen Labs Inc.	Manufacturer of pharmaceutical-grade psychedelic drug products for clinical research and therapeutic applications.	Calgary, AB	Not Listed
Compass Pathways Ltd.	Mental health care company dedicated to accelerating patient access to evidence-based innovation in mental health.	London, UK	NASDAQ: CMPS
Usona Institute	The Usona Institute is a not for profit medical research institution dedicated to supporting and conducting research into the therapeutic effects of psychedelic compounds. Usona supplies psychedelic compounds to certain third parties for clinical research.	Madison, Wisconsin	Not Listed
Fungi Perfecti, LLC	Company specializing in using mushrooms to improve the health of the planet and its people.	Olympia, WA	Not Listed
Four Sigmatic	Company specialized in superfoods, functional mushrooms and adaptogenic herbs.	Los Angeles, CA	Not Listed

Employees, Specialized Skills and Knowledge

The Company has six (6) employees: Barinder Rasode (President of the Company), Tim Moore (Chief Executive Officer of the Company), Susan Chapelle (Executive Vice President (Research and Development) of the Company, Ivan Casselman (Chief Psychedelics Officer of the Company), Alexzander Samuelsson (Chief Research Officer of the Company) and Natasha Kumari (Marketing Manager) (See "*Executive Compensation – Employment, Consulting and Management Agreements*"). Mr. Gary Leong, the Chief Science Officer of the Company, provides his services pursuant to a consulting agreement with the Company. Mr. Eli Dusenbury, the Chief Financial Officer of the Company, provides his services pursuant to a consulting agreement with the Company. (See "*Executive Compensation – Employment, Consulting and Management Agreements*"). The operations of the Company are managed by its directors and officers.

The Company has qualified personnel required to operate the Facility and to develop research protocols and formulate drug compounds. The collective academic qualifications of Messrs. Leong, Casselman and Samuelsson, respectively, include: biochemistry, phytochemistry, chemistry, microbiology and ethnobotany at graduate and doctorate levels, and many consultants have published in peer reviewed journals. In addition to cultivation, extraction and formulation expertise, such individuals also have regulatory, security and production expertise as well.

Intangible Properties

The Company relies on the trade secrets and proprietary knowledge comprising the Intellectual Property.

Economic Dependence

The Company is not economically dependent on any customers or suppliers. In the short-term, the Company's business will be dependent on the Section 56 Exemption for its Havn Labs business division and a Product License for the NHPs in its Havn Retail business division. In the long-term, the Company's business will be dependent on being granted a Dealer's License for its Havn Labs business division and maintaining a Product License for the NHPs in its Havn Retail business division.

Cycles

The Company believes that the market for psychoactive compounds will not suffer from cyclical or seasonal sales variances.

Foreign Operations

The Company currently has no foreign operations, and is not dependent on any relationships with foreign suppliers, customers or partners. If and when the Company determines to supply its NHPs to consumers and its psychoactive compounds to researchers in foreign jurisdictions, the Company will be subject to applicable local laws and regulations, including specific laws and regulations relating to the import of dietary supplements in the case of NHPs and controlled substances in the case of psychoactive compounds.

Environmental Protection

The Company's laboratory operations at the Facility will be subject to environmental protection laws and regulations that prescribe methods for storing and disposing of chemicals and controlled compounds, as the operations will involve spores, silica gels, dried mushroom powder, solvents for extraction and chromatographic separations in solvent systems which present potential and low-grade hazard to human health. Prior to commencing its laboratory operations, the Company will establish internal policies to comply with all such environmental laws and regulations.

Bankruptcy and Similar Procedures

The Company has not been involved in any bankruptcy, receivership or similar proceedings or any voluntary bankruptcy, receivership or similar proceedings since incorporation or completed during or proposed for the current financial year.

REGULATORY OVERVIEW

The Company's business involves the use of psychoactive compounds or materials that contain psychoactive compounds, namely the transportation, testing, storage and sale of such compounds and product, and as such, will be subject to various regulatory authorities.

Certain psychoactive compounds, such as psilocybin, are considered controlled substances under the CDSA. Specifically, Psilocin (3–[2–(dimethylamino)ethyl]–4–hydroxyindole) and any salt thereof and Psilocybin (3–[2–(dimethylamino)ethyl]–4–phosphoryloxyindole) and any salt thereof, are listed under Schedule III of the CDSA. The possession, sale or distribution of controlled substances is prohibited unless specifically permitted by the government. Penalties for contravention of the CDSA related to Schedule I substances are the most punitive, with Schedule II being less punitive than Schedule I, Schedule III being less punitive than Schedule I and II and so forth. A party may seek government approval for a Section 56 Exemption to allow for the possession, transport or production of a controlled substance for medical or scientific purposes.

Products that contain a controlled substance such as psilocybin cannot be made, transported or sold without proper authorization from the government. A party can apply for Dealer's License under the *Food and Drug Regulations* (Part J) which would permit a party to perform authorized activities in relation to a restricted drug. In order to qualify for Dealer's License, a party must meet all regulatory requirements mandated by the regulations including having compliant facilities, compliant materials and staff that meet the qualifications under the regulations of a senior person in charge and a qualified person in charge. Assuming compliance with all relevant laws (*Controlled Drugs and Substances Act, Food and Drugs Regulations*) and subject to any restrictions placed on the license by Health Canada, an entity with a Dealer's License may produce, assemble, sell, provide, transport, send, deliver, import or export a restricted drug (as listed in Part J in the *Food and Drugs Regulations* – which includes psilocybin and psilocin) (see s. J.01.009 (1) of the *Food and Drug Regulations*).

NHPs are regulated by Health Canada under the *Natural Health Products Regulations*. Under these regulations an NHP can include an extract or isolate of a substance from an organism such as a fungus if the primary molecular structure of the extract or isolate is identical to that which it had prior to its extraction or isolation. In order to manufacture an NHP in Canada a party must obtain a Site License in accordance with Part 2 of the *Natural Health Products Regulations*. In order to sell an NHP in Canada a party must obtain a product license in accordance with Part 1 of the *Natural Health Products Regulations*. Once approved the regulations require detailed record keeping and recall protocols in the event of adverse events.

Drug products in Canada are regulated by Health Canada under the *Food and Drugs Act* and *Food and Drugs Regulations*. Health Canada regulates, among other things, research and development activities and the testing, approval, manufacture, quality control, safety, effectiveness, labeling, storage, record keeping, advertising and promotion of any product candidates or commercial products.

For a drug product to be approved in Canada, it must provide sufficient evidence of safety, efficacy and chemical quality based on preclinical investigation and Phase I, II and III clinical trials using approved and compliant manufacturing and clinical sites. Upon satisfying Health Canada of compliance with regulatory compliance, a Notice of Compliance will be issued, and a Drug Identification Number will be assigned to that product. The regulatory approval process is generally lengthy and expensive, with no guarantee of a positive result. Once approved, Health Canada continues to monitor the product and license holders have obligations related to reporting to Health Canada, record keeping and ensuring continued safety and efficacy of the product.

Failure to comply with any of the above applicable regulations, regulatory authorities or other requirements may result in civil or criminal penalties, recall or seizure of products, injunctive relief including partial or total suspension of production, or withdrawal of a product from the market.

RISK FACTORS

An investment in the Company involves a high degree of risk and should be considered speculative. An investment in the Company should only be undertaken by those persons who can afford the total loss of their investment. Readers should carefully consider the risks and uncertainties described below, as well as other information contained in this Annual Information Form. The risks and uncertainties below are not the only ones the Company faces. Additional risks and uncertainties not presently known to the Company or that the Company believes to be immaterial may also adversely affect the Company's business. If any of the following risks occur, the Company's business, financial condition and results of operations could be seriously harmed and you could lose all or part of your investment.

No operating history

As the Company has not yet begun generating revenue, it is extremely difficult to make accurate predictions and forecasts of its finances. This is compounded by the fact the Company intends to operate in the psychedelic and psychopharmacological industry, which is a relatively new and rapidly transforming industry. There is no guarantee that the Company's operations will be profitable.

Negative cash flows and going concern

The Company has a negative operating cash flow for the period ended April 30, 2020. There is no assurance that sufficient revenues will be generated in the near future. To the extent that the Company has negative operating cash flow in future periods, it may need to allocate a portion of its cash reserves to fund such negative cash flow. The Company will also be required to raise additional funds through the issuance of equity or debt securities. There can be no assurance that the Company will be able to do so on terms that are reasonable or acceptable, or at lass, nor that the Company will ever be able to generate a positive cash flow from its operations, that additional capital or other types of financing will be available when needed or that these financings will be on terms favourable to the Company.

The Company's auditor has indicated in the financial statements that there is substantial doubt about the Company's ability to continue as a going concern. Importantly, the inclusion in the Company's financial statements of a going concern opinion may negatively impact the Company's ability to raise future financing and achieve future revenue. The risk of the Company's ability to continue as a going concern will be removed only when, in the opinion of the Company's auditor, the Company's revenues have reached a level that is able to sustain its business operations. If the Company is unable to obtain additional financing from outside sources and eventually generate enough revenues, the Company may be forced to sell a portion or all of the Company's assets, or curtail or discontinue the Company's operations. If any of these events happen, an investor could lose all of their investment. The Company's financial statements do not include any adjustments to the Company's recorded assets or liabilities that might be necessary if the Company becomes unable to continue as a going concern.

The Company's financial position and results of operations may differ materially from expectations

The Company's actual financial position and results of operations may differ materially from management's expectations. As a result, the Company's revenue, net income and cash flow may differ materially from the Company's projected revenue, net income and cash flow. The process for estimating the Company's revenue, net income and cash flow requires the use of judgment in determining the appropriate assumptions and estimates. These estimates and assumptions may be revised as additional information becomes available and as additional analyses are performed. In addition, the assumptions used in planning may not prove to be accurate, and other factors may affect the Company's financial condition or results of operations.

The Company expects to incur future losses and may never become profitable

The Company has incurred losses since incorporation and expects to incur an operating loss for the year ending April 30, 2020. The Company believes that operating losses will continue as it is planning to incur significant costs associated with the research, development and market of its products. The Company's net losses have had and will continue to have an adverse effect on, among other things, shareholders' equity, total assets and working capital. The Company expects that losses will fluctuate from quarter to quarter and year to year, and that such fluctuations may be substantial. The Company cannot predict when it will become profitable, if at all. The Company's ability to generate revenue will depend, in part, upon its ability, alone or with partners, to successfully develop its product/compound candidates, conduct successful scientific and clinical testing programs as required to support applications for regulatory approval, obtain regulatory approval, and commercialize products, including any of its current product/compound candidates, or other product/compound candidates that it may develop, in-license or acquire in the future.

The Company expects to incur significant ongoing costs and obligations

As a research and development company, the Company expects to spend substantial funds on the research, development and testing of products. In addition, the Company expects to incur significant ongoing costs and obligations related to its investment in infrastructure and growth and for regulatory compliance, which could have a material adverse impact on the Company's results of operations, financial condition and cash flows. For the foreseeable future, the Company will have to fund all of its operations and development expenditures from cash on hand, equity financings, through collaborations with other biotechnology or pharmaceutical companies or through financings from other sources. The Company will also require significant additional funds if it expands the scope current plans for research and development or if it were to acquire any other assets and advance their development. It is possible that future financing will not be available or, if available, may not be on favorable terms. The availability of financing will be affected by the achievement of the Company's corporate goals, the results of scientific and clinical research, the ability to obtain regulatory approvals and the state of the capital markets generally. If adequate funding is not available, the Company may be required to delay, reduce or eliminate one or more of its research and development programs, or obtain funds through corporate partners or others who may require the Company to relinquish significant rights to its products or compounds or obtain funds on less favourable terms than the Company would otherwise accept. To the extent that external sources of capital become limited or unavailable or available on onerous terms, the Company's intangible assets and its ability to continue its clinical development plans may become impaired, and the Company's assets, liabilities, business, financial condition and results of operations may be materially or adversely affected.

In addition, future changes in regulations, changes in legal status of products, more vigorous enforcement thereof or other unanticipated events could require extensive changes to the Company's operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Company. Our efforts to grow our business may be costlier than we expect, and we may not be able to increase our revenue enough to offset our higher operating expenses. We may incur significant losses in the future for a number of reasons, including the other risks described in this Annual Information Form, and unforeseen expenses, difficulties, complications and delays, and other unknown events.

Failure to realize anticipated benefits of the acquisition of Havn Research

Achieving the benefits of the acquisition of Havn Research depends in part on successfully integrating Havn Research in a timely and efficient manner. The integration of Havn Research requires the dedication of substantial management effort, time and resources, which may divert management's focus and resources from other strategic opportunities. The integration process may result in the loss of key employees and service providers and the disruption of ongoing business and employee relationships that may adversely affect the Company's ability to achieve the anticipated benefits of the acquisition of Havn Research.

Potential undisclosed liabilities associated with the acquisition of Havn Research

In connection with the acquisition of Havn Research, there may be liabilities that the Company failed to discover or were unable to quantify in its due diligence which was conducted prior to the acquisition of Havn Research and we may not be indemnified for some or all of these liabilities.

Failure to successfully integrate acquired businesses and other assets

The integration of Havn Research, as well as any other acquired business or other assets into the Company may be complex and time consuming and, if such businesses and assets are not successfully integrated, the Company may not achieve the anticipated benefits, cost-savings or growth opportunities. Furthermore, these acquisitions and other arrangements, even if successfully integrated, may fail to further the Company's business strategy as anticipated, expose the Company to increased competition or other challenges with respect to the Company's products/compounds or geographic markets, and expose the Company to additional liabilities associated with an acquired business, technology or other asset or arrangement.

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

The Company operates its business in a relatively new industry and market. In addition to being subject to general business risks, the Company 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 Company'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 Company would need to overcome this perception to build consumer confidence, brand recognition and goodwill.

Consumer perception of fungus-based products and brand awareness

The Company's revenues are substantially dependent on the success of its products/compounds, which depends upon, among other matters, pronounced and rapidly changing public preferences, factors which are difficult to predict and over which the Company has little, if any, control. Failure to develop consumer demand in, or a significant shift in consumer demand away from, the Company's products/compounds would harm its business. Consumer trends change based on several possible factors, including nutritional values, a change in consumer preferences or general economic conditions. These changes could lead to, among other things, reduced demand and price decreases, which could have a material adverse effect on the Company's business. In addition, the Company will be highly dependent upon consumer perception of fungus-based health products. The public may associate the Company's NHP fungus-based products with illegal psychoactive mushrooms, which are prohibited or controlled substances that could be associated with risks to health, safety and are potentially addictive. It will likely require significant scientific evidence (including and possibly beyond that required to achieve regulatory approval) and marketing efforts to change public perception and consumers' view that NHP fungus-based products are not harmful to physical or social health or are not addictive. If these types of products do not achieve sufficient market acceptance, it will be difficult for us to achieve profitability. Even if products to be distributed by the Company conform to international safety and quality standards, sales could be adversely affected if consumers in target markets lose confidence in the safety, efficacy, and quality of fungus-based NHPs. Adverse publicity about fungus-based NHPs that the Company sells may discourage consumers from buying products distributed by the Company.

There is no assurance that the Company will be able to achieve brand awareness in any regions. The Company must develop successful marketing, promotional and sales programs in order to sell its products. If the Company is not able to develop successful marketing, promotional and sales programs, then such failure will have a material adverse effect on the business, financial condition and operating results.

The Company requires a research exemption from Health Canada

The Company's wholly-owned subsidiary, Havn Research received a Section 56 Exemption on August 31, 2020, which exemption permits Havn Research to possess certain controlled substances. The Section 56 Exemption is subject to ongoing compliance requirements. There can be no assurance that Havn Research will be able to sustain or renew the Section 56 Exemption. If Havn Research is unable to sustain or renew the Section 56 Exemption, it will significantly impair the Company's ability to achieve its business objectives.

The Company's prospects depend on the success of its products/compounds which are not yet in development

The Company can make no assurance that its research and development programs will result in regulatory approval or commercially viable products/compounds. To achieve profitable operations, the Company, alone or with others, must successfully develop, gain regulatory approval for, and market its future products/compounds. The Company currently has no products/compounds that have been approved by Health Canada or any similar regulatory authority. To obtain regulatory approvals for its product/compound candidates being developed and to achieve commercial success, clinical trials may be required to demonstrate that the product/compound candidates are safe for human use and that they demonstrate efficacy to varying degrees of certainty depending on the product.

Many product/compound 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/compound 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 standard of treatment at the time of testing. Unsatisfactory results obtained from a particular study relating to a research and development program may cause the Company or its collaborators to abandon commitments to that program. Positive results of early preclinical research may not be indicative of the results that will be obtained in later stages of preclinical or clinical research. Similarly, positive results from early-stage clinical trials may not be indicative of favourable outcomes in later-stage clinical trials, and the Company can make no assurance that any future studies, if undertaken, will yield favourable results.

The early stage of the Company's research and development makes it particularly uncertain whether any of its research and development efforts will prove to be successful and meet applicable regulatory requirements, and whether any of its product/compound candidates will receive the requisite regulatory approvals, be capable of being manufactured at a reasonable cost or be successfully marketed. If the Company is successful in developing product/compound candidates into approved products/compounds, the Company will still experience many potential obstacles, which would affect the Company's ability to successfully market and commercialize such approved products/compounds, such as obtaining, maintaining and enforcing appropriate intellectual property protection, 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 the Company is unable to successfully market and commercialize any of its products/compounds, its financial condition and results of operations may be materially and adversely affected.

The Company 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 the Company 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. Moreover, preclinical and clinical data are often susceptible to varying interpretations and analyses, and many companies that believed their product/compound candidates performed satisfactorily in preclinical studies and clinical trials nonetheless failed to obtain Health Canada approval. If the Company (or a third party conducting clinical trials) fails to produce positive results in its future clinical trials its programs, the development timeline and regulatory approval and commercialization prospects for the Company's product/compound candidates, and, correspondingly, its business and financial prospects, would be materially adversely affected.

The Company will rely on third parties to plan and conduct preclinical and clinical trials

The Company may rely on third parties to conduct preclinical development activities and will rely on third parties to conduct 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 its relationship with third parties, or if it is unable to provide quality services in a timely manner and at a feasible cost, the Company's active development programs will face delays. Further, if any of these third parties fails to perform as the Company expects or if their work fails to meet regulatory requirements, the Company's testing could be delayed, cancelled or rendered ineffective.

The Company expects to rely on contract manufacturers over whom it will have limited control

The Company has limited manufacturing experience and accordingly the Company will likely be required to rely on contract manufacturing organizations ("**CMOs**") to manufacture its product/compound candidates for preclinical studies and clinical trials. The Company may rely on CMOs for manufacturing, formulation, filling, packaging, storing and shipping of drug product in compliance with current Good Manufacturing Practices ("**cGMP**") regulations applicable to its products/compounds. Health Canada and the FDA and other equivalent regulatory bodies in other jurisdictions ensure the quality of drug products by carefully monitoring drug manufacturers' compliance with cGMP regulations. The cGMP 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, if and when contracted by the Company, will be able to meet the Company's timetable and requirements. The Company may not contract with alternate suppliers for any drug substance production in the event that a current provider is unable to scale up production, or if it otherwise experiences any other significant problems. If the Company is unable to arrange for alternative third-party manufacturing sources on commercially reasonable terms or in a timely manner, the Company may be delayed in the development of its product/compound candidates. Further, CMOs must operate in compliance with cGMP and failure to do so could result in, among other things, the disruption of product supplies. The Company's dependence upon third parties for the manufacture of its products/compounds may adversely affect its profit margins and its ability to develop and deliver products on a timely and competitive basis.

The Company will require commercial scale and quality manufactured product to be available for pivotal or registration clinical trials

To date, the Company has not manufactured any products/compounds. In order to commercialize its product/compounds, the Company will need to manufacture commercial quality drug supply for use in registration clinical trials. Most, if not all, of the clinical material used in phase 3/pivotal/registration studies must be derived from the defined commercial process including scale, manufacturing site, process controls and batch size. If the Company has not scaled up and validated the commercial production of its product/compound prior to the commencement of pivotal clinical trials, it may have to employ a bridging strategy during the trial to demonstrate equivalency of early stage material to

commercial drug product, or potentially delay the initiation or completion of the trial until drug supply is available. The manufacturing of commercial quality drug product has long lead times, is very expensive and requires significant efforts including, but not limited to, scale-up of production to anticipated commercial scale, process characterization and validation, analytical method validation, identification of critical process parameters and product quality attributes, and multiple process performance and validation runs. If the Company does not have commercial drug supply available when needed for pivotal clinical trials, the Company's regulatory and commercial progress may be delayed, and it may incur increased product development costs. This may have a material adverse effect on the Company's business, financial condition and prospects, and may delay marketing of the products/compounds.

Clinical trials of the Company's product/compound candidates may fail to demonstrate safety and efficacy to the satisfaction of regulatory authorities or not otherwise produce positive results

Prior to obtaining marketing approval from regulatory authorities for the sale of the Company's product/compound candidates, the Company will be required to conduct, or will rely on third parties to conduct, preclinical studies in animals and extensive clinical trials in humans to demonstrate the safety and efficacy of the product/compound 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, NHP and biotechnology industries have suffered significant setbacks in advanced clinical trials due to lack of efficacy or unacceptable safety profiles, notwithstanding promising results in earlier trials. The Company does not know whether the clinical trials it may conduct will demonstrate adequate efficacy and safety to result in regulatory approval to market any of its product/compound candidates in any jurisdiction. A product/compound candidate may fail for safety or efficacy reasons at any stage of the testing process. A major risk the Company faces is the possibility that none of its product/compound candidates will successfully gain market approval from Health Canada, the FDA or other regulatory authorities, resulting in the Company being unable to derive any commercial revenue from them after investing significant amounts of capital in their development.

There could be delays in clinical testing

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

- failure by regulatory authorities to grant permission to proceed or placing the clinical trial on hold;
- patients failing to enroll or remain in the clinical trials at the rate the Company expects;
- suspension or termination of clinical trials by regulators for many reasons, including concerns about patient safety or failure to comply with cGMP requirements;
- any changes to the manufacturing process that may be necessary or desired;
- delays or failure to obtain clinical supply from CMOs of products necessary to conduct clinical trials;

- product/compound candidates demonstrating a lack of safety or efficacy during clinical trials;
- patients choosing an alternative treatment for the indications for which the Company is developing any of its product/compound candidates or participating in competing 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;
- clinical investigators not performing the 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;
- failure of the Company's contract research organizations ("**CROs**") to satisfy their contractual duties or meet expected deadlines;
- inspections of clinical trial sites by regulatory authorities, regulatory authorities ("**IRBs**") or ethics committees finding regulatory violations that require 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 IRBs 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.

The Company's product development costs will increase if it experiences delays in testing or approval or if more or larger clinical trials are required than planned. Additionally, changes in regulatory requirements and policies may occur, and the Company may need to amend study protocols to reflect these changes. Amendments may require resubmission of study protocols to IRBs 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 the Company's business, financial condition and prospects.

The Company may not be able to file appropriate clinical trial or regulatory approval applications

Prior to commencing clinical trials in Canada, the United States or other jurisdictions for any of the Company's product/compound candidates, the Company (or any third party conducting clinical trials) may be required to have an approved new drug or clinical trial (or equivalent) for each product/compound candidate and to file additional applications for approval prior to initiating any additional clinical trials for any product/compound. Submission of an application for a new clinical trial may not result in Health Canada or the FDA (or equivalent authorities) allowing further clinical trials to begin and, once begun, issues may arise that will require the suspension or termination of such clinical trials. Additionally, even if relevant regulatory authorities agree with the design and implementation of the clinical trials set forth in an application, these regulatory authorities may change their requirements in the future. Failure to submit or have effective new drug (or equivalent) and commence or continue clinical programs will significantly limit its opportunity to generate revenue.

If the Company (or a third party conducting clinical trials) has difficulty enrolling patients in clinical trials, the completion of the trials may be delayed or cancelled

As the Company's product/compound candidates advance from preclinical testing to clinical testing, and then through progressively larger and more complex clinical trials, the Company (or a third party conducting the clinical trials) 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 the Company (or a third party conducting the clinical trials) may be unable to enroll the patients it needs to complete clinical trials on a timely basis or at all. The factors that affect the 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/compound candidate under study;
- the patient referral practices of physicians; and
- the number, availability, location and accessibility of clinical trial sites.

The expansion of the use of psychedelics in the medical industry may require new clinical research into effective medical therapies

Research in Canada and internationally regarding the medical benefits, viability, safety, efficacy, addictiveness, dosing and social acceptance of psychedelic and psychoactive products derived from psilocybin remains in early stages. There have been relatively few clinical trials on the benefits of such products. Although the Company believes that the articles, reports and studies support its beliefs regarding the medical benefits, viability, safety, efficacy, dosing and social acceptance of psychedelic and psychoactive products derived from psilocybin, future research and clinical trials may prove such statements to be incorrect, or could raise concerns regarding, and perceptions relating to, psychedelic and psychoactive products derived from psilocybin. Given these risks, uncertainties and assumptions, readers should not place undue reliance on such articles and reports. Future research studies and clinical trials may draw opposing conclusions to those stated in this Annual Information Form or reach negative conclusions regarding the medical benefits, viability, safety, efficacy, dosing, social acceptance or other facts and perceptions related to psychedelic and psychoactive products derived from psilocybin, which could have a material adverse effect on the demand for the Company's products/compounds with the potential to lead to a material adverse effect on the Company's business, financial condition and results of operations.

Negative results from clinical trials or studies of others and adverse safety events involving the targets of the Company's products/compounds may have an adverse impact on the Company's future commercialization efforts

From time to time, studies or clinical trials on various aspects of biopharmaceutical or NHPs 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 or NHP that is the subject of the study. The publication of negative results of studies or clinical trials or adverse safety events related to the Company's product/compound candidates, or the therapeutic areas in which the Company's product/compound candidates compete, could adversely affect its share price and the Company's ability to finance future development of its product/compound candidates, and its business and financial results could be materially and adversely affected.

The Company may be subject to product recalls for product defects self-imposed or imposed by regulators

Manufacturers and distributors of products are sometimes subject to the recall or return of their products for a variety of reasons, including product defects, such as contamination, unintended harmful side effects or interactions with other substances, packaging safety and inadequate or inaccurate labeling disclosure. If any of the Company's products/compounds are recalled due to an alleged product defect or for any other reason, the Company could be required to incur the unexpected expense of the recall and any legal proceedings that might arise in connection with the recall. The Company may lose a significant amount of sales and may not be able to replace those sales at an acceptable margin or at all. In addition, a product/compound recall may require significant management attention. Although the Company will implement detailed procedures for testing its products/compounds, there can be no assurance that any quality, potency or contamination problems will be detected in time to avoid unforeseen product recalls, regulatory action or lawsuits.

Additionally, if one of the Company's future brands were subject to recall, the image of that brand and the Company could be harmed. A recall for any of the foregoing reasons could lead to decreased demand for the Company's products/compounds and could have a material adverse effect on the results of operations and financial condition of the Company. Additionally, product recalls may lead to increased scrutiny of the Company's operations by regulatory agencies, requiring further management attention and potential legal fees and other expenses.

Product Liability Insurance

The Company does not carry any product liability insurance coverage. The Company's business could expose it to potential product liability, recalls and other liability risks that are inherent in the sale of food products. The Company can provide no assurance that such potential claims will not be asserted against it. A successful liability claim or series of claims brought against the Company could have a material adverse effect on its business, financial condition and results of operations.

If the Company decides to obtain product liability insurance, it cannot provide any assurances that it will be able to obtain or maintain adequate product liability insurance of on acceptable terms, if at all, or that such insurance will provide adequate coverage against potential liabilities. Claims or losses in excess of any product liability cover that may be obtained by the Company could have a material adverse effect on its business, financial condition and results of operations.

Reliance on a single Facility

A significant portion of the Company's business will be conducted at the Facility. Accordingly, any adverse changes or developments affecting the Facility (or the Sublease Agreement) could have a material adverse effect on its business, financial condition and results of operations.

In certain circumstances, the Company's reputation could be damaged

Damage to the Company's reputation can be the result of the actual or perceived occurrence of any number of events, and could include any negative publicity, whether true or not. The increased usage of social media and other web-based tools used to generate, publish and discuss user-generated content and to connect with other users has made it increasingly easier for individuals and groups to communicate and share opinions and views regarding the Company and its activities, whether true or not. Although the Company believes that it operates in a manner that is respectful to all stakeholders and that it takes care in protecting its image and reputation, the Company does not ultimately have direct control over how it is perceived by others. Reputation loss may result in decreased investor confidence, increased challenges in developing and maintaining community relations and an impediment to the Company's overall ability to advance its projects, thereby having a material adverse impact on financial performance, financial condition, cash flows and growth prospects.

Raw materials

The Company's NHPs are expected to be derived from plants and fungi. Accordingly, the Company and/or its manufacturers will be required to acquire enough raw materials so that the products can be produced to meet the demand of its customers. A raw material shortage could result in loss of sales and damage to the Company. If the Company and/or its manufacturers become unable to acquire commercial quality raw materials on a timely basis and at commercially reasonable prices, and are unable to find one or more replacement suppliers with the regulatory approvals to produce raw materials at a substantially equivalent cost, in substantially equivalent volumes and quality, and on a timely basis, the Company will likely be unable to meet customer demand.

Some raw materials required for NHPs or other products or services offered by the Company may require regulatory approval by Health Canada or the FDA or an equivalent regulatory body because the plant or fungi may contain a controlled substance. While the Company believes that it can acquire the requisite licenses to possess, transport, process and use these raw materials to test or make products or refine services, there is a risk that Health Canada or an equivalent regulatory body can either reject or require further actions from the Company to approve the license which would cause delays or result in losses for the Company and could result in the abandonment of a specific projects or products.

Regulatory approval processes are lengthy, expensive and inherently unpredictable

The Company's development and commercialization activities and product/compound candidates will be significantly regulated by a number of governmental entities, including the FDA, Health Canada, and comparable authorities in other countries. Regulatory approvals are required prior to each clinical trial and the Company (or a third party conducting a clinical trial) may fail to obtain the necessary approvals to commence or continue clinical testing. The Company must comply with regulations concerning the manufacture, testing, safety, effectiveness, labeling, documentation, advertising, and sale of products/compounds and product/compound candidates and ultimately must obtain regulatory approval before it can commercialize a product/compound candidate. Further, if the active ingredient or raw material contains a controlled substance, additional licenses are required to possess these ingredients and materials both to test and conduct preclinical and clinical trials and to sell such products/compounds. The time required to obtain approval by such 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 the Company performs is subject to confirmation and interpretation by regulatory authorities, which could delay, limit or prevent regulatory approval. Even if the Company believes results from clinical trials are favorable to support the marketing of its product/compound candidates, Health Canada, the FDA or other regulatory authorities may disagree. In addition, approval policies, regulations, or the type and amount of clinical data necessary to gain approval may change during the course of a product/compound candidate's clinical development and may vary among jurisdictions. The Company has not yet obtained regulatory approval to possess any raw materials, as required, or for any product/compound candidate and it is possible that no such regulatory approval will ever be obtained. The Company could fail to receive regulatory approval for its product/compound candidates for many reasons, including, but not limited to:

- failure to obtain approval to possess required raw materials that are controlled substances for scientific testing or for sale and distribution;
- disagreement with the design or implementation of its clinical trials;
- failure to demonstrate that a product/compound 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/compound candidate's clinical and other benefits outweigh its safety risks;
- disagreement with the interpretation of data from preclinical studies or clinical trials;

- the insufficiency of data collected from clinical trials of the Company's product/compound candidates to support the submission and filing a submission to obtain regulatory approval;
- deficiencies in the manufacturing processes or the failure of facilities of CMOs with whom the Company contracts for clinical and commercial supplies to pass a pre-approval inspection; or
- changes in the approval policies or regulations that render the 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 the Company's commercialization plans, or the Company may decide to abandon the development program. If the Company were to obtain approval, regulatory authorities may approve any of its product/compound candidates for fewer or more limited indications than the Company request, may grant approval contingent on the performance of costly post-marketing clinical trials, or may approve a product/compound candidate with a label that does not include the labeling claims necessary or desirable for the successful commercialization of that product/compound candidate. Moreover, depending on any safety issues associated with the Company's product/compound candidates that garner approval, Health Canada or the FDA may impose a risk evaluation and mitigation strategy, thereby imposing certain restrictions on the sale and marketability of such products/compounds.

Government Regulation

The possession of, ability to test, processing, manufacturing, packaging, labeling, advertising and distribution of the Company's products/compounds will be subject to regulation by one or more federal agencies, and various agencies of the provinces and localities in which our products are intended to be sold. These government regulatory agencies may attempt to regulate any of our products/compounds that fall within their jurisdiction. Such regulatory agencies may not accept the evidence of safety for any new ingredients that the Company may want to market, may determine that a particular product/compound or product/compound ingredient presents an unacceptable health risk and may determine that a particular statement of nutritional support that we want to use is an unacceptable claim. Such a determination would prevent the Company from marketing particular products/compounds or using certain statements of nutritional support on its products/compounds. The Company also may be unable to disseminate third-party literature that supports its products/compounds if the third-party literature fails to satisfy certain requirements.

In addition, a government regulatory agency could require the Company to remove a particular product/compound from the market. Any future recall or removal would result in additional costs to the Company, including lost revenues from any products/compounds that we are required to remove from the market, any of which could be material. Any such product recalls or removals could lead to liability, substantial costs and reduced growth prospects.

Constraints on marketing products

The development of the Company's business and operating results may be hindered by applicable restrictions on sales and marketing activities imposed by government regulatory bodies. If the Company is unable to effectively market its products/compounds, or if the costs of compliance with government legislation and regulation cannot be absorbed through increased selling prices for its products/compounds, the Company's sales and operating results could be adversely affected.

Violations of laws and regulations could result in repercussions

In Canada, certain active ingredients such as psilocybin and psilocin are classified as controlled substances and are listed on Schedule III of the CDSA. As such, possession and use of these substances is prohibited unless approved. The regulatory authorities in Canada will allow for exemptions to parties to allow possession of controlled substances for scientific purposes. Further, a Dealer's License can be obtained under the *Food and Drugs Regulations* allowing for the transport,

manufacturing, processing and sale of products containing a controlled substance like psilocybin or psilocin. However, programs relating to controlled substances are strict and penalties for contravention of these laws could result in significant fines, penalties, administrative sanctions, convictions or settlements arising from civil proceedings initiated by either government entities in the jurisdictions in which the Company operates, or private citizens or criminal charges. The loss of these necessary licenses and permits could have an adverse effect on the Company's operations.

While the Company will be focused on programs using psychedelic inspired compounds, the Company will not have any direct or indirect involvement with the illegal selling, production or distribution of any substances in the jurisdictions in which it operates and does not intend to have any such involvement. However, a violation of any laws in the jurisdictions in which it operates could result in significant fines, penalties, administrative sanctions, convictions or settlements arising from civil proceedings initiated by either government entities in the jurisdictions in which the Company operates, or private citizens or criminal charges.

The Company may not achieve its publicly announced milestones according to schedule, or at all

From time to time, the Company 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/compound 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, problems with a CMO or any other event having the effect of delaying the publicly announced timeline. The Company undertakes 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.

The Company will face competition from other natural health product, biotechnology and pharmaceutical companies

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

Many of the Company's competitors have substantially greater financial, technical and human resources than the Company does and have significantly greater experience than the Company in conducting preclinical testing and human clinical trials of product/compound candidates, scaling up manufacturing operations and obtaining regulatory approvals of products/compounds. Accordingly, the Company's competitors may succeed in obtaining regulatory approval for products more rapidly than the Company does. The Company's ability to compete successfully will largely depend on:

- the efficacy and safety profile of its product/compound candidates relative to marketed products/compounds and other product/compound candidates in development;
- the Company's ability to develop and maintain a competitive position in the product/compound categories and technologies on which it will focus;

- the time it takes for the Company's product/compound candidates to complete clinical development and receive marketing approval;
- the Company's ability to obtain required regulatory approvals;
- the Company's ability to commercialize any of its product/compound candidates that receive regulatory approval;
- the Company's ability to establish, maintain and protect intellectual property rights related to its product/compound candidates; and
- acceptance of any of the Company's product/compound 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 discovery research capabilities of potential products/compounds the Company plans to develop. Some of those products may have an entirely different approach or means of accomplishing the desired therapeutic effect than the Company's product/compound candidates and may be more effective or less costly than those the Company plans to develop. The success of the Company's competitors and their products and technologies relative to the Company's technological capabilities and competitiveness could have a material adverse effect on the future preclinical studies and clinical trials of the Company's product/compound candidates, including its ability to obtain the necessary regulatory approvals for the conduct of such clinical trials. This may further negatively impact the Company's ability to generate future product development programs using psilocybin, psilocin or other psychedelic inspired compounds.

If the Company is not able to compete effectively against its current and future competitors, the Company's business will not grow, and its financial condition and operations will substantially suffer.

The Company may face growth-related risks

The Company may be subject to growth-related risks including pressure on its internal systems and controls. The Company's ability to manage its 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 could have a material adverse impact on its business, operations and prospects. The Company may experience growth in the number of its employees and the scope of its operating and financial systems, resulting in increased responsibilities for the Company's personnel, the hiring of additional personnel and, in general, higher levels of operating expenses. In order to manage its future growth effectively, the Company will also need to continue to implement and improve its operational, financial and management information systems and to hire, train, motivate, manage and retain its employees. There can be no assurance that the Company will be able to manage such growth effectively, that its management, personnel or systems will be adequate to support the Company's operations or that the Company will be able to achieve the increased levels of revenue commensurate with the increased levels of operating expenses associated with this growth.

If the Company is unable to adequately protect and enforce its intellectual property, the Company's competitors may take advantage of its development efforts or acquired technology and compromise its prospects of marketing and selling its key products

The Company's success will depend in part upon its ability to protect its Intellectual Property and proprietary technologies and upon the nature and scope of the intellectual property protection the Company receives. The ability to compete effectively and to achieve partnerships will depend on its ability to develop and maintain proprietary aspects of the Company's technology and to operate without infringing on the proprietary rights of others. The presence of such proprietary rights of others could severely limit its ability to develop and commercialize its products, to conduct its existing research and could require financial resources to defend litigation, which may be in excess of the Company's ability to raise such funds. There is no assurance that the Company's intangible assets, including know-how,

trade secrets or potential inventions, which may be eligible for patent protection or those any intangible asset that it intends to acquire will result in an issued patent (with associated monopoly rights) in a form that will be sufficient to protect its proprietary technology and gain or keep any competitive advantage that the Company may have or, once approved, will be upheld in any post-grant proceedings brought by any third parties. Further, if the Company fails to pay any applicable maintenance fees, if could lose its intellectual property rights.

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 the Company or its respective licensors may be challenged, invalidated or circumvented. To the extent the Company's Intellectual Property, including licensed intellectual property, offers inadequate protection, or is found to be invalid or unenforceable, the Company is exposed to a greater risk of direct competition. If its Intellectual Property does not provide adequate protection against the Company's competitors' products, its competitive position could be adversely affected, as could the Company's 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 the Company's Intellectual Property rights to the same extent as do the laws of Canada and the United States.

The Company will be able to protect its Intellectual Property from unauthorized use by third parties only to the extent that its 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 the Company has the funds to enforce its rights, if necessary.

If the Company loses its licenses from third-party owners, it may be unable to continue a substantial part of its business

The Company may enter into licenses in the future to access additional third-party intellectual property. If the Company fails to pay annual maintenance fees, development and sales milestones, or it is determined that the Company does not use commercially reasonable efforts to commercialize licensed products, the Company could lose its licenses which could have a material adverse effect on its business and financial condition.

The Company may require additional third-party licenses to effectively develop and manufacture its key products and is currently unable to predict the availability or cost of such licenses

A substantial number of patents have already been issued to other NHP, biotechnology and pharmaceutical companies. To the extent that valid third-party patent rights cover the Company's products or services, the Company or its 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 the Company's profits from these products and services. The Company is currently unable to predict the extent to which it 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 Canada, the United States or in foreign countries or patents issued in the future that are unavailable to license on acceptable terms. The Company's inability to obtain such licenses may hinder or eliminate its ability to manufacture and market its products/compounds.

Changes in patent law and its interpretation could diminish the value of patents in general, thereby impairing the Company's ability to protect its product/compound candidates

As is the case with other NHP, biotechnology and pharmaceutical companies, the Company's success is heavily dependent on intellectual property rights, particularly patents. Obtaining and enforcing patents in the biopharmaceutical industry involves technological and legal complexity, and obtaining and enforcing biopharmaceutical patents is costly, time consuming and inherently uncertain. The Supreme

Court of Canada and the U.S. Supreme Court has ruled on several patent cases in recent years, either narrowing the scope of patent protection available in certain circumstances or weakening the rights of patent owners in certain situations. In addition to increasing uncertainty with regard to the Company and its licensors' or collaborators' ability to obtain patents in the future, this combination of events has created uncertainty with respect to the value of patents, once obtained. Depending on decisions by the Canadian House of Representatives, the Federal Court of Canada, the Canadian Intellectual Property Office, U.S. Congress, the federal courts, and the U.S. Patent and Trademark Office and international treaties entered into by these nations, the laws and regulations governing patents could change in unpredictable ways that would weaken the Company and its licensors' or collaborators' ability to obtain patents or to enforce patents and patents the Company and its licensors or collaborators may obtain in the future.

Litigation regarding patents, patent applications, and other proprietary rights may be expensive, time consuming and cause delays in the development and manufacturing of the Company's key products

The Company's success will depend in part on its ability to operate without infringing the proprietary rights of third parties. The psychopharmacological industry is characterized by extensive patent litigation. Other parties may have, or obtain in the future, patents and allege that the use of its technologies infringes these patent claims or that the Company is employing its proprietary technology without authorization. In addition, third parties may challenge or infringe upon its existing or future patents. Proceedings involving its patents or patent applications or those of others could result in adverse decisions regarding:

- the patentability of the Company's inventions relating to its key products/compounds; and
- the enforceability, validity, or scope of protection offered by the Company's patents relating to its key products/compounds.

If the Company is unable to avoid infringing the patent rights of others, the Company may be required to seek a license, defend an infringement action, or challenge the validity of the patents in court. Regardless of the outcome, patent litigation is costly and time consuming. In some cases, the Company may not have sufficient resources to bring these actions to a successful conclusion. In addition, if the Company does not obtain a license, develop or obtain non-infringing technology, fail to defend an infringement action successfully or have infringed patents declared invalid, the Company may:

- incur substantial monetary damages;
- encounter significant delays in bringing its key products/compounds to market; and
- be precluded from participating in the manufacture, use or sale of its key products/compounds or methods of treatment requiring licenses.

Even if the Company is successful in these proceedings, it may incur substantial costs and divert management time and attention in pursuing these proceedings, which could have a material adverse effect on the Company.

The Company's reliance on third parties requires the Company to share its trade secrets, which increases the possibility that a competitor will discover them

Because the Company is likely to rely on third parties to develop its products/compounds, it will be required to share trade secrets and other confidential information with them. The Company will seek to protect its proprietary technology in part by entering into confidentiality or non-disclosure agreements and, if applicable, material transfer agreements, collaborative research agreements, consulting agreements or other similar agreements with its collaborators, advisors, employees and consultants prior to beginning research or disclosing proprietary information. These agreements will typically restrict the ability of its collaborators, advisors, employees and consultants to publish data potentially relating to its trade secrets

and confidential information. The Company's academic and clinical collaborators will typically have rights to publish data, provided that the Company is notified in advance and may delay publication for a specified time in order to secure is intellectual property rights arising from the collaboration. In other cases, publication rights will be controlled exclusively by the Company, although in some cases the Company may share these rights with other parties. The Company may also conduct joint research and development programs which may require the Company to share trade secrets and confidential information under the terms of research and development collaborations or similar agreements. Despite efforts to protect its trade secrets and confidential information, the Company's competitors may discover its trade secrets or confidential information, either through breach of these agreements, independent development or publication of information including its trade secrets or confidential information in cases where the Company does not have proprietary or otherwise protected rights at the time of publication. A competitor's discovery of the Company's trade secrets or confidential information may impair its competitive position and could have a material adverse effect on its business and financial condition.

The Company's operations are subject to environmental regulation in the jurisdiction in which it operates

Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors, and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. The Company's laboratory operations at the Facility will be subject to environmental protection laws and regulations that prescribe methods for storing and disposing of chemicals and controlled compounds, as the operations will involve spores, silica gels, dried mushroom powder, solvents for extraction and chromatographic separations in solvent systems which present potential and low-grade hazard to human health. Prior to commencing its laboratory operations, the Company will establish internal policies to comply with all such environmental laws and regulations.

Government environmental approvals and permits may be required in connection with the Company's operations. To the extent such approvals are required and not obtained, the Company may be curtailed or prohibited from its proposed business activities or from proceeding with the development of its operations as currently proposed.

Failure to comply with applicable environmental laws, regulations and permitting requirement may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or to be curtailed, and may include corrective measure requiring capital expenditures, installation of additional equipment, or remedial actions. The Company may be required to compensate those suffering loss or damage due to its operations and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

If the Company is unable to attract and retain key personnel, it may not be able to compete effectively

The Company's success depends upon its ability to attract and retain key management, including the Company's and subsidiary's senior officers, technical experts and sales personnel. The Company will attempt to enhance its management and technical expertise by continuing to recruit qualified individuals who possess desired skills and experience in certain targeted areas. The Company's inability to retain employees and attract and retain sufficient additional employees or scientific, engineering and technical support resources could have a material adverse effect on the Company's business, results of operations, sales, cash flow or financial condition. Shortages in qualified personnel or the loss of key personnel could adversely affect the financial condition of the Company, results of operations of the business and could limit the Company's ability to develop and market its products. The loss of any of the Company's senior management or key employees could materially adversely affect the Company's ability to execute our business plan and strategy, and the Company may not be able to find adequate replacements on a timely basis, or at all. The Company does not maintain key person life insurance policies on any of our employees.

The loss of key members of the Company's staff could harm the Company. The Company also depends on its scientific and clinical collaborators and advisors, all of whom have outside commitments that may limit their availability to the Company. In addition, the Company believes that its future success will depend in large part upon its ability to attract and retain highly skilled scientific, managerial, medical, manufacturing, clinical and regulatory personnel, particularly as the Company expands its activities and seeks regulatory approvals for clinical trials. The Company may enter into agreements with scientific and clinical collaborators and advisors, key opinion leaders and academic partners in the ordinary course of its business. The Company may also enter into agreements with physicians and institutions who will recruit patients into clinical trials on in the ordinary course of business. Notwithstanding these arrangements, the Company will face significant competition for these types of personnel from other companies, research and academic institutions, government entities and other organizations. The Company cannot predict its success in hiring or retaining the personnel it requires for continued growth. The loss of the services of any of the Company's executive officers or other key personnel could potentially harm its business, operating results or financial condition.

The size of the Company's target market is difficult to quantify, and investors will be reliant on their own estimates on the accuracy of market data

Because the Company's industry is in a relatively nascent stage with uncertain boundaries, there is a lack of information about comparable companies available for potential investors to review in deciding about whether to invest in the Company and, few, if any, established companies whose business model the Company can follow or upon whose success the Company can build. Accordingly, readers will have to rely on their own estimates about the Company. There can be no assurance that the Company's estimates are accurate or that the market size is sufficiently large for its business to grow as projected, which may negatively impact its financial results. The Company regularly purchases and follows market research.

The Company could be liable for fraudulent or illegal activity by its employees, contractors and consultants resulting in significant financial losses to claims against the Company

The Company is exposed to the risk that its employees, independent contractors and consultants may engage in fraudulent or other illegal activity. Misconduct by these parties could include intentional, reckless and/or negligent conduct or disclosure of unauthorized activities to the Company that violates: (i) government regulations; (ii) manufacturing standards; (iii) federal and provincial healthcare fraud and abuse laws and regulations; or (iv) laws that require the true, complete and accurate reporting of financial information or data. It is not always possible for the Company to identify and deter misconduct by its employees and other third parties, and the precautions taken by the Company to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting the Company from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. If any such actions are instituted against the Company, and it is not successful in defending itself or asserting its rights, those actions could have a significant impact on our business, including the imposition of civil, criminal and administrative penalties, damages, monetary fines, contractual damages, reputational harm, diminished profits and future earnings, and curtailment of the Company's operations, any of which could have a material adverse effect on the Company's business, financial condition and results of operations.

Reliance on information technology systems and risk of cyberattacks.

The Company may enter into agreements with third parties for hardware, software, telecommunications and other information technology ("**IT**") services in connection with its operations, as a result of which, the Company's operations would depend, in part, on how well it and its contractors and consultants protect networks, equipment, IT systems and software against damage from a number of threats, including, but not limited to, cable cuts, damage to physical plants, natural disasters, intentional damage and destruction, fire, power loss, hacking, computer viruses, vandalism and theft. The Company's operations would also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures.

Any of these and other events could result in information system failures, delays and/or increase in capital expenses. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact the Company's reputation and results of operations.

There can be no assurance that the Company will not incur material losses relating to cyber-attacks or other information security breaches in the future. The Company's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access is a priority. As cyber threats continue to evolve, the Company may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

The Company's officers and directors may be engaged in a range of business activities resulting in conflicts of interest

The Company may be subject to various potential conflicts of interest because some of its officers and directors may be engaged in a range of business activities. In addition, the Company's executive officers and directors may devote time to their outside business interests, so long as such activities do not materially or adversely interfere with their duties to the Company. In some cases, the Company's executive officers and directors may have fiduciary obligations associated with these business interests that interfere with their ability to devote time to the Company's business and affairs and that could adversely affect the Company's operations. These business interests could require significant time and attention of the Company's executive officers and directors.

In addition, the Company may also become involved in other transactions which conflict with the interests of its directors and the officers who may from time to time deal with persons, firms, institutions or companies with which the Company may be dealing, or which may be seeking investments similar to those desired by it. The interests of these persons could conflict with those of the Company. In addition, from time to time, these persons may be competing with the Company for available investment opportunities. Conflicts of interest, if any, will be subject to the procedures and remedies provided under applicable laws. In particular, if such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with applicable laws, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company.

The Company's officers and directors control a large percentage of the Company's issued and outstanding Common Shares and such officers and directors may have the ability to control matters affecting the Company and its business

The officers and directors of the Company own approximately 15.84% of the issued and outstanding Common Shares. The Company's shareholders nominate and elect the Board, which generally has the ability to control the acquisition or disposition of the Company's assets, and the future issuance of its Common Shares or other securities. Accordingly, for any matters with respect to which a majority vote of the Common Shares may be required by law, the Company's directors and officers may have the ability to control such matters. Because the directors and officers control a substantial portion of such Common Shares, investors may find it difficult or impossible to replace the Company's directors if they disagree with the way the Company's business is being operated.

Need for additional financing and issuance of additional securities

The Company's future capital requirements depend on many factors, including its ability to market products successfully, cash flows from operations, locating and retaining talent, and competing market developments. The Company's business model requires spending money (primarily on, licensing, advertising and marketing) in order to generate revenue.

Based on the Company's current financial situation, the Company may have difficulty continuing its operations at the current level, or at all, if it does not raise additional financing in the near future.

In order to execute the Company's business plan, the Company will likely require some additional equity and/or debt financing to undertake capital expenditures. There can be no assurance that additional financing will be available to the Company when needed or on terms which are acceptable. The Company's inability to raise financing to support on-going operations or to fund capital expenditures could limit the Company's operations and may have a material adverse effect upon future profitability. The Company may require additional financing to fund its operations to the point where it is generating positive cash flows.

If additional funds are raised through further issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences and privileges superior to those of holders of Common Shares. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Company to obtain additional capital or to pursue business opportunities, including potential acquisitions. If adequate funds are not obtained, the Issuer may be required to reduce, curtail, or discontinue operations. There is no assurance that the Company's future cash flow, if any, will be adequate to satisfy its ongoing operating expenses and capital requirements.

The Company continues to sell shares for cash to fund operations, capital expansion, mergers and acquisitions that will dilute the current shareholders

There is no guarantee that the Company will be able to achieve its business objectives. The continued development of the Company will require additional financing. The failure to raise such capital could result in the delay or indefinite postponement of current business objectives or the Company going out of business. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Company.

If additional funds are raised through issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences and privileges superior to those of holders of Common Shares. The Company's articles permit the issuance of an unlimited number of Common Shares, and shareholders will have no pre-emptive rights in connection with such further issuance. The directors of the Company have discretion to determine the price and the terms of issue of further issuances. Moreover, additional Common Shares will be issued by the Company on the exercise of incentive awards granted under the Company's Equity Incentive Plan and upon the exercise of outstanding warrants. In addition, from time to time, the Company may enter into transactions to acquire assets or the shares of other companies. These transactions may be financed wholly or partially with debt, which may temporarily increase the Company's debt levels above industry standards. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Company to obtain additional capital and to pursue business opportunities, including potential acquisitions. The Company may require additional financing to fund its operations to the point where it is generating positive cash flows. Negative cash flows may restrict the Company's ability to pursue its business objectives.

Discretion and Uncertainty of Use of Available Funds

The failure by the Company to apply available funds effectively could have a material adverse effect on the Company's business, including the Company's ability to achieve its stated business objectives. In addition, the Company may use the funds in ways that an investor may not consider desirable.

If we have a material weakness in our internal controls over financial reporting, investors could lose confidence in the reliability of our financial statements, which could result in a decrease in the value of our securities

One or more material weaknesses in our internal controls over financial reporting could occur or be identified in the future. In addition, because of inherent limitations, our internal controls over financial reporting may not prevent or detect misstatements, and any projections of any evaluation of effectiveness of internal controls to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with our policies or procedures may deteriorate. If we fail to maintain the adequacy of our internal controls, including any failure or difficulty in implementing required new or improved controls, our business and results of operations could be harmed, we may not be able to provide reasonable assurance as to our financial results or meet our reporting obligations and there could be a material adverse effect on the price of our securities.

Novel Coronavirus (COVID-19)

The outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operating subsidiaries in future periods. However, depending on the length and severity of the pandemic, COVID-19 could interrupt the Company's operations; increase operating expenses; cause delayed performance of contractual obligations; shutdown the Facility; cause delays relating to approval from the FDA, Health Canada or equivalent organizations in other countries; cause delays in research activities; impair the Company's ability to raise funds depending on the effect of COVID-19 on capital markets; adversely affect the Company's supply partners, contractors, customers and/or transportation carries; and cause fluctuations in the price and demand for the Company's products.

In particular, as of the date of this Annual Information Form, the full extent of the effects of the COVID-19 pandemic are unknown. The continued spread of COVID-19 and the measures taken by the governments of countries affected could disrupt the Company's plan of distribution and use of available funds and the timelines, business objectives or disclosed milestones related thereto, and thus, adversely impact the Company's business, financial condition, results of operations and prospects. In addition, there can be no assurance that the Company will not lose members of its workforce (e.g., employees or consultants) or see its workforce man-hours reduced or incur increased medical costs as a result of these health risks. The Company will actively assess and respond where possible to the potential impact of the COVID-19 pandemic. It is difficult to predict how the COVID-19 pandemic may affect the Company's business in the future, including the effect it may have (positive or negative; long or short term) on the price of, and demand for, NHPs and other products. It is possible that the COVID-19 virus could have a material adverse effect on the Company's business, financial condition, results of operations and prospects as well as the market for its securities and/or its ability to obtain financing. The extent to which the COVID-19 pandemic impacts the Company's results will depend on future developments that are highly uncertain and cannot be predicted, including new information that may emerge concerning the severity of the virus, the duration of the outbreak and the actions to contain its impact.

Market Price of Common Shares and Volatility

The Common Shares currently trade on the CSE and the Frankfurt Stock Exchange. Securities of small-cap companies have experienced substantial volatility in the past, often based on factors unrelated to the companies' financial performance or prospects. These factors include macroeconomic

developments in North America and globally and market perceptions of the attractiveness of particular industries. Factors unrelated to our performance that may affect the price of the Common Shares include the following: the extent of analytical coverage available to investors concerning our business may be limited if investment banks with research capabilities do not follow the Company; lessening in trading volume and general market interest in the Common Shares may affect an investor's ability to trade significant numbers of Common Shares; the size of our public float may limit the ability of some institutions to invest in Common Shares; and a substantial decline in the price of the Common Shares that persists for a significant period of time could cause the Common Shares, if listed on an exchange, to be delisted from such exchange, further reducing market liquidity. As a result of any of these factors, the market price of the Common Shares at any given point in time may not accurately reflect our long-term value. Securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. We may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources. The fact that no market currently exists for the Common Shares may affect the pricing of the Common Shares in the secondary market, the transparency and availability of trading prices and the liquidity of the Common Shares.

The market price of the Common Shares is affected by many other variables which are not directly related to our success and are, therefore, not within our control. These include other developments that affect the breadth of the public market for the Common Shares, the release or expiration of lock-up, escrow or other transfer restrictions on the Common Shares, and the attractiveness of alternative investments. The effect of these and other factors on the market price of the Common Shares is expected to make the Common Share price volatile in the future, which may result in losses to investors.

The Company may not pay dividends

We intend to retain earnings, if any, to finance the growth and development of our business and do not intend to pay cash dividends on the Common Shares in the foreseeable future. The payment of future cash dividends, if any, will be reviewed periodically by the Board and will depend upon, among other things, conditions then existing including earnings, financial condition and capital requirements, restrictions in financing agreements, business opportunities and conditions and other factors.

The Company will be subject to additional regulatory burden resulting from its public listing on the CSE

We are working with our legal, accounting and financial advisors to identify those areas in which changes should be made to our financial management control systems to manage our obligations as a public company. These areas include corporate governance, corporate controls, disclosure controls and procedures and financial reporting and accounting systems. We have made, and will continue to make, changes in these and other areas, including our internal controls over financial reporting. However, we cannot assure purchasers of Common Shares that these and other measures that we might take will be sufficient to allow us to satisfy our obligations as a public company on a timely basis. In addition, compliance with reporting and other requirements applicable to public companies will create additional costs for us and will require the time and attention of management. We cannot predict the amount of the additional costs that we might incur, the timing of such costs or the impact that management's attention to these matters will have on our business.

Transactions Engaged in by our Largest Shareholders, our Directors or Officers

Our officers, directors and principal shareholders (greater than 10% shareholders) collectively control approximately 15.84% of the issued and outstanding Common Shares. Subsequent sales of our Common Shares by these shareholders could have the effect of lowering the market price of our Common Shares. The perceived risk associated with the possible sale of a large number of Common Shares by these shareholders, or the adoption of significant short positions by hedge funds or other significant investors, could cause some of our shareholders to sell their Common Shares, thus causing the market price of our Common Shares to decline. In addition, actual or anticipated downward pressure on our stock price due to actual or anticipated sales of Common Shares by our directors or officers

could cause other institutions or individuals to engage in short sales of the Common Shares, which may further cause the market price of our Common Shares to decline.

From time to time our directors and executive officers may sell Common Shares on the open market. These sales will be publicly disclosed in filings made with securities regulators. In the future, our directors and executive officers may sell a significant number of Common Shares for a variety of reasons unrelated to the performance of our business. Our shareholders may perceive these sales as a reflection on management's view of the business and result in some shareholders selling their Common Shares. These sales could cause the market price of our Common Shares to drop.

Forward-looking statements may prove to be inaccurate

The forward-looking information and statements included in this Annual Information Form relating to, among other things, the Company's future results, performance, achievements, prospects, targets, plans, objectives, goals, milestones, intentions or opportunities or the markets in which we operate is based on opinions, assumptions and estimates made by the Company's management in light of its experience and perception of historical trends, current conditions and expected future developments, as well as other factors that the Company believes are appropriate and reasonable in the circumstances. However, there can be no assurance that such estimates and assumptions will prove to be correct. The Company's actual results in the future may vary significantly from the historical and estimated results and those variations may be material. We make no representation that its actual results in the future will be the same, in whole or in part, as those included in this Annual Information Form.

DIVIDENDS AND DISTRIBUTIONS

The Company has not paid any dividends on its Common Shares since incorporation and currently intends to retain future earnings, if any, to finance further business development. The declaration of dividends on Common Shares earnings, capital requirements, operating and financial condition and a number of other factors that the Board considers to be appropriate. There are no restrictions on the ability of Havn to pay dividends in the future.

DESCRIPTION OF CAPITAL STRUCTURE

Common Shares

The Company's authorized capital stock consists of an unlimited number of Common Shares, of which 66,971,000 Common Shares are issued and outstanding as of the date of this AIF.

All of the issued Common Shares rank equally as to voting rights, participation and a distribution of Havn's assets on liquidation, dissolution or winding-up and the entitlement to dividends. Holders of Common Shares are entitled to receive notice of, attend and vote at all meetings of shareholders of Havn. Each Common Share carries one vote at such meetings. Holders of Common Shares are entitled to dividends if and when declared by the Board and, upon liquidation, to receive such portion of the assets of Havn as may be distributable to such holders. There are currently no other series or class of shares which rank senior, in priority to, or *pari passu* with the Common Shares. The Common Shares do not carry any pre-emptive, subscription, redemption or conversion rights, nor do they contain any sinking or purchase fund provisions.

Warrants

The Company issued 16,474,000 Warrants in connection with the Unit Offering. As of the date of this AIF, such Warrants remain unexercised.

The Company issued 198,000 Finder Warrants in connection with the Unit Offering. As of the date of this AIF, such Finder Warrants remain unexercised.

The Company issued 110,000 warrants comprising a portion of the Finder Units issued in connection with the Unit Offering. As of the date of this AIF, such warrants comprising a portion of the Finder Units remain unexercised.

The Company issued 798,000 warrants comprising part of the Finder Units issued in connection certain finders identifying Havn Research as a potential target for acquisition and assisting with the negotiations for the acquisition of Havn Research. As of the date of this AIF, such warrants remain unexercised.

Options & RSRs

The Company's equity incentive plan (the "**Equity Incentive Plan**") permits the Board to grant to eligible directors and employees (including officers) stock options ("**Options**") and restricted share rights ("**RSRs**"). The Equity Incentive Plan also provides for the grant to eligible directors of deferred share units ("**DSUs**") which the directors are entitled to redeem for 20 business days following date of separation from the Board. The aggregate number of Common Shares that may be subject to issuance under the Equity Incentive Plan, together with any other securities-based compensation arrangements of the Company, shall not exceed 20% of the Company's issued and outstanding share capital from time to time.

As of the date of this AIF, there were 6,235,000 Options outstanding and 4,629,130 RSRs outstanding, representing 9.89% of the Company's share capital on a fully-diluted basis. The Company has no DSUs outstanding.

MARKET FOR SECURITIES

Trading Price and Volume

Havn's Common Shares were listed on the CSE on September 8, 2020 under the symbol "HAVN". The Company's Common Shares commenced trading in Germany on the Frankfurt Stock Exchange on September 15, 2020 under the stock symbol "5NP". The following tables sets forth trading information for the Common Shares on the CSE on a monthly basis since September 8, 2020.

	Price Range		TSX-V
Month	**High C$**	**Low C$**	**Monthly Trading Volume**
September 2020	$0.94	$0.50	9,489,279
October 2020[1]	$0.94	$0.75	3,176,555

Notes:
(1) Information captured as of the date of this AIF.

PRIOR SALES

The Company issued the following securities which are not listed or quoted on a marketplace since incorporation on April 8, 2020:

Security	Date of Issue	Aggregate Number Issued	Issue / Exercise Price
Warrants[1]	April 20, 2020	4,000,000	$0.25
Warrants[1]	April 29, 2020	2,924,000	$0.25
Warrants[1]	May 27, 2020	3,340,000	$0.25
Special Warrants[2]	May 28, 2020	33,906,667	$0.02
Special Warrants[2]	June 1, 2020	249,000	$0.10
Performance Warrants[3]	June 4, 2020	9,000,000	$0.05
RSRs[4]	June 4, 2020	500,000	N/A
Options[5]	June 4, 2020	750,000	$0.25
Warrants[1]	June 5, 2020	6,210,000	$0.25
Finder Warrants[6]	June 5, 2020	1,106,000	$0.25
RSRs[7]	June 10, 2020	150,000	N/A
Options[8]	September 4, 2020	1,400,000	$0.25
Options[9]	September 4, 2020	200,000	$0.50
Performance Warrants[10]	September 4, 2020	10,000,000	$0.05
RSRs [11]	September 4, 2019	100,000	N/A
RSRs [12]	September 10, 2019	500,000	N/A
Options[13]	September 10, 2020	2,135,000	$0.65
RSRs[14]	October 4, 2020	3,090,000	N/A
Options[15]	October 4, 2020	1,750,000	$0.79

RSRs[16]	October 11, 2020	250,000	N/A
RSRs[17]	October 18, 2020	39,130	N/A

Notes:

(1) These Warrants were issued in connection with Unit Offering.

(2) These Special Warrants were converted to Common Shares on September 3, 2020.

(3) These Performance Warrants were issued to consultants of the Company.

(4) These RSRs were issued to an employee of the Company.

(5) These Options were issued to two employees of the Company.

(6) Includes: (i) 798,000 Finder Warrants comprising part of the Finder Units issued to certain finders in consideration for identifying Havn Research as a potential target for acquisition and assisting with the negotions for the acquisition of Havn Research; (ii) 110,000 Finder Warrants comprising part of the Finder Units issued to certain finders in connection with the Unit Offering; and (iii) 198,000 Finder Warrants issued to certain finders in connection with the Unit Offering.

(7) These RSRs were issued to an employee of the Company.

(8) These Options were issued to new employees and consultants of the Company.

(9) These Options were issued to a consultant of the Company.

(10) These Performance Warrants were issued to new employees of the Company, one of which has ceased to be an employee of the Company, and as such, 4,500,000 Performance Warrants have been cancelled. For greater clarity, as of the date of this AIF, 14,500,000 Performance Warrants are issued and outstanding.

(11) These RSRs were issued to an officer of the Company.

(12) These RSRs were issued to consultants of the Company.

(13) 1,500,000 of these Options were issued to Directors and Officers of the Company with the remainder issued to consultants of the Company.

(14) These RSRs and Options were issued to the Chairman and Vice-Chairman of the Company.

(15) These RSRs were issued to directors of the Company.

(16) These RSRs were issued to an officer of the Company.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

Escrow Agreements

As of the date of this AIF, 10,610,241 Common Shares (the "**Escrow Shares**"), 800,000 Warrants and 5,500,000 Performance Warrants, including any Common Shares received upon exercise thereof, (the "**Escrow Warrants**", together with the Escrow Shares, the "**Escrow Securities**") are held in escrow pursuant to an escrow agreement (the "**Escrow Agreement**") entered into on closing of the acquisition of Havn Research with Odyssey Trust Company pursuant to National Policy 46-201 – *Escrow for Initial Public Offerings* ("**NP 46-201**") and Exchange policies.

The Escrow Securities are subject to the release schedule specified in NP 46-201 for emerging issuers and as set out in the form of escrow required by Policy 2 – *Qualifications for Listing of the CSE*. Ten (10%) percent of the Escrow Securities were released on September 8, 2020, the date on which the Company listed on the CSE and an additional 15% will be released every 6 months thereafter until all Escrow Securities have been released (36 months following the date of listing on the CSE).

The following table sets out the Escrowed Securities held

Designation of Class	Number of Securities held in Escrow[1] or that are subject to a contractual restriction on transfer	Percentage of Class[2][3][4]
Common Shares	31,707,333	47.34%
Performance Warrants	5,500,000	37.93%

Designation of Class	Number of Securities held in Escrow[(1)] or that are subject to a contractual restriction on transfer	Percentage of Class[(2)(3)(4)]
Warrants	16,474,000	93.71%

Notes:

(1) The Escrow agent under the escrow agreement is Odyssey Trust Company.

(2) Based on 66,971,000 issued and outstanding Common Shares (on a non-diluted basis).

(3) Based on 17,580,000 issued and outstanding Warrants (on a non-diluted basis).

(4) Based on 14,500,000 issued and outstanding Performance Warrants (on a non-diluted basis).

Voluntary Escrow

An aggregate of 15,233,333 Common Shares issued to the former shareholders of Havn Research in connection with the acquisition of Havn Research by the Company, which are not Escrowed Shares for the purposes of NP 46-201, are subject to restrictions whereby such Common Shares are to be released over a period of 36 months from the date the Company's Common Shares were listed on the CSE (September 8, 2020) with 10% being released on the date of listing on the CSE, an additional 15% released six months after listing on the CSE, an additional 15% released12 months after listing on the CSE, an additional 15% released 18 months after listing on the CSE, an additional 15% released 24 months after listing on the CSE, an additional 15% released 30 months after listed on the CSE and the remaining 15% released 36 months after listing on the CSE.

16,474,000 Common Shares and 16,474,000 Warrants issued in connection with the Unit Offering are subject to voluntary restrictions whereby the trading of such Common Shares and Warrants is restricted until January 3, 2021.

PRINCIPAL SHAREHOLDERS

To the knowledge of the Company's directors and senior officers, as of the date of this AIF, no persons or corporations beneficially own, directly or indirectly, or exercise control or direction over, Common Shares carrying more than 10% of the voting rights attached to all outstanding Common Shares of the Company.

DIRECTORS AND OFFICERS

Name, Occupation and Security Holding

The following table sets out the names and province or state of residence of the directors and executive officers of Havn, their present position(s) and offices with Havn, their principal occupations during the last five years and their respective dates of appointment.

All directors of Havn have been elected or appointed to serve until the next annual meeting of shareholders of Havn, subject to earlier resignation or removal.

As at the date of this AIF, Havn's directors and executive officers beneficially owned, or controlled or directed, directly or indirectly, an aggregate of 10,610,241 Common Shares of Havn, representing approximately 15.84% of the issued and outstanding Common Shares.

Name, Province or State and Country of Residence[1]	Position held[2]	Director / Executive Officers since	Principal Occupation for the Past Five Years[3]	Number of Common Shares	Percentage of class[4]
Tim Moore, Stouffville, ON	Chief Executive Officer	May 6, 2020	General Manager and Director of Green Growth Brands Inc. from November 2018 to May 2020; CEO of Xanthic BioPharma Inc. from December 2017 to November 2018	Nil.	0%
Eli Dusenbury, Vancouver, BC	Chief Financial Officer	April 21, 2020	Chartered Profession Accountant and CFO of various public companies	Nil.	0%
Ricky Brar[5], Vancouver, BC	Director, Vice-Chairman	June 4, 2020	CEO of Brains Bioceutical Corp. since May 2019; CEO of Atlas Produce Supply Since January 2003; and CEO Zenabis Global Inc from October 2018 to January 2019.	Nil.	0%
Vic Neufeld, Tecumseh, Ontario	Director, Chairman	June 4, 2020	CEO of Aphria Inc. from May 2014 to March 2019	800,000[7]	1.19%
Tim Laidler, Anmore, BC	Director	June 4, 2020	Executive Director of the Centre for Group Counselling and Trauma since May 2018, Mortgage Specialist for TD Canada Trust from January 2017 to May 2018, and Executive Director Veterans Transition Network from May 2012 to June 2015	Nil.	0%
Dennis Staudt[5][6] Kingsville, Ontario	Director	October 15, 2020	Retired Partner at PricewaterhouseCoopers LLP (retired June 2012); Director of Aphria Inc. since July 2014 to September 2018	Nil.	0%
Susan Chapelle, Squamish, BC	Executive Vice President (Research and Development)	-	Director of Government Relations at Pasha Brands Ltd. from March 2019 to April 2020 and City Councilor for the District of Squamish from November 2011 to November 2018	1,814,987	2.71%
Gary Leong, Surrey, BC	Chief Science Office	-	Chief Compliance Officer of Decibel Cannabis Company from September 2019 to Present; Chief Science Office of Aphria Inc. from June 2014 to July 2019; President of Neutrical Solutions Inc. from January 2012 to January 2018.	Nil.	0%
Dr. Ivan Casselman, Vancouver, BC	Chief Psychedelics Officer	-	Chief Psychedelics Officer of Havn Research, Cannabis Science Advisor of Phytoconfluence Inc., Director of Business Development of Thuja Wellness from April 2016 to December 2019, Director of Research and Development of	1,964,987[8]	2.93%

			Nextleaf Solutions from January 2018 to April 2019		
Alexzander Samuelsson, Vancouver, BC	Chief Research Officer	-	Chief Science Officer of Melabis Inc., Chief Science Officer of Development Catalyst Strategic Corp. and Lead Chemist of Nextleaf Solutions	1,714,987[9]	2.56%
Barinder Rasode[5], Vancouver, BC	President, Director	-	Owner/operator of KCI Holdings Inc., CEO of Grow Tech Labs, Member of the Board of Directors of Fraser Health Authority from January 2015 to November 2017	4,315,280 [10]	6.44%

Notes:

(1) Information as to province or state and country of residence, principal occupation, securities beneficially owned or over which a director or officer exercises control or direction has been furnished by the respective individuals as of the date of this AIF.

(2) The term of office of each of the directors expires on the earlier of the Company's next annual general meeting or upon resignation. The term of office of the officers expires at the discretion of the directors.

(3) See "*Directors and Executive Officers – Director and Management Biographies*" for additional information regarding the principal occupations of the Company's directors and officers.

(4) Based on 66,971,000 issued and outstanding Common Shares as at the date of this AIF.

(5) Member of the Audit Committee.

(6) Chair of Audit Committee.

(7) Acquired pursuant to the Unit Offering.

(8) Ivan Casselman beneficially owns 1,964,987 Common Shares through Phytoconfluence Labs Inc.

(9) Alexzander Samuelsson beneficially owns 1,714,987 Common Shares through Development Catalyst Strategy Corp.

(10) Barinder Rasode directly owns 2,064,987 Common Shares and beneficially owns 2,250,293 Common Shares through KCI Holdings Ltd.

Director and Management Biographies

The following are brief biographies of the executive officers and directors of Havn:

Vic Neufeld – Director, Chairman of the Board

Mr. Vic Neufeld is the former President and Chief Executive Officer of Aphria Inc. Mr. Neufeld is also the former Chief Executive Officer of Jamieson Laboratories, Canada's largest manufacturer and distributor of natural vitamins, minerals, concentrated food supplements, herbs and botanical medicines. Mr. Neufeld brings 15 years of experience as a chartered accountant and partner with Ernst & Young and 21 years as Chief Executive Officer of Jamieson Laboratories Canada. During his tenure with Jamieson Laboratories Canada, the company went from $20 million in annual sales to over an estimated $250 million and expanded the company's distribution network to over 40 countries, building the company to a globally recognized brand name. Mr. Neufeld, a native of Leamington, Ontario, earned a Bachelor's degree in Economics from Western University, Honours degree in business from The University of Windsor and an MBA from The University of Windsor. Mr. Neufeld is also a chartered professional accountant.

Ricky Brar – Director, Vice-Chairman of the Board

Mr. Ricky Brar is an experienced business leader in the cannabis, nutraceutical, beverage, consumer packaged goods, agriculture, land development and construction sectors. Mr. Brar has international expertise in emerging market sectors, having incubated and grown several companies over his career. He is experienced in sales and marketing, with demonstrated success in corporate sales growth, new market penetration, new product development, and long-range planning. Mr. Brar is also experienced in team building, strategic planning, new market development and the implementation of tactical sales and marketing initiatives. Mr. Brar was previously the Chief Executive Officer of Atlas Supply Company Limited, where he led one of the largest herb companies in North America for nine years. Mr. Brar was

also previously the Chief Executive Office of Zenabis Global Inc, a leading Canadian cultivator of medical and adult-use recreational cannabis and a propagator and cultivator of floral and vegetable products.

Barinder Rasode – Director, President

Ms. Barinder Rasode has extensive experience in business development and founding non-for-profit organizations, politics as a two-term elected Councillor for the City of Surrey and has served on numerous boards in the health industry including serving on the Board of British Columbia's largest health authority, Fraser Health, where she was responsible for a budget of $3 billion. Ms. Rasode obtained her Bachelor of Arts in Political Science at Simon Fraser University. Ms. Rasode has served as an elected City Councillor of the City of Surrey, British Columbia from 2008 to 2014 and as a Member of the Board of Directors for Fraser Health Authority from 2015 to 2017, Ms. Rasode founded the National Institute of Cannabis Health and Education (NICHE), and is the Co-Founder of SheTalks (2015-Present) and Grow Tech Labs (2018-Present).

Dennis Staudt – Director

Mr. Dennis Staudt Mr. Staudt has over 35 years' experience providing sophisticated business advice, having spent most of his career with PricewaterhouseCoopers LLP ("**PwC**"), including 22 years as a partner in PwC's Audit and Assurance Group. Following his retirement from PwC in 2012, Mr. Staudt joined the board of directors of Aphria Inc., where he served from July 2014 to September 2018. Mr. Staudt is currently the Vice-President of Staudt Farms Limited, a family-owned farming operation in Leamington, Ontario. Mr. Staudt graduated from the University of Windsor in 1977 with a Bachelor of Commerce Degree. He obtained his Chartered Accountant (Ontario) designation in 1979 and his Certified Public Accountant (Illinois) designation in 1999. Mr. Staudt is also an Advisory Board Member at the University of Windsor Centre for Executive and Professional Education, and the former Chair of the Leamington District Memorial Hospital Foundation, the Art Gallery of Windsor and the Art Gallery of Windsor Foundation. He has also previously served on the Board of Governors of the University of Windsor and has taught as a Sessional Lecturer in Accounting.

Susan Chapelle – Executive Vice President (Research and Development)

Ms. Susan Chapelle has extensive experience building innovative start-up businesses, leading and influencing changes that improve organizations and emergent industries, and scaling businesses in healthcare, technology, and collaborative workspaces. Mrs. Chapelle received her EMBA designation from the Beedie School of Business at Simon Fraser University. Mrs. Chapelle has worked on projects funded by the National Institute of Health (2013 to 2018), co-authored six (6) publications in peer-reviewed journals (between 2010 to 2018), a two-term elected politician for the district of Squamish (2011 to 2018), the President and Director of Operations at Squamish Integrated health (2000 to 2019), and was awarded Businessperson of the Year in 2018 by the Squamish Chamber of Commerce.

Tim Laidler – Director

Mr. Tim Laidler is currently the Executive Director of the Centre for Group Counselling and Trauma at The University of British Columbia. Mr. Laidler also proudly served in the Canadian Armed Forces from 2002 to 2015. As a military veteran himself, and through his time as an Executive Director of the Veterans Transition Network (2012-2015), Mr. Laidler has extensive experience with assisting veterans with the trauma and difficulties suffered as a result of their service. Mr. Laidler has also received a Master of Arts in Counselling Psychology from The University of British Columbia. In addition, Mr. Laidler is experienced in financial regulatory matters as he was a Mortgage Specialist for TD Canada Trust and during his time with the Veterans Transition Network, Mr. Laidler was responsible for the charity's financial matters, including budgeting and annual audits of financial statements.

Tim Moore – Chief Executive Officer

Mr. Tim Moore, MBA, has extensive experience with startups, acquisitions and integrations and organic growth with small and large, private and public organizations. Mr. Moore has over 30 years' experience

in Fortune 500 leadership roles in Canada and USA. Mr. Moore served as the former Chief Executive Officer of Green Growth Brands, a US multi-state cannabis operator, which operated over 200 mall-based CBD kiosks and rose from its initial public offering to reach a peak valuation of over an estimated $1.2 billion. Mr. Moore also served as the former President and General Manager of The Clorox Company of Canada as well as the former chief operating officer and Synnex Canada Limited. Mr. Moore was also the Managing Director of Brita North America, Consumer and Foodservice (Water Filtration) division for seven years from 2009 to 2015.

Eli Dusenbury – Chief Financial Officer

Mr. Dusenbury, CPA, has extensive experience in public accounting, providing services to both public and private sector clients reporting in Canada and in the U.S. over a broad range of industries including, but not limited to, technology, agriculture, engineering, mining & exploration, manufacturing and financing. Mr. Dusenbury obtained his Chartered Professional Accountant designation in 2011 and holds a BBA in business and accounting from Capilano University. Mr. Dusenbury has served as consultant for audit and public practice firms in both Canada and the US and has held Chief Financial Officer positions for: Integral Technologies, Inc. (resigned June 2018), YDX Innovation Corp. (resigned May 2019), Isodiol International Inc. (resigned June 2020), Chemesis International Inc. (since September 2018) and IMC International Mining Corp. (until February 2020).

Gary Leong – Chief Science Officer

Mr. Gary Leong has over thirty (30) years of experience in the pharmaceutical and NHP industry. He served as the Chief Scientific Officer of Jamieson for 14 years. He also managed the scientific and quality function for Boehringer Ingelheim, a global pharmaceutical, animal health and biopharmaceuticals company, Natural Factors, one of the largest manufacturers of nutritional products in North America, and Nordion, a health science company that provides for prevention, diagnosis and treatment of disease. Mr. Leong was also the Chief Scientific Officer at Aphria from its inception in 2014 to 2019. At Aphria, Mr. Leong established and oversaw the Quality Assurance, Quality Control, Regulatory Affairs and Research and Development functions. Mr. Leong's educational background includes a B.Sc. in Chemistry and a M.B.A. in Quality Management. In addition, he has served on the Board of Directors of several public companies and research societies as well as an advisor to several Canadian government regulatory advisory committees, including serving as a member of the Government of Canada's Natural and Non-prescription Health Products Directorate (NHPD), as well as two of the three advisory working groups for the NHPD (the Product Testing Requirements Connected to Good Manufacturing Practice Requirements for Natural Health Products and Compliance and Enforcement for Natural Health Products working groups) and a board member of the Ontario Ginseng Innovation and Research Consortium.

Dr. Ivan Casselman – Chief Psychedelics Officer

Dr. Ivan Casselman is an ethnobotanist, analytical phytochemists, plant geneticists, and an experienced formulation chemist with a foundation in nutraceutical formulation and product development with global experience in advising executives and mentoring companies in the implementation of sound business and scientific strategies. Dr. Casselman received his PhD. in Plant Sciences from Southern Cross University in New South Wales in 2015 after finishing his Master of Science in Ethnobotany at The University of Kent in 2009. Dr. Casselman's work includes: Analytical Chemist at Southern Cross University (2011-2015), Director of R&D at NextLeaf Solutions (2018-2019), Director of Business Development at Thuja Wellness (2017-2019), and Science Advisor at Phytoconfluence Inc. (2017-Present). Dr. Casselman has also been a regular contributor to publications such as the Journal of Ethnopharmacology.

Alexzander Samuelsson – Chief Research Officer

Mr. Alexzander Samuelsson has experience as a scientific advisor, public speaker, and advisor in regulatory compliance, formulations, and the development of intellectual property for patented extraction technology and processes. Mr. Samuelsson graduated with a Bachelor of Science in Chemistry from Ryerson University in 2014. Mr. Samuelsson has spoken at over 15 conferences

worldwide, supported start-ups in their strategy and implementation of capital projects in Canada, Europe, Central and South Asia through his consulting company Development Catalyst, he has also been the lead chemist of NextLeaf Solutions (2017-2019), Founder and President of Development Catalyst Strategy Corp (2016-present), and the Chief Science Officer at Melabis (2019-Present).

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of management, except as disclosed herein, no director or executive officer of Havn is, as at the date of this AIF, or was, within the 10 years before the date of this AIF, a director, chief executive officer or chief financial officer or any company (including Havn), that was the subject of 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, or 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.

To the knowledge of management, except as disclosed herein, no director or executive officer of Havn, or shareholder holding a sufficient number of securities of Havn to affect materially the control of Havn, is, as of the date of this AIF, or has been within the 10 years before the date of this AIF, a director or executive officer of any company (including Havn) that, while the 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.

To the knowledge of management, except as disclosed herein, no director or executive officer of Havn, or shareholder holding a sufficient number of securities of Havn to affect materially the control of Havn, is, as of the date of this AIF, or has been within the 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become 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.

To the knowledge of management, except as disclosed herein, no director or executive officer of Havn, or shareholder holding a sufficient number of securities to affect materially the control of Havn, has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Tim Moore, the Chief Executive Officer of the Company, was (from November 2018 to May 2020) the general manager and a director of Green Growth Brands Inc. ("GGB"), a company publicly trading on the CSE. On May 20, 2020, GGB and its whole-owned subsidiaries filed for insolvency protection under the Companies' Creditors Arrangement Act (Canada) (the "**CCAA**") and has obtained an initial order from the Ontario Superior Court of Justice (the "**Court**") granting GGB protection under the CCAA for an initial 10-day period. On August 13, 2020, the Court extended the stay period until December 18, 2020.

Alexzander Samuelsson, the Chief Research Officer of the Company, was (from November 2019 to April 2020) a director of Roadman Investments Corp. ("**Roadman**"), a company publicly trading on the TSX Venture Exchange. On April 13, 2020, the U.S. Securities and Exchange Commission (the "**SEC**") and the Investment Industry Regulatory Organization of Canada ("**IIROC**") temporarily halted trading of Roadman's securities citing claims made by Roadman in certain press releases regarding the effectiveness of cedar leaf oil against COVID-19 (the "**Trading Halt**").

Conflicts of Interest

To the best of Havn's knowledge, information and belief, and other than disclosed herein, there are no known existing or potential conflicts of interest among Havn and its directors, officers or other members of management as a result of their outside business interests except that certain of Havn's 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 Havn and their duties as a director or officer of such other companies. As required by law, each of the directors of Havn is required to act honestly, in good faith and in the best interests of Havn. In the event of a conflict of interest, Havn will follow the requirements and procedures of applicable corporate and securities legislation and applicable exchange policies, including the relevant provisions of the OBCA.

Audit Committee

The primary function of the audit committee of the Board (the "**Audit Committee**") is to assist the Board in fulfilling its financial reporting and controls responsibilities to the shareholders of Havn. In accordance with National Instrument 52-110 – *Audit Committees* ("**NI 52-110**"), information with respect to the Audit Committee is contained below. The full text of the Audit Committee Charter, as passed unanimously by the Board, is attached to this AIF as Schedule "A".

Composition of the Audit Committee

The Audit Committee is composed of Mr. Vic Neufeld (Chair) and Messrs. Brar and Laidler. All three members are "independent" directors and all Audit Committee members are financially literate, within the meaning of NI 52-110.

Relevant Education and Experience

For details regarding the relevant education and experience of each member of the Audit Committee relevant to the performance of his duties as a member of the Audit Committee, see "*Directors and Executive Officers – Director and Management Biographies*".

Mandate and responsibilities of the Audit Committee

The Audit Committee's mandate and responsibilities include: (i) reviewing and recommending for approval to the Board the financial statements, accounting policies that affect the statements, annual management's discussion and analysis and associated press releases; (ii) being satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements and periodically assessing those procedures; (iii) establishing and maintaining compliant procedures regarding accounting, internal accounting controls, or auditing matters and the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters; (iv) overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing such other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting; (v) pre-approving all non-audit services to be provided to the Company or its subsidiary entities by the external auditor; (vi) reviewing and monitoring the processes in place to identify and manage the principal risks that could impact the financial reporting of the Company; and (vii) reviewing and approving the Company's hiring policies regarding partners, employees, and former partners and employees of the present and former external auditor of the Company.

The Audit Committee is to meet at least quarterly to review financial statements and management's discussion and analysis and to meet with the Company's external auditors at least once a year.

Audit Committee Oversight

At no time since the date of incorporation on April 8, 2020 was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

Reliance on Certain Exemptions

At no time since the date of incorporation on April 8, 2020, has the Company relied on the exemption in section 2.4 of NI 52-110 (De Minimis Non-audit Services), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

The Company is relying on the exemptions provided for "venture issuers" in section 6.1 of NI 52-110 with respect to Part 3 – Composition of the Audit Committee and Part 5 – Reporting Obligations.

Pre-Approval Policies and Procedures for Non-Audit Services

The Audit Committee is required to approve the engagement of the Company's external auditors in respect of non-audit services.

External Auditor Service Fees

The Audit Committee has reviewed the nature and amount of the non-audit services provided by De Visser Gray LLP to ensure auditor independence. The following table sets out the aggregate fees billed by De Visser Gray LLP from the date of incorporation to the date of this AIF for each category of fees described:

Fiscal Year End	Auditor	Audit Fees[(1)]	Audit-Related Fees[(2)]	Tax Fees[(3)]	All Other Fees[(4)]
2020	De Visser Gray LLP	$20,000	Nil	Nil	Nil

(1) Audit Fees include fees necessary to perform the annual audit and quarterly reviews of Havn's financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.

(2) Audit-Related Fees include services that are traditionally performed by the auditor. These audit-related services include review of quarterly financial statements, employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.

(3) Tax Fees include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.

(4) All Other Fees include all other non-audit services.

EXECUTIVE COMPENSATION

The following information regarding executive compensation is presented in accordance with National Instrument Form 51-102F6V – *Statement of Executive Compensation*, and sets forth compensation for each of the named executive officers and directors of the Company.

Compensation of Named Executive Officers

Securities legislation requires the disclosure of the compensation received by each Named Executive Officer of the Company. "Named Executive Officer" is defined by securities legislation to mean: (i) the CEO; (ii) the CFO; (iii) each of the three most highly compensated executive officers of the Company, including any of its subsidiaries, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually more than $150,000 for that financial year; and (iv) each individual who would be a "Named Executive Officer" under paragraph (iii) but for the fact that the individual was neither an executive officer of the Company or its subsidiaries, nor acting in similar capacity, at the end of the most recently completed financial year. As of the date of the AIF, the Company has the following Named Executive Officers (collectively, the "**Named Executive Officers**" or "**NEOs**"):

- Tim Moore, Chief Executive Officer of the Company;
- Barinder Rasode, President of the Company; and
- Eli Dusenbury, Chief Financial Officer of the Company.

Director and Named Executive Officer Compensation, Excluding Compensation Securities

The Company was not a reporting issuer at any time during its most recently completed financial year. The following table sets forth information with respect to the compensation of each Named Executive Officer and directors of the Company since incorporation of the Company:

Table of Compensation Excluding Compensation Securities

Name and Principal Position	Year	Salary, consulting fee, retainer or commission ($)	Bonus ($)	Committee or meeting fees ($)	Value of perquisites ($)	Long-term incentive plans ($)	Value of all other compensation ($)	Total compensation ($)
Tim Moore, CEO	2020-2021	144,000[(1)]	-	-	-	-	-	$144,000
Barinder Rasode, President, Director	2020-2021	180,000	50,000	-	-	-	-	$230,000
Eli Dusenbury, CFO	2020-2021	150,000	-	-	-	-	-	$150,000
Vic Neufeld, Director, Chairman	2020-2021	250,000[(2)]	100,000	-	-	-	-	$350,000
Ricky Brar, Director, Vice-Chairman	2020-2021	150,000[(3)]	50,000	-	-	-	-	$200,000
Tim Laidler, Director	2020-2021	120,000	50,000	-	-	-	-	$170,000

Notes:

(1) Tim Moore is entitled to an annual salary of $144,000 and is eligible for an increase in his annual base salary to: (i) $168,000 upon the successful raise of $1,500,000 in an equity financing; and (ii) $240,000 upon the successful raise of $2,500,000 in an equity financing.

(2) Vic Neufeld is entitled to an annual fee of $250,000 and is eligible for an increase in his annual fee to: (i) $300,000 upon the successful raise of $5,000,000 in an equity financing; and (ii) $350,000 upon the successful raise of $10,000,000 in an equity financing.

(4) Ricky Brar is entitled to an annual fee of $150,000 and is eligible for an increase in his annual fee to: (i) $175,000 upon the successful raise of $5,000,000 in an equity financing; and (ii) $200,000 upon the successful raise of $10,000,000 in an equity financing.

The anticipated compensation set out above is based on current conditions in the industry and on the associated approximate allocation of time for each NEO and director, and is subject to adjustments based on changing market conditions and corresponding changes to required time commitments.

Stock Options and Other Compensation Securities

The Company was not a reporting issuer at any time during its most recently completed financial year. The following table discloses all compensation securities the Company has granted or issued to each Named Executive Officer and directors of the Company since incorporation of the Company:

Compensation Securities

Name and Position	Type of compensation security	Number of compensation securities and percentage of class[(1)(2)(3)]	Date of issue or grant	Issue conversion of exercise price	Expiry Date
Tim Moore, CEO	Options[(5)]	500,000	June 4, 2020	$0.25	June 4, 2025
	RSRs[(6)]	500,000 (10.80%)	June 4, 2020	-	-
	Options[(7)]	250,000 (12.03%)	September 10, 2020	$0.65	September 10, 2025
Eli Dusenbury, CFO	Options[(8)]	250,000 (4.01%)	June 4, 2020	$0.25	June 4, 2025
	RSRs[(9)]	150,000 (3.24%)	September 1, 2020		-
Barinder Rasode, President, Director	Performance Warrants[(10)]	4,500,000 (31.03%)	September 4, 2020	$0.05	September 4, 2023
	Options[(11)]	250,000 (4.01%)	September 10, 2020	$0.65	September 10, 2025
	RSRs[(12)]	200,000 (4.32%)	October 11, 2020	-	-
Vic Neufeld, Director, Chairman	Options[(13)]	250,000	September 10, 2020	$0.65	September 10, 2025
	Options[(14)]	1,000,000 (20.05%)	October 4, 2020	$0.79	October 4, 2025
	RSRs[(15)]	2,000,000	October 4, 2020	-	-
	RSRs[(16)]	50,000 (48.61%)	October 4, 2020	-	-
Ricky Brar, Director, Vice-Chairman	Options[(17)]	250,000	September 10, 2020	$0.65	September 10, 2025
	Options[(18)]	750,000 (16.04%)	October 4, 2020	$0.79	October 4, 2025
	RSRs[(19)]	1,000,000	October 4, 2020	-	
	RSRs[(20)]	40,000 (22.47%)			-
Tim Laidler	Options[(21)]	250,000 (4.01%)	September 10, 2020	$0.65	September 10, 2025
	RSRs[(22)]	50,000 (1.08%)	October 11, 2020	-	-

Notes:

(1) Based on 6,235,000 Options issued and outstanding as of the date of this AIF.

(2) Based on 14,500,000 Performance Warrants issued and outstanding as of the date of this AIF.

(3) Based on 4,629,130 RSRs issued and outstanding as of the date of this AIF.

(4) 4,500,000 Performance Warrants were cancelled effective September 30, 2020.

(5) Such Options will vest quarterly over 12 months.

(6) Such RSRs will vest and be released in three equal tranches based on the successful completion of certain performance milestones.

(7) Such Options vested immediately.

(8) Such Options vested immediately.

(9) Such RSRs will vest and be released in 4 months after the successful submission of the long form final prospectus dated September 1, 2020.

(10) One-half (50%) of the such Performance Warrants shall vest and become exercisable on the date of the Issuer's first production of psilocybin spp compounds in its laboratory facility; and one-half (50%) of such Performance Warrants shall vest and become exercisable on the date of the Issuer's first sale of a natural health product.

(11) Such Options vested immediately.

(12) Such RSRs vested immediately.

(13) Such Options vested immediately.

(14) Such Options will vest in eight (8) equal tranches on a quarterly basis over a period of two (2) years.

(15) 1,000,000 of such RSRs have a restricted period that expires on January 4, 2021 and 1,000,000 of such RSRs have a restricted period that expires on April 4, 2021.

(16) Such RSRs will vest and be released in eight (8) equal tranches on a quarterly basis over a period of two (2) years.

(17) Such options vested immediately**.**

(18) Such Options will vest in eight (8) equal tranches on a quarterly basis over a period of two (2) years.

(19) 500,000 of such RSRs have a restricted period that expires on January 4, 2021 and 500,000 of such RSRs have a restricted period that expires on April 4, 2021.

(20) Such RSRs will vest and be released in eight (8) equal tranches on a quarterly basis over a period of two (2) years.

(21) Such options vested immediately**.**

(22) Such RSRs will vest and be released in eight (8) equal tranches on a quarterly basis over a period of two (2) years.

Stock Option Plans and Other Incentive Plans

The following summary of certain provisions of the Equity Incentive Plan does not purport to be complete and is subject in its entirety to the detailed provisions of the Equity Incentive Plan, a copy of which will be filed on SEDAR and will be available without charge from the Company after such time.

The Equity Incentive Plan provides for the grant to eligible directors and employees (including officers) of Options and RSRs. The Equity Incentive Plan also provides for the grant to eligible directors of DSUs which the directors are entitled to redeem for 90 days following retirement or termination from the Board.

Stock Options

Option Grants

The Equity Incentive Plan authorizes the Board to grant Options. The number of Common Shares, the exercise price per Common Share, the vesting period and any other terms and conditions of Options granted from time to time pursuant to the Equity Incentive Plan, are determined by the Board at the time of the grant, subject to the defined parameters of the Equity Incentive Plan. The date of grant for the Options shall be the date such grant was approved by the Board.

Exercise Price

The exercise price of any Option cannot be less than the closing market price of the Common Shares on (a) the trading day prior to the date of grant of the Award; and (b) the date of grant of the Award (the "**Fair Market Value**").

Exercise Period, Blackout Periods and Vesting

Options are exercisable for a period of five years from the date the Option is granted or such greater or lesser period as determined by the Board. Options may be earlier terminated in the event of death or termination of employment or appointment. Vesting of Options is determined by the Board. Failing a specific vesting determination by the Board, Options automatically become exercisable incrementally over a period of eighteen months from the date of grant, as to: (i) 25% of the total number of shares under Option immediately upon the date of grant; and (ii) at each six-month interval thereafter, an additional 25% of the total number of shares under Option such that after the 18th month of the Option period, 100% of the Option will be exercisable. The right to exercise an Option may be accelerated in the event a takeover bid in respect of the Common Shares is made.

When the expiry date of an Option occurs during, or within ten (10) days following, a "blackout period", the expiry date of such Option is deemed to be the date that is ten (10) days following the expiry of such blackout period. Blackout periods are imposed by the Company to restrict trading of the Company's securities by directors, officers, and certain others who hold Options to purchase Common Shares, in accordance with any similar policies in effect from time to time, in circumstances where material non-public information exists, including where financial statements are being prepared but results have not yet been publicly disclosed.

Cashless Exercise Rights

Provided the Common Shares are listed on the Exchange, an optionee has the right to exercise an Option on a "cashless" basis by electing to relinquish, in whole or in part, the right to exercise such Option and receive, in lieu thereof, a number of fully paid Common Shares. The number of Common Shares issuable on the cashless exercise right is equal to the quotient obtained by dividing the difference between the aggregate Fair Market Value and the aggregate Option price of all Common Shares subject to such Option by the Fair Market Value of one (1) Common Share.

Termination or Death

If an optionee dies while employed by the Company, any Option held by him or her will be exercisable for a period of 12 months or prior to the expiration of the Options (whichever is sooner) by the person to whom the rights of the optionee shall pass by will or applicable laws of descent and distribution. If an optionee is terminated for cause, no Option will be exercisable unless the Board determines otherwise. If an optionee ceases to be employed or engaged by the Company for any reason other than cause, then the Options will be exercisable for a period of 12 months or prior to the expiration of the Options (whichever is sooner).

RSRs

RSR Grant

The Equity Incentive Plan authorizes the Board to grant RSRs, in its sole and absolute discretion, to any eligible employee or director. Each RSR 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, subject to the Equity Incentive Plan and with such additional provisions and restrictions as the Board may determine. Each RSR grant shall be evidenced by a restricted share right grant letter which shall be subject to the terms of the Equity Incentive Plan and any other terms and conditions which the Board deems appropriate.

Vesting of RSRs

Concurrent with the granting of the RSR, the Board shall determine the period of time during which the RSR is not vested and the holder of such RSR remains ineligible to receive Common Shares. Such

period of time may be reduced or eliminated from time to time for any reason as determined by the Board. Once the RSR vests, the RSR is automatically settled through the issuance of an equivalent number of underlying Common Shares as RSRs held. Participants (as defined in the Equity Incentive Plan) who are resident in Canada for the purposes of the Tax Act may elect to defer some or all of any part of the Common Share grant until one or more later dates.

Retirement or Termination

In the event the participant retires or is terminated during the vesting period, any RSR held by the participant shall be terminated immediately provided however that the Board shall have the absolute discretion to accelerate the vesting date. In the event of death or total disability, the vesting period shall accelerate and the Common Shares underlying the RSRs shall be issued.

DSUs

DSU Grant

The Equity Incentive Plan authorizes the Board to grant DSUs, in its sole and absolute discretion in a lump sum amount or on regular intervals to eligible directors. Each DSU grant shall be evidenced by a DSU grant letter which shall be subject to the terms of the Equity Incentive Plan and any other terms and conditions which the Board deems appropriate.

Vesting of DSUs

Each eligible director shall be entitled to redeem their DSUs during the period commencing on the business day immediately following the date such director ceases to hold any directorship and ending on the 90th day following such date by providing written notice of redemption to the Company. Upon redemption, the director shall be entitled to receive (subject to any share issuance limits in the Equity Incentive Plan), the number of Common Shares equal to the number of DSUs in the director's account. If the director ceases to hold office during a year where DSUs have been granted in advance of being earned and they have not held office for the entire year, the director will only be entitled to a pro-rated issuance of shares.

Provisions applicable to all grants of Awards

Transferability

Pursuant to the Equity Incentive Plan, any Awards granted to a participant shall not be transferable except by will or by the laws of descent and distribution. During the lifetime of a participant, Awards may only be exercised by the Participant (as defined in the Equity Incentive Plan).

Amendments to the Plan

The Board may amend, suspend or terminate the Equity Incentive Plan or any Award granted under the Equity Incentive Plan without shareholder approval, including, without limiting the generality of the foregoing: (i) changes of a clerical or grammatical nature; (ii) changes regarding the persons eligible to participate in the Equity Incentive Plan; (iii) changes to the exercise price; (iv) vesting, term and termination provisions of Awards; (v) changes to the cashless exercise right provisions; (vi) changes to the authority and role of the Board under the Equity Incentive Plan; and (vii) any other matter relating to the Equity Incentive Plan and the Awards granted thereunder, provided however that:

(a) such amendment, suspension or termination is in accordance with applicable laws and the rules of any stock exchange on which the Company's shares are listed;

(b) no amendment to the Equity Incentive Plan or to an Award granted thereunder will have the effect of impairing, derogating from or otherwise adversely affecting the terms of an Award which is outstanding at the time of such amendment without the written consent of the holder of such Award;

(c) the terms of an Option will not be amended once issued; and

(d) the expiry date of an Option shall not be more than ten (10) years from the date of grant of such Option, provided, however, that at any time the expiry date should be determined to occur either during a blackout period or within ten business days following the expiry of a blackout period, the expiry date of such Option shall be deemed to be the date that is the tenth business day following the expiry of the blackout period.

If the Equity Incentive Plan is terminated, the provisions of the Equity Incentive Plan and any administrative guidelines and other rules and regulations adopted by the Board and in force on the date of termination will continue in effect as long as any Award pursuant thereto remain outstanding.

Share Issuance Limits

The aggregate number of Common Shares that may be subject to issuance under the Equity Incentive Plan, together with any other securities-based compensation arrangements of the Company, shall not exceed 20% of the Company's issued and outstanding share capital from time to time.

Employment, Consulting and Management Agreements

The Company has entered into an employment agreement with Tim Moore dated May 6, 2020, as amended, pursuant to which Tim Moore serves as the Chief Executive Officer of the Company until the employment agreement is terminated in accordance with the terms set forth therein. Mr. Moore is entitled to an initial annual base salary of $144,000 and is eligible for an increase in his annual base salary to: (i) $168,000 upon the successful raise of $1,500,000 in an equity financing; and (ii) $240,000 upon the successful raise of $2,500,000 in an equity financing. Mr. Moore is also eligible for a bonus at the Board's discretion and is eligible to participate in the Equity Incentive Plan, pursuant to which Mr. Moore has been granted: (i) 500,000 RSRs, which will vest and be released in three equal tranches based on the successful completion of certain performance milestones; and (ii) 500,000 Options exercisable at an exercise price of $0.25, which will vest quarterly over 12 months.

The Company has entered into a consulting agreement with Eli Dusenbury dated June 10, 2020, pursuant to which Mr. Dusenbury provides the services of Chief Financial Officer of the Company until the agreement is terminated in accordance with the terms set forth therein. Mr. Dusenbury is entitled to an initial monthly base fee of $10,000 and is eligible for an increase in his monthly base fee to $12,500 after six (6) months of service from the date the Company successfully list its Common Shares on a stock exchange. Mr. Dusenbury is also eligible for a bonus at the Board's discretion and is eligible to participate in the Equity Incentive Plan, pursuant to which Mr. Dusenbury has been granted: (i) 150,000 RSRs, which will vest and be released in 4 months after the successful submission of the long form final prospectus dated September 1, 2020; and (ii) 250,000 Options exercisable at $0.25 per Option, which vested immediately and are effective for a period of 5 years in accordance with the Equity Incentive Plan.

The Company has entered into an employment agreement with Susan Chapelle dated September 4, 2020, as amended, pursuant to which Ms. Chapelle serves as the Executive Vice President (Research and Development).of the Company until the employment agreement is terminated in accordance with the terms set forth therein. Ms. Chapelle is entitled to an initial annual base salary of $144,000 and is eligible for an increase in her base salary to: (i) $168,000 upon the successful raise of $1,500,000 in an equity financing; and (ii) $240,000 upon the successful raise of $2,500,000 in an equity financing.

Ms. Chapelle is also eligible for a bonus at the Board's discretion and has received 1,000,000 Performance Warrants and is eligible to participate in the Equity Incentive Plan.

The Company has entered into an employment agreement with Ivan Casselman dated September 4, 2020, pursuant to which Mr. Casselman serves as Chief Psychedelics Officer of the Company until the employment agreement is terminated in accordance with the terms set forth therein. Mr. Casselman is entitled to an initial annual base salary of $84,000 and is eligible for an increase in his base salary to: (i) $120,000 upon submission of an application for a Dealer's License to Health Canada for psilocybin spp compounds; and (ii) $180,000 upon the Company's first production of psilocybin spp compounds in its Facility. Mr. Casselman is also eligible for a bonus at the Board's discretion and is eligible to participate in the Equity Incentive Plan, pursuant to which Mr. Casselman was granted 1,000,000 Options exercisable at a price of $0.25, which will vest as follows: (i) one-half (50%) of the Options will vest upon the Company's first production of psilocybin spp compounds in its Facility; and (ii) one-half (50%) of the Options will vest upon the Company's first sale of a NHP.

The Company has entered into an employment agreement with Alexzander Samuelsson dated September 4, 2020, pursuant to which Mr. Samuelsson serves as Chief Research Officer of the Company until the employment agreement is terminated in accordance with the terms set forth therein. Mr. Samuelsson is entitled to an initial annual base salary of $84,000 and is eligible for an increase in his base salary to: (i) $102,000 upon submission of an application for a Dealer's License to Health Canada for psilocybin spp compounds; and (ii) $120,000 upon the Company's first production of psilocybin spp compounds in its Facility. Mr. Samuelsson is also eligible for a bonus at the Board's discretion and is eligible to participate in the Equity Incentive Plan, pursuant to which Mr. Sameulsson was granted 100,000 Options exercisable at a price of $0.25, which will vest as follows: (i) one-half (50%) of the Options will vest upon the Company's first production of psilocybin spp compounds in its Facility; and (ii) one-half (50%) of the Options will vest upon the Company's first sale of a NHP.

The Company has entered into an employment agreement with Barinder Rasode dated September 4, 2020, as amended, pursuant to which Ms. Rasode serves as President of the Company until December 31, 2022 or until the employment agreement is earlier terminated in accordance with terms set forth therein. Ms. Rasode is entitled to an initial annual base salary of $180,000. Ms. Rasode is eligible for a bonus at the Board's discretion and has received 4,500,000 Performance Warrants and is eligible to participate in the Equity Incentive Plan.

The Company has entered into a consulting agreement with Gary Leong dated September 10, 2020, pursuant to which Mr. Leong provides the services of Chief Science Officer of the Company until the agreement is terminated in accordance with the terms set forth therein. Mr. Leong is entitled to an initial monthly base fee of $5,000, which such fee will be reassessed quarterly to reflect the then current required level of services. Mr. Leong is also eligible to participate in the Equity Incentive Plan, pursuant to which Mr. Leong was granted: (i) 100,000 RSRs, which will vest and be released in two (2) equal tranches based on the successful completion of the following milestones: (a) signed memorandum of understanding with corresponding news release from a national retailer forming a strategic partnership with intent to distribute the Company's products; and (b) successful launch with corresponding news release of the Company's products with a national retailer; and (ii) 200,000 Options exercisable at $0.25 per Option, which will vest over a period of 24 months and release in eight equal tranches every three (3) months in accordance with the Equity Incentive Plan.

See "*Stock Option Plans and Other Incentive Plans*" above.

Termination and Change of Control Benefits

Mr. Moore's executive employment agreement (the "**Moore Employment Agreement**"), Ms. Chapelle's executive employment agreement (the "**Chapelle Employment Agreement**"), Mr. Casselman's executive employment agreement (the "**Casselman Employment Agreement**"), Mr. Samuelsson's executive employment agreement (the "**Samuelsson Employment Agreement**"), Ms. Rasode's executive employment agreement (the "**Rasode Employment Agreement**") and Ms. Kumari's employment agreement (the "**Kumari Employment Agreement**", and together with the

Moore Employment Agreement, the Chapelle Employment Agreement, the Casselman Employment Agreement, the Samuelsson Employment Agreement and the Rasode Employment Agreement, the "**Employment Agreements**") are the only agreements or arrangements which provide for payments to be made by the Company in the event of termination by the Company without cause or following a change of control, death or total disability, the details of which are summarized below.

Meaning of "Cause", "Change of Control", "Good Reason" and "Disability"

In the Employment Agreements, "**Cause**" means:

(a) the commission by the employee of an offence under the Criminal Code of Canada related to his or her employment which is likely to harm his or her reputation in the community or the reputation of the Company;

(b) conduct by the employee that brings the Company into substantial public disgrace or disrepute;

(c) the commission of an act of fraud in the course of the employee's employment;

(d) gross negligence or gross misconduct by the employee with respect to the Company;

(e) the employee's failure to follow any lawful direction of the Board which is not cured within three (3) days after written notice thereof to the employee;

(f) the employee's breach of any confidentiality, non-competition or non-solicitation obligation towards the Company as set out in the Employment Agreement;

(g) any breach by the employee of a material employment policy of the Company, which is not cured within three (3) days after written notice thereof to the employee;

(h) any other breach by the employee of the Employment Agreement which is material and which is not cured within ten (10) days after written notice thereof to the employee; or

(i) any other act or omission by the employee giving rise to just cause under the common law of British Columbia.

In the Moore Employment Agreement, the Chapelle Employment Agreement, Casselman Employment Agreement, the Samuelsson Employment Agreement and the Rasode Employment Agreement, "**Change of Control**" means, in respect of the Company:

(a) if, as a result of or in connection with the election of directors, the people who were directors (or who were entitled under a contractual arrangement to be directors) of the Company before the election cease to constitute a majority of the Board, unless the directors have been nominated by management or approved of by a majority of the previously serving directors;

(b) any transaction at any time and by whatever means pursuant to which any person or group of two or more persons acting jointly or in concert as a single control group or any affiliate (other than a wholly-owned subsidiary of the Company or in connection with a reorganization of the Company) or any one or more directors thereof hereafter "beneficially owns" (as defined in the *Business Corporations Act* (British Columbia)) directly or indirectly, or acquires the right to exercise control or direction over, voting securities of the Company, representing 50% or more of the then issued and outstanding voting securities of the Company, as the case may be, in any manner whatsoever;

(c) the sale, assignment, lease or other transfer or disposition of more than 50% of the assets of the Company to a person or any group of two or more persons acting jointly or in concert (other than a wholly-owned subsidiary of the Company or in connection with a reorganization of the Company);

(d) the occurrence of a transaction requiring approval of the Company' shareholders whereby the Company is acquired through consolidation, merger, exchange of securities involving all of the Company's voting securities, purchase of assets, amalgamation, statutory arrangement or otherwise by any person or any group of two or more persons acting jointly or in concert (other than a short-form amalgamation of the Company or an exchange of securities with a wholly-owned subsidiary of the Company or a reorganization of the Company); or

(e) any sale, lease, exchange, or other disposition of all or substantially all of the assets of the Company other than in the ordinary course of business,

but specifically excludes any acquisition of Havn Research. and any events or circumstances directly relating thereto.

In the Moore Employment Agreement, the Chapelle Employment Agreement, Casselman Employment Agreement, the Samuelsson Employment Agreement and the Rasode Employment Agreement, "**Good Reason**" means:

(a) the failure of the Company to pay any amount due to the employee under the Employment Agreement, which failure persists for fifteen days after the Company receives the employee's notice of failure,

(b) any material reduction in the employee's title or a material reduction in his duties or responsibilities,

(c) any material adverse change in the employee's

(d) base salary, or

(e) benefits (other than changes that affect other management employees of the Company to the same or a comparable extent), or

(f) the Company's material breach of the Employment Agreement, which breach has not been cured by the Company within fifteen days after receipt of notice from the employee specifying, in reasonable detail, the nature of the breach or failure.

In the Employment Agreements, "**Disability**" means an employee's total inability to fulfil his or her duties on behalf of the Company for a continuous period of six months or more.

Termination by the Company on a Change of Control

With respect to the Moore Employment Agreement, the Chapelle Employment Agreement, the Casselman Employment Agreement and the Samuelsson Employment Agreement, if at any time during the term of the respective agreement there is a Change of Control and within three months of such Change of Control, there is a termination of the employment agreement by the Company, without Cause, the employee shall then be entitled to receive from the Company twelve (12) months of base salary and the Accrued Obligations (as defined below). In such circumstance, if and as applicable, any unvested Options and RSRs will immediately vest upon the termination of the employee's employment, subject to the terms and conditions of the Equity Incentive Plan.

Termination by the Company Without Cause or by the Employee With Good Reason

The Company may terminate the Moore Employment Agreement, the Chapelle Employment Agreement, the Casselman Employment Agreement and the Samuelsson Employment Agreement without Cause or due to Disability at any time by notice in writing, and Tim Moore, Susan Chapelle, Ivan Casselman and Alexzander Samuelsson, respectively, may terminate their respective employment agreements for Good Reason at any time by notice in writing. In either event, the Company shall pay such respective employee:

i. a lump sum payment equal to the following:

a. three (3) months of base salary in the event that the employee's employment terminates before completing one full year of service;

b. six (6) months of base salary in the event the employee's employment terminates upon completing one (1) full year of service but less than two (2) full years of service;

c. nine (9) months of base salary in the event the employee's employment terminates upon completing two (2) full years of service but less than three (3) full years of service; or

d. twelve (12) months of base salary in the event the employee's employment terminates upon completing three (3) full years of service or more,

the number of months set out in each of (a) through (d) above, as may be applicable, shall be referred to as the "**Severance Period**";

ii. the employee's participation in the Company's benefits plans will continue through the applicable Severance Period to the maximum extent permitted under applicable plan terms. For benefits that cannot be continued for all or part of the Severance Period, the Company shall reimburse the employee for replacement coverage;

iii. the Company shall pay: (a) the employee's base salary up to and including the date on which the employment agreement terminates; (b) all outstanding vacation pay and other compensation earned to the date of termination (collectively, the "**Accrued Obligations**").

The Company may terminate the Rasode Employment Agreement prior to December 31, 2022 (the "**Term**") without Cause by notice in writing, and Barinder Rasode may terminate her employment agreements for Good Reason prior to the Term by notice in writing. In either event, the Company shall pay the employee:

i. the greater of the following:

a. continued payment of the employee's base salary from the date of notice of termination to the date of expiry of the Term, in accordance with Company's standard payroll practices; plus a continuation of the employee's benefits coverage from the date of notice of termination to the date of expiry of the Term. For benefits that cannot be continued for all or part of this period, the Company shall reimburse the employee for replacement coverage;

or

b. payment of such minimum amount of pay in lieu of notice of termination, if any, to which the employee may be entitled under the British Columbia *Employment Standards Act* as of the date of notice of termination; plus a continuation of the employee's benefits coverage, if applicable, for such minimum period as may be required by the British Columbia *Employment Standards Act*; and

ii. the Accrued Obligations

The Company may terminate the Kumari Employment Agreement without Cause or due to Disability at any time by notice in writing, and the employee may terminate her employment agreement for Good Reason at any time by notice in writing. In either event, the Company shall pay to the employee:

i. a lump sum payment equal to the following:

   a. two (2) weeks of base salary in the event that the employee's employment terminates before completing one full year of service; or

   b. one (1) month of base salary for each completed year inclusive for the first year of employment up to a maximum of 12 months of base salary,

   the number of months set out in each of (a) through (d) above, as may be applicable, shall be referred to as the "**Kumari Severance Period**";

ii. the employee's participation in the Company's benefits plans will continue through the Kumari Severance Period to the maximum extent permitted under applicable plan terms. For benefits that cannot be continued for all or part of the Severance Period, the Company shall reimburse the employee for replacement coverage; and

iii. the Accrued Obligations.

Termination on expiry of Term or Disability

In the event that the Rasode Employment Agreement terminates on expiry of the Term or because of Disability, Barinder Rasode shall be entitled to:

i. The minimum amount of notice of termination, or pay in lieu of notice, if any, to which the employee may be entitled under the British Columbia *Employment Standards Act,* taking into account any notice of termination which the Company may provide in advance of the expiry of the Term; and

ii. A continuation of the employee's benefits coverage, if applicable, for such minimum period as may be required by the British Columbia *Employment Standards Act*.

Termination on Death

If an Employment Agreement is terminated by reason of death, the Company shall pay the employee's estate or beneficiaries the Accrued Obligations.

Termination by the Employee Without Good Reason

If an employee terminates an Employment Agreement without Good Reason, the employee is not entitled to any termination payment from the Company and shall only receive the Accrued Obligations.

Termination by the Company for Cause

If the Company terminates an Employment Agreement with Cause, the employee is not entitled to any termination payment from the Company and shall only receive the Accrued Obligations.

Oversight and Description of Director and Named Executive Officer Compensation

Compensation of Directors

Compensation of directors of the Company is reviewed annually by the Board. The level of compensation for directors is determined after consideration of various relevant factors, including the expected nature and quantity of duties and responsibilities, past performance, comparison with compensation paid by other issuers of comparable size and nature, and the availability of financial resources.

Currently, the directors of the Company are compensated as follows for their service to the Board of the Company:

Name and Principal Position	Year	Salary, consulting fee, retainer or commission ($)	Bonus ($)	Total Compensation
Vic Neufeld, Director, Chairman	2020-2021	250,000[(1)]	100,000	$350,000
Ricky Brar, Director, Vice-Chairman	2020-2021	150,000[(2)]	50,000	$200,000
Barinder Rasode, President, Director	2020-2021	-	50,000	$50,000
Tim Laidler, Director, Chairman	2020-2021	120,000	50,000	$170,000

Notes:

(1) Vic Neufeld is entitled to an annual fee of $250,000 and is eligible for an increase in his annual fee to: (i) $300,000 upon the successful raise of $5,000,000 in an equity financing; and (ii) $350,000 upon the successful raise of $10,000,000 in an equity financing.

(2) Ricky Brar is entitled to an annual fee of $150,000 and is eligible for an increase in his annual fee to: (i) $175,000 upon the successful raise of $5,000,000 in an equity financing; and (ii) $200,000 upon the successful raise of $10,000,000 in an equity financing.

In the Board's view, there is, and has been, no need for the Company to design or implement a formal compensation program for directors. While the Board considers equity incentive grants to directors under the Equity Incentive Plan from time to time, the Board does not employ a prescribed methodology when determining the grant or allocation of equity incentives. Other than the Equity Incentive Plan, as discussed above, the Company does not offer any long-term incentive plans, share compensation plans or any other such benefit programs for directors.

Compensation of NEOs

Compensation of NEOs is reviewed annually and determined by the Board. The level of compensation for NEOs is determined after consideration of various relevant factors, including the expected nature and quantity of duties and responsibilities, past performance, comparison with compensation paid by other issuers of comparable size and nature, and the availability of financial resources.

Elements of NEO Compensation

As discussed above, the Company provides an Equity Incentive Plan to motivate NEOs by providing them with the opportunity, through grants of equity incentives, to acquire an interest in the Company and benefit from the Company's growth. The Board does not employ a prescribed methodology when determining the grant or allocation of equity incentives to NEOs. Other than the Equity Incentive Plan, the Company does not offer any long-term incentive plans, share compensation plans, retirement plans, pension plans, or any other such benefit programs for NEOs.

Pension Plan Benefits

No pension, retirement or deferred compensation plans, including defined contribution plans, have been instituted by the Company and none are proposed at this time.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY INCENTIVE PLAN

The following table sets forth information with respect to all compensation plans under which equity securities are authorized for issuance as of the date of this AIF:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans excluding securities reflected in column (a)
	(a)	(b)	(c)
Equity compensation plans approved by securityholders	N/A	N/A	N/A
Equity compensation plans not approved by securityholders[1]	10,864,130[2]	0.59[3]	2,530,070
TOTAL	10,864,130	0.59	2,530,070

Notes:

(1) Represents the Equity Incentive Plan of the Company, which reserves a number of common shares equal to 20% of the then outstanding common shares from time to time for issue pursuant to equity incentives contemplated by the Equity Incentive Plan. The Equity Incentive Plan shall be put forth for approval by the Company's shareholders at its next annual general meeting.

(2) Comprised of 6,235,000 Options and 4,629,130 RSRs issued and outstanding under the Equity Incentive Plan as of the date of this AIF, representing 9.89% of the Company's share capital on a fully-diluted basis.

(3) Reflects weighted-average exercise price of outstanding Options.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As of the date hereof, other than indebtedness that has been entirely repaid on or before the date of this AIF or "routine indebtedness" as defined in Form 51-102F5 of National Instrument 51-102 none of:

(a) the individuals who are, or at any time since the incorporation of the Company were, a director or executive officer of the Company;

(b) the proposed nominees for election as a director of the Company; or

(c) any associates of the foregoing persons,

is, or at any time since the incorporation of the Company has been, indebted to the Company or any subsidiary of the Company, or is a person whose indebtedness to another entity is, or at any time since the incorporation of the Company has been, the subject of a guarantee support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any subsidiary of the Company.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

The Company is not aware of any material legal proceedings involving the Company nor are any such proceedings known by the Company to be contemplated.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as disclosed elsewhere in this AIF, no (a) director or executive officer, (b) person or company that beneficially owns, controls or directs, directly or indirectly, more than 10% of the Common Shares, nor (c) associate or affiliate of any of the persons or companies referred to in (a) or (b) has, or has had since the incorporation of the Company, any material interest, direct or indirect, in any transaction that has materially affected or is reasonably expected to materially affect the Company or any of its subsidiaries.

TRANSFER AGENT AND REGISTRAR

The registrar and transfer agent of the Common Shares is Odyssey Trust Company at its principal offices in Vancouver, British Columbia.

MATERIAL CONTRACTS

As at the date of this AIF, the following agreements and contracts are reasonably regarded as being material to Havn:

- the share purchase agreement among the Company, Havn Research and the former shareholders of Havn Research dated June 3, 2020 as amended on June 30, 2020 (the "**Share Purchase Agreement**");
- the Sublease Agreement; and
- the Invention and Intellectual Property Assignment Agreement.

A copy of each of the Share Purchase Agreement, the Sublease Agreement and the Invention and Intellectual Property Agreement are available under Havn's profile on the SEDAR website at www.sedar.com.

INTERESTS OF EXPERTS

The independent auditors of Havn are De Visser Gray LLP. De Visser Gray LLP was appointed as the independent auditors of Havn on May 19, 2020. De Visser Gray LLP has informed Havn that it is independent with respect to Havn within the meaning of the Code of Professional Conduct of the Chartered Professional Accountants of British Columbia.

ADDITIONAL INFORMATION

Additional financial information about Havn can be found in Havn's financial statements and management's discussion and analysis for the fiscal year ended April 30, 2020. Additional information relating to Havn may be found on SEDAR at www.sedar.com.

SCHEDULE “A”
Audit Committee Charter

Please see attached.

AUDIT COMMITTEE CHARTER

(Approved by the Board of Directors on June 4, 2020)

Havn Life Sciences Inc.
ir@havnlife.com
www.havnlife.com

AUDIT COMMITTEE CHARTER

1. PURPOSE

The main purpose of the Audit Committee (the **"Committee"**) of the Board of Directors (the **"Board"**) of HAVN Life Sciences Inc. (**"HAVN"** or the **"Company"**) is to assist the Board in fulfilling its statutory responsibilities in relation to internal control and financial reporting, and to carry out certain oversight functions on behalf of the Board, including the oversight of:

(a) the integrity of the Company's financial statements and other financial information provided by the Company to securities regulators, governmental bodies and the public to ensure that the Company's financial disclosures are complete, accurate, in accordance with International Financial Reporting Standards (**"IFRS"**) as issued by the International Accounting Standards Board (**"IASB"**) and interpretations by the International Financial Reporting Interpretations Committee (**"IFRIC"**), and fairly present the financial position and risks of the Company;

(b) assessing the independence, qualifications and performance of the Company's independent auditor (the **"Auditor"**), appointing and replacing the Auditor, overseeing the audit and non-audit services provided by the Auditor, and approving the compensation of the Auditor;

(c) Senior Management (as defined below) responsibility for assessing and reporting on the effectiveness of internal controls;

(d) financial matters and management of financial risks;

(e) the prevention and detection of fraudulent activities; and

(f) investigation of complaints and submissions regarding accounting or auditing matters and unethical or illegal behavior.

The Committee provides an avenue for communication between the Auditor, the Company's executive officers and other senior managers (**"Senior Management"**) and the Board, and has the authority to communicate directly with the Auditor. The Committee shall have a clear understanding with the Auditor that they must maintain an open and transparent relationship with the Committee. The Auditor is ultimately accountable to the Committee and the Board, as representatives of the Company's shareholders.

2. COMPOSITION

The Committee shall be comprised of three directors. Each Committee member shall:

(a) satisfy the laws governing the Company;

(b) be "independent" in accordance with Sections 1.4 and 1.5 of National Instrument 52-110 *Audit Committees* (**"NI 52-110"**), which sections are reproduced in Appendix "A" of this charter; and

(c) be "financially literate" in accordance with the definition set out in Section 1.6 of NI 52-110, which definition is reproduced in Appendix "A" of this charter.

For purposes of subparagraph (b) above, the position of non-executive Chair of the Board is considered to be an executive officer of the Company.

Committee members and the chair of the Committee (the **"Committee Chair"**) shall be appointed annually by the Board at the first Board meeting that is held after every annual general meeting of the Company's shareholders. The Board may remove a Committee member at any time in its sole discretion by a resolution of the Board.

If a Committee member simultaneously serves on the audit committees of more than three public companies, the Committee shall seek the Board's determination as to whether such simultaneous service would impair the ability of such member to effectively serve on the Committee and ensure that such determination is disclosed.

3. MEETINGS

The Committee shall meet at least once per financial quarter and as many additional times as the Committee deems necessary to carry out its duties effectively.

The Committee shall meet:

(a) within 60 days following the end of each of the first three financial quarters to review and discuss the unaudited financial results for the preceding quarter and the related management's discussion and analysis (**"MD&A"**); and

(b) within 120 days following the end of the Company's fiscal year end to review and discuss the audited financial results for the year and related MD&A.

As part of its job to foster open communication, the Committee shall meet at least once each financial quarter with Senior Management and the Auditor in separate executive sessions to discuss any matters that the Committee or each of these groups believe should be discussed privately.

A majority of the members of the Committee shall constitute a quorum for any Committee meeting. No business may be transacted by the Committee except at a meeting of its members at which a quorum of the Committee is present or by unanimous written consent of the Committee members.

The Committee Chair shall preside at each Committee meeting. In the event the Committee Chair is unable to attend or chair a Committee meeting, the Committee will appoint a chair for that meeting from the other Committee members.

The Corporate Secretary of the Company, or such individual as appointed by the Committee, shall act as secretary for a Committee meeting (the **"Committee Secretary"**) and, upon receiving a request to convene a Committee meeting from any Committee member, shall arrange for such meeting to be held.

The Committee Chair, in consultation with the other Committee members, shall set the agenda of items to be addressed at each Committee meeting. The Committee Secretary shall ensure that the agenda and any supporting materials for each upcoming Committee meeting are circulated to each Committee member in advance of such meeting.

The Committee may invite such officers, directors and employees of the Company, the Auditor, and other advisors as it may see fit from time to time to attend at one or more Committee meetings and assist in the discussion and consideration of any matter. For purposes of performing their duties, members of the Committee shall, upon request, have immediate and full access to all corporate information and shall be permitted to discuss such information and any other matters relating to the duties and responsibilities of the Committee with officers, directors and employees of the Company, with the Auditor, and with other advisors subject to appropriate confidentiality agreements being in place.

Unless otherwise provided herein or as directed by the Board, proceedings of the Committee shall be conducted in accordance with the rules applicable to meetings of the Board.

4. DUTIES AND RESPONSIBILITIES

Subject to the powers and duties of the Board and the Articles of the Company, in order to carry out its oversight responsibilities, the Committee shall:

4.1 Financial Reporting Process

(a) Review with Senior Management and the Auditor any items of concern, any proposed changes in the selection or application of accounting principles and policies and the reasons for the change, any identified risks and uncertainties, and any issues requiring the judgement of Senior Management, to the extent that the foregoing may be material to financial reporting.

(b) Consider any matter required to be communicated to the Committee by the Auditor under generally accepted auditing standards, applicable law and listing standards, if applicable, including the Auditor's report to the Committee (and the response of Senior Management thereto) on:

  (i) accounting policies and practices used by the Company;

  (ii) alternative accounting treatments of financial information that have been discussed with Senior Management, including the ramifications of the use of such alternative treatments and disclosures and the treatment preferred by the Auditor; and

  (iii) any other material written communications between the Auditor and Senior Management.

(c) Discuss with the Auditor their views about the quality, not just the acceptability, of accounting principles and policies used by the Company, including estimates and judgements made by Senior Management and their selection of accounting principles.

(d) Discuss with Senior Management and the Auditor:

  (i) any accounting adjustments that were noted or proposed (immaterial or otherwise) by the Auditor but were not reflected in the financial statements;

(ii) any material correcting adjustments that were identified by the Auditor in accordance with generally accepted accounting principles ("**GAAP**") or applicable law;

(iii) any communication reflecting a difference of opinion between the audit team and the Auditor's national office on material auditing or accounting issues raised by the engagement; and

(iv) any "management" or "internal control" letter issued, or proposed to be issued, by the Auditor to the Company.

(e) Discuss with Senior Management and the Auditor any significant financial reporting issues considered during the fiscal period and the method of resolution, and resolve disagreements between Senior Management and the Auditor regarding financial reporting.

(f) Review with Senior Management and the Auditor:

(i) any off-balance sheet financing mechanisms being used by the Company and their effect on the Company's financial statements; and

(ii) the effect of regulatory and accounting initiatives on the Company's financial statements, including the potential impact of proposed initiatives.

(g) Review with Senior Management and the Auditor and legal counsel, if necessary, any litigation, claim or other contingency, including tax assessments, that could have a material effect on the financial position or operating results of the Company, and the manner in which these matters have been disclosed or reflected in the financial statements.

(h) Review with the Auditor any audit problems or difficulties experienced by the Auditor in performing the audit, including any restrictions or limitations imposed by Senior Management, and the response of Senior Management, and resolve any disagreements between Senior Management and the Auditor regarding these matters.

(i) Review the results of the Auditor's work, including findings and recommendations, Senior Management's response, and any resulting changes in accounting practices or policies and the impact such changes may have on the financial statements.

(j) Review and discuss with Senior Management the audited annual financial statements and related MD&A and make recommendations to the Board with respect to approval thereof before their release to the public.

(k) Review and discuss with Senior Management and the Auditor all interim unaudited financial statements and related interim MD&A.

(l) Approve interim unaudited financial statements and related interim MD&A prior to their filing and dissemination.

(m) In connection with Sections 4.1 and 5.1 of National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* (**"NI 52-109"**), obtain confirmation from the

Chief Executive Officer (**"CEO"**) and the Chief Financial Officer (**"CFO"**) (and considering the Auditor's comments, if any, thereon) to their knowledge:

(i) that the audited financial statements, together with any financial information included in the annual MD&A and annual information form, fairly present in all material respects the Company's financial condition, financial performance and cash flows; and

(ii) that the interim financial statements, together with any financial information included in the interim MD&A, fairly present in all material respects the Company's financial condition, financial performance and cash flows.

(n) Review news releases to be issued in connection with the audited annual financial statements and related MD&A and the interim unaudited financial statements and related interim MD&A, before being disseminated to the public, if the Company is required to do so under applicable securities laws, paying particular attention to any use of "pro-forma" or "adjusted" non-GAAP, information.

(o) Review any news release containing earnings guidance or financial information based upon the Company's financial statements prior to the release of such statements, if the Company is required to disseminate such news releases under applicable securities laws.

(p) Review the appointment of the CFO and have the CFO report to the Committee on the qualifications of new key financial personnel involved in the financial reporting process.

4.2 <u>Internal Controls</u>

(a) Consider and review with Senior Management and the Auditor the adequacy and effectiveness of internal controls over accounting and financial reporting within the Company and any proposed significant changes in them.

(b) Consider and discuss any Auditor's comments on the Company's internal controls, together with Senior Management responses thereto.

(c) Discuss, as appropriate, with Senior Management and the Auditor any major issues as to the adequacy of the Company's internal controls and any special audit steps in light of material internal control deficiencies.

(d) Review annually the disclosure controls and procedures.

(e) Receive confirmation from the CEO and the CFO of the effectiveness of disclosure controls and procedures, and whether there are any significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information or any fraud, whether or not material, that involves Senior Management or other employees who have a significant role in the Company's internal control over financial reporting. In addition, receive confirmation from the CEO and the CFO that they are prepared to sign the annual and quarterly certificates required by Sections 4.1 and 5.1 of NI 52-109, as amended from time to time.

4.3 The Auditor

Qualifications and Selection

(a) Subject to the requirements of applicable law, be solely responsible to select, retain, compensate, oversee, evaluate and, where appropriate, replace the Auditor. The Committee shall be entitled to adequate funding from the Company for the purpose of compensating the Auditor for authorized services.

(b) Instruct the Auditor that:

(i) they are ultimately accountable to the Board and the Committee, as representatives of shareholders; and

(ii) they must report directly to the Committee.

(c) Ensure that the Auditor have direct and open communication with the Committee and that the Auditor meet with the Committee once each financial quarter without the presence of Senior Management to discuss any matters that the Committee or the Auditor believe should be discussed privately.

(d) Evaluate the Auditor's qualifications, performance, and independence. As part of that evaluation:

(i) at least annually, request and review a formal report by the Auditor describing: the firm's internal quality-control procedures; any material issues raised by the most recent internal quality-control review, or peer review, of the firm, 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 firm, and any steps taken to deal with any such issues;

(ii) annually review and confirm with Senior Management and the Auditor the independence of the Auditor, including all relationships between the Auditor and the Company, including the amount of fees received by the Auditors for the audit services, the extent of non-audit services and fees therefor, the extent to which the compensation of the audit partners of the Auditor is based upon selling non-audit services, the timing and process for implementing the rotation of the lead audit partner, reviewing partner and other partners providing audit services for the Company, and whether there should be a regular rotation of the audit firm itself; and

(iii) annually review and evaluate senior members of the audit team of the Auditor, including their expertise and qualifications. In making this evaluation, the Committee should consider the opinions of Senior Management.

Conclusions on the independence of the Auditor should be reported by the Committee to the Board.

(e) Approve and review, and verify compliance with, the Company's policies for hiring of employees and former employees of the Auditor and former auditors. Such policies shall include, at minimum, a one-year hiring "cooling off" period.

Other Matters

(a) Meet with the Auditor to review and approve the annual audit plan of the Company's financial statements prior to the annual audit being undertaken by the Auditor, including reviewing the year-to-year co-ordination of the audit plan and the planning, staffing and extent of the scope of the annual audit. This review should include an explanation from the Auditor of the factors considered by the Auditor in determining their audit scope, including major risk factors. The Auditor shall report to the Committee all significant changes to the approved audit plan.

(b) Review and pre-approve all audit and non-audit services and engagement fees and terms in accordance with applicable law, including those provided to the Company's subsidiaries by the Auditor or any other person in its capacity as independent auditor of such subsidiary. Between scheduled Committee meetings, the Committee Chair, on behalf of the Committee, is authorized to pre-approve any audit or non-audit services and engagement fees and terms up to $50,000. At the next Committee meeting, the Committee Chair shall report to the Committee any such pre-approval given.

(c) Establish and adopt procedures for such matters.

4.4 <u>Compliance</u>

(a) Monitor compliance by the Company with all payments and remittances required to be made in accordance with applicable law, where the failure to make such payments could render the Company's directors personally liable.

(b) Receive regular updates from Senior Management regarding compliance with laws and regulations and the process in place to monitor such compliance, excluding, however, legal compliance matters subject to the oversight of the Corporate Governance and Nominating Committee of the Board, if any. Review the findings of any examination by regulatory authorities and any observations by the Auditor relating to such matters.

(c) Establish and oversee the procedures in the Company's Whistleblower Policy to address:

(i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting or auditing matters or unethical or illegal behaviour; and

(ii) confidential, anonymous submissions by employees of concerns regarding questionable accounting and auditing matters or unethical or illegal behaviour.

(d) Ensure that political and charitable donations conform with policies and budgets approved by the Board.

(e) Monitor management of hedging, debt and credit, make recommendations to the Board respecting policies for management of such risks, and review the Company's compliance therewith.

(f) Approve the review and approval process for the expenses submitted for reimbursement by the CEO.

(g) Oversee Senior Management's mitigation of material risks within the Committee's mandate and as otherwise assigned to it by the Board.

4.5 Financial Oversight

(a) Assist the Board in its consideration and ongoing oversight of matters pertaining to:

(i) capital structure and funding including finance and cash flow planning;

(ii) capital management planning and initiatives;

(iii) property and corporate acquisitions and divestitures including proposals which may have a material impact on the Company's capital position;

(iv) the Company's annual budget;

(v) the Company's insurance program;

(vi) directors' and officers' liability insurance and indemnity agreements; and

(vii) matters the Board may refer to the Committee from time to time in connection with the Company's capital position.

4.6 Other

(a) Perform such other duties as may be assigned to the Committee by the Board.

(b) Annually review and assess the adequacy of its charter and recommend any proposed changes to the Corporate Governance and Nominating Committee.

(c) Review its own performance annually, and provide the results of such evaluation to the Board for its review.

5. AUTHORITY

The Committee shall have the resources and authority appropriate to discharge its duties and responsibilities, including the authority to:

a. select, retain, terminate, set and approve the fees and other retention terms of special or independent counsel, accountants or other experts, as it deems appropriate; and

b. obtain appropriate funding to pay, or approve the payment of, such approved fees, without seeking approval of the Board or Senior Management.

6. ACCOUNTABILITY

The Committee Chair shall make periodic reports to the Board, as requested by the Board, on matters that are within the Committee's area of responsibility.

The Committee shall maintain minutes of its meetings with the Company's Corporate Secretary and shall provide an oral report to the Board at the next Board meeting that is held after a Committee meeting.

Appendix "A"

Definitions from National Instrument 52-110 Audit Committees

Section 1.4 Meaning of Independence

(1) An audit committee member is independent if he or she has no direct or indirect material relationship with the issuer.

(2) For the purposes of subsection (1), a "material relationship" is a relationship which could, in the view of the issuer's board of directors, be reasonably expected to interfere with the exercise of a member's independent judgement.

(3) Despite subsection (2), the following individuals are considered to have a material relationship with an issuer:

(a) an individual who is, or has been within the last three years, an employee or executive officer of the issuer;

(b) an individual whose immediate family member is, or has been within the last three years, an executive officer of the issuer;

(c) an individual who:

(i) is a partner of a firm that is the issuer's internal or external auditor,

(ii) is an employee of that firm, or

(iii) was within the last three years a partner or employee of that firm and personally worked on the issuer's audit within that time;

(d) an individual whose spouse, minor child or stepchild, or child or stepchild who shares a home with the individual:

(i) is a partner of a firm that is the issuer's internal or external auditor,

(ii) is an employee of that firm and participates in its audit, assurance or tax compliance (but not tax planning) practice, or

(iii) was within the last three years a partner or employee of that firm and personally worked on the issuer's audit within that time;

(e) an individual who, or whose immediate family member, is or has been within the last three years, an executive officer of an entity if any of the issuer's current executive officers serves or served at that same time on the entity's compensation committee; and

(f) an individual who received, or whose immediate family member who is employed as an executive officer of the issuer received, more than $75,000 in direct compensation from the issuer during any 12 month period within the last three years.

(4) Despite subsection (3), an individual will not be considered to have a material relationship with the issuer solely because

(a) he or she had a relationship identified in subsection (3) if that relationship ended before March 30, 2004; or

(b) he or she had a relationship identified in subsection (3) by virtue of subsection (8) if that relationship ended before June 30, 2005.

(5) For the purposes of clauses (3)(c) and (3)(d), a partner does not include a fixed income partner whose interest in the firm that is the internal or external auditor is limited to the receipt of fixed amounts of compensation (including deferred compensation) for prior service with that firm if the compensation is not contingent in any way on continued service.

(6) For the purposes of clause (3)(f), direct compensation does not include:

(a) remuneration for acting as a member of the board of directors or of any board committee of the issuer, and

(b) the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the issuer if the compensation is not contingent in any way on continued service.

(7) Despite subsection (3), an individual will not be considered to have a material relationship with the issuer solely because the individual or his or her immediate family member

(a) has previously acted as an interim chief executive officer of the issuer, or

(b) acts, or has previously acted, as a chair or vice-chair of the board of directors or of any board committee of the issuer on a part-time basis.

(8) For the purpose of Section 1.4, an issuer includes a subsidiary entity of the issuer and a parent of the issuer.

Section 1.5 Additional Independence Requirements

(1) Despite any determination made under Section 1.4, an individual who

(a) accepts, directly or indirectly, any consulting, advisory or other compensatory fee from the issuer or any subsidiary entity of the issuer, other than as remuneration for acting in his or her capacity as a member of the board of directors or any board committee, or as a part-time chair or vice-chair of the board or any board committee; or

(b) is an affiliated entity of the issuer or any of its subsidiary entities, is considered to have a material relationship with the issuer.

(2) For the purposes of subsection (1), the indirect acceptance by an individual of any consulting, advisory or other compensatory fee includes acceptance of a fee by

(a) an individual's spouse, minor child or stepchild, or a child or stepchild who shares the individual's home; or

(b) an entity in which such individual is a partner, member, an officer such as a managing director occupying a comparable position or executive officer, or occupies a similar position (except limited partners, non-managing members and those occupying similar positions who, in each case, have no active role in providing services to the entity) and which provides accounting, consulting, legal, investment banking or financial advisory services to the issuer or any subsidiary entity of the issuer.

(3) For the purposes of subsection (1), compensatory fees do not include the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the issuer if the compensation is not contingent in any way on continued service.

Section 1.6 Meaning of Financial Literacy

For the purposes of this Instrument, 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 the issuer's financial statements.