

*A copy of this preliminary short form base shelf prospectus has been filed with the securities regulatory authorities in each of the provinces and territories of Canada but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary short form base shelf prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the short form base shelf prospectus is obtained from the securities regulatory authorities.*

*This short form prospectus is a base shelf prospectus. This short form base shelf prospectus has been filed under legislation each of the provinces and territories of Canada that permits certain information about these securities to be determined after this prospectus has become final and that permits the omission from this prospectus of that information. The legislation requires the delivery to purchasers of a prospectus supplement containing the omitted information within a specified period of time after agreeing to purchase any of these securities, except in cases where an exemption from such delivery requirements has been obtained.*

*No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This short form base shelf prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. The securities offered hereby have not been and will not be registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”), or the securities laws of any state of the United States, and may not be offered, sold or delivered, directly or indirectly, in the United States of America, its territories, possessions or the District of Columbia (the “United States”), or to a U.S. person (as such term is defined in Regulation S under the U.S. Securities Act) (a “U.S. Person”) unless exemptions from the registration requirements of the U.S. Securities Act and any applicable state securities laws are available. This short form base shelf prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of these securities within the United States or to, or for the account or benefit of, any U.S. Person. See “Plan of Distribution”.*

*Information has been incorporated by reference in this short form base shelf prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the secretary of HAVN Life Sciences Inc., at Suite 2200, 885 West Georgia Street, Vancouver, British Columbia V6C 3E8, telephone (604) 687-7130, and are also available electronically at [www.sedar.com](http://www.sedar.com).*

## PRELIMINARY SHORT FORM BASE SHELF PROSPECTUS

New Issue

August 5, 2021



### HAVN LIFE SCIENCES INC.

**\$25,000,000**

**Common Shares**

**Debt Securities**

**Subscription Receipts**

**Warrants**

**Units**

HAVN Life Sciences Inc. (“HAVN” or the “Company”) may from time to time offer and issue the following securities: (i) common shares of the Company (“**Common Shares**”); (ii) debt securities of the Company (“**Debt Securities**”); (iii) subscription receipts (“**Subscription Receipts**”) exchangeable for Common Shares and/or other securities of the Company; (iv) warrants exercisable to acquire Common Shares and/or other securities of the Company (“**Warrants**”); and (v) securities comprised of more than one of Common Shares, Debt Securities, Subscription Receipts and/or Warrants offered together as a unit (“**Units**”), or any combination thereof having an offer price of up to \$25,000,000 in aggregate (or the equivalent thereof, at the date of issue, in any other currency or currencies, as the case may be) at any time during the 25-month period that this short form base shelf prospectus (including any amendments hereto, the “**Prospectus**”) remains valid. The Common Shares, Debt Securities,

Subscription Receipts, Warrants and Units (collectively, the “**Securities**”) offered hereby may be offered in one or more offerings, separately or together, in separate series, in amounts, at prices and on terms to be set forth in one or more prospectus supplements (collectively or individually, as the case may be, “**Prospectus Supplements**”). One or more securityholders of the Company may also offer and sell Securities under this Prospectus.

The Securities may be sold, from time to time in one or more transactions at a fixed price or prices which may be changed or at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at negotiated prices, including sales in transactions that are deemed to be “at-the-market distributions” as defined in National Instrument 44-102 — *Shelf Distributions* (“**NI 44-102**”), including sales made directly on the Canadian Securities Exchange (the “**CSE**”) or other existing trading markets for the Securities, and as set forth in an accompanying Prospectus Supplement. See “Plan of Distribution”.

The specific terms of any offering of Securities will be set forth in the applicable Prospectus Supplement and may include, without limitation, where applicable: (i) in the case of Common Shares, the number of Common Shares being offered, the offering price, whether the Common Shares are being offered for cash, and any other terms specific to the Common Shares being offered; (ii) in the case of Debt Securities, the specific designation, aggregate principal amount, the currency or the currency unit for which the Debt Securities may be purchased, maturity, interest provisions, authorized denominations, offering price, whether the Debt Securities are being offered for cash, the covenants, the events of default, any terms for redemption or retraction, any exchange or conversion rights attached to the Debt Securities, and any other terms specific to the Debt Securities being offered; (iii) in the case of Subscription Receipts, the number of Subscription Receipts being offered, the offering price, whether the Subscription Receipts are being offered for cash, the terms, conditions and procedures for the exchange of the Subscription Receipts into or for Common Shares and/or other securities of the Company and any other terms specific to the Subscription Receipts being offered; (iv) in the case of Warrants, the number of such Warrants offered, the offering price, whether the Warrants are being offered for cash, the terms, conditions and procedures for the exercise of such Warrants into or for Common Shares and/or other securities of the Company and any other specific terms; and (v) in the case of Units, the number of Units being offered, the offering price, the terms of the Common Shares, Debt Securities, Subscription Receipts and/or Warrants underlying the Units, and any other specific terms.

All shelf information permitted under applicable securities legislation to be omitted from this Prospectus will be contained in one or more Prospectus Supplements that will be delivered to purchasers together with this Prospectus, except in cases where an exemption from such delivery requirements has been obtained. Each Prospectus Supplement will be incorporated by reference into this Prospectus as of the date of such Prospectus Supplement and only for the purposes of the distribution of the Securities covered by that Prospectus Supplement. The offerings are subject to approval of certain legal matters on behalf of the Company by Cassels Brock & Blackwell LLP.

This Prospectus does not qualify for issuance of Debt Securities, or Securities convertible or exchangeable into Debt Securities, in respect of which the payment of principal and/or interest may be determined, in whole or in part, by reference to one or more underlying interests including, for example, an equity or debt security, a statistical measure of economic or financial performance including, without limitation, any currency, consumer price or mortgage index, or the price or value of one or more commodities, indices or other items, or any other item or formula, or any combination or basket of the foregoing items. This Prospectus may qualify for issuance of Debt Securities, or Securities convertible or exchangeable into Debt Securities, in respect of which the payment of principal and/or interest may be determined, in whole or in part, by reference to published rates of a central banking authority or one or more financial institutions, such as a prime rate or bankers’ acceptance rate, or to recognized market benchmark interest rates such as CDOR (the Canadian Dollar Offered Rate) or LIBOR (the London Interbank Offered Rate), and/or convertible into or exchangeable for Common Shares and/or other securities of the Company.

The Company may sell the Securities, separately or together: (i) to one or more underwriters or dealers; (ii) through one or more agents; or (iii) directly to one or more purchasers. The Prospectus Supplement relating to a particular offering of Securities will describe the terms of such offering of Securities, including: (i) the terms of the Securities to which the Prospectus Supplement relates, including the type of Security being offered, and the method of distribution; (ii) the name or names of any underwriters, dealers, agents or selling securityholders involved in such offering of Securities; (iii) the purchase price of the Securities offered thereby and the proceeds to, if any, and the expenses borne by, if any, the Company from the sale of such Securities; (iv) any commission, underwriting discounts and other items constituting compensation payable to underwriters, dealers or agents; and (v) any discounts or concessions allowed or re-allowed or paid to underwriters, dealers or agents. See “Plan of Distribution”.

In connection with any offering of the Securities, subject to applicable laws and other than an “at-the-market distribution”, the underwriters or agents may over-allot or effect transactions that stabilize or maintain the market price of the offered Securities at a level above that which might otherwise prevail on the open market. Such transactions, if commenced, may be interrupted or discontinued at any time. See “Plan of Distribution”.

No underwriter or dealer involved in an “at-the-market distribution” under this Prospectus, no affiliate of such an underwriter or dealer and no person or company acting jointly or in concert with such an underwriter or dealer will over-allot securities in connection with such distribution or effect any other transactions that are intended to stabilize or maintain the market price of the offered Securities.

The issued and outstanding Common Shares are listed and posted for trading on the CSE under the symbol “HAVN”, on the OTC Pink in the U.S. (the “**OTC Pink**”) under the symbol “HAVLF” and on the Frankfurt Stock Exchange (the “**FSE**”) under the stock symbol “5NP”. On August 4, 2021, the last trading day prior to the date of this Prospectus, the closing price per Common Share on the CSE was \$0.38, on the OTC Pink was US\$0.30 and on the FSE was €0.26. **Unless otherwise specified in the applicable Prospectus Supplement, the Debt Securities, Subscription Receipts, Warrants and Units will not be listed on any securities exchange. There is no market through which these Securities may be sold and purchasers may not be able to resell such Securities purchased under this Prospectus. This may affect the pricing of the Securities in the secondary market, the transparency and availability of trading prices, the liquidity of the Securities, and the extent of issuer regulation. See Risk Factors.**

**Investing in the Securities is speculative and involves a high degree of risk and should only be made by persons who can afford the total loss of their investment. A prospective purchaser should therefore review this Prospectus and the documents incorporated by reference herein in their entirety and carefully consider the risk factors described or referenced under “Risk Factors” prior to investing in such Securities.**

**No underwriter, dealer or agent has been involved in the preparation of this Prospectus or performed any review of the contents of this Prospectus.**

The Company’s head office is located at Unit 100 - 22071 Fraserwood Way, Richmond, BC V6W 1J5. The Company’s registered office is located at Suite 2200, 885 West Georgia Street, Vancouver, British Columbia V6C 3E8.

**In Canada, the federal government regulates drug substances deemed to be high risk under the Controlled Drugs and Substances Act, SC 1996, c 19 (the “Act”). The Act classifies regulated drug substances into five schedules, with Schedule I containing the highest risk substances. Certain psychedelic substances, including psilocybin and psilocin, are classified as Schedule III drugs. The Act prohibits the possession of a Schedule III drug absent authorization under the Act or a related regulation (either via a license or an authorized exemption). To date, Health Canada has not approved for sale any prescription drug product that contains psilocybin or psilocin as the active ingredient.**

**For these reasons, the Company’s operations may be subject to heightened scrutiny by regulators, stock exchanges, clearing agencies and other Canadian authorities. There are a number of risks associated with the business of the Company. See the section entitled “Risk Factors” herein and within the AIF (as defined herein).**

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## **ABOUT THIS SHORT FORM BASE SHELF PROSPECTUS**

An investor should rely only on the information contained in this Prospectus (including the documents incorporated by reference herein) and is not entitled to rely on parts of the information contained in this Prospectus (including the documents incorporated by reference herein) to the exclusion of others. The Company has not authorized anyone to provide investors with additional or different information. The Company takes no responsibility for and can provide no assurance as to the reliability of, any other information that others may give readers of this Prospectus. Information contained on, or otherwise accessed through, the Company's website shall not be deemed to be a part of this Prospectus and such information is not incorporated by reference herein.

The Company is not offering to sell the Securities in any jurisdictions where the offer or sale of the Securities is not permitted. The information contained in this Prospectus (including the documents incorporated by reference herein) is accurate only as of the date of this Prospectus or as of the date as otherwise set out herein (or as of the date of the document incorporated by reference herein or as of the date as otherwise set out in the document incorporated by reference herein, as applicable), regardless of the time of delivery of this Prospectus or any sale of the Common Shares, Debt Securities, Subscription Receipts, Warrants and/or Units. The business, financial condition, capital, results of operations and prospects of the Company may have changed since those dates. The Company does not undertake to update the information contained or incorporated by reference herein, except as required by applicable Canadian securities laws.

This Prospectus shall not be used by anyone for any purpose other than in connection with an offering of Securities as described in one or more Prospectus Supplements.

The documents incorporated or deemed to be incorporated by reference herein contain meaningful and material information relating to the Company and readers of this Prospectus should review all information contained in this Prospectus, the applicable Prospectus Supplement and the documents incorporated or deemed to be incorporated by reference herein and therein.

## **MEANING OF CERTAIN REFERENCES AND CURRENCY PRESENTATION**

References to dollars or "\$" are to Canadian currency unless otherwise indicated.

Unless the context otherwise requires, all references in this Prospectus to the "Company" refer to the Company and its subsidiary entities on a consolidated basis.

## **MARKET AND INDUSTRY DATA**

Unless otherwise indicated, the market and industry data contained or incorporated by reference in this Prospectus is based upon information from independent industry publications, market research, analyst reports and surveys and other publicly available sources. Although the Company believes these sources to be generally reliable, market and industry data is subject to interpretation and cannot be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any survey. The Company has not independently verified any of the data from third party sources referred to or incorporated by reference herein and accordingly, the accuracy and completeness of such data is not guaranteed.

## **CAUTION REGARDING FORWARD-LOOKING STATEMENTS**

This Prospectus 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 Prospectus, 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 Prospectus.

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 revenues, 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 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; 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 Prospectus 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 Prospectus, 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 Prospectus, 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*" herein and under "*Risk Factors*" in the AIF (as defined below) which is incorporated by reference in this Prospectus.

Some of the important risks and factors that could affect forward-looking statements are discussed in the section entitled "*Risk Factors*" in the AIF, which is incorporated by reference in this Prospectus. 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 Prospectus 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](http://www.sedar.com).

#### DOCUMENTS INCORPORATED BY REFERENCE

**Information has been incorporated by reference in this Prospectus from documents filed with the securities commissions or similar regulatory authorities in Canada.** Copies of the documents incorporated herein by reference may be obtained on request without charge from the Chief Financial Officer of the Company, at Unit 100 - 22071 Fraserwood Way, Richmond, BC V6W 1J5, telephone (604) 687-7130, and are also available electronically at [www.sedar.com](http://www.sedar.com).

As of the date hereof, the following documents (or the sections or sub-sections thereof set out below), filed with the various securities commissions or similar authorities in each of the provinces and territories of Canada, are specifically incorporated by reference into and form an integral part of this Prospectus:

1. the annual information form of the Company dated October 20, 2020 in respect of the year ended April 30, 2020 (the "**AIF**");
2. the audited annual consolidated financial statements of the Company for the period from incorporation on April 8, 2020 to April 30, 2020 and the auditor's report thereon (the "**Audited Financial Statements**");
3. management's discussion and analysis of financial condition and results of operations of the Company for the period from incorporation on April 8, 2020 to April 30, 2020 (the "**Annual MD&A**");
4. the unaudited (reviewed) condensed interim consolidated financial statements of the Company for the nine months ended January 31, 2021 and related notes attached hereto as Schedule "A" (the "**Interim Financial Statements**");
5. management's discussion and analysis of the financial condition and results of operations of the Company for the three months ended January 31, 2021 (the "**Interim MD&A**");



6. the material change report dated September 14, 2020 regarding the Company's successful completion of the acquisition of HAVN Research Inc. ("**HAVN Research**"), listing and commencement of trading of the Company's Common Shares on the CSE;
7. the material change report dated October 15, 2020 regarding the departure of Mr. Robert Nygren as Co-Head of Corporate Development and as a director of the Company;
8. the material change report dated October 26, 2020 regarding the Company's receipt of approval from Health Canada for six natural health product formulations;
9. the material change report dated October 26, 2020 regarding the appointment of Mr. Dennis Staudt to the Board;
10. the material change report dated October 26, 2020 regarding the appointment of Mr. Dennis Staudt as a director of the Company and the reorganization of its senior management structure;
11. the material change report dated December 1, 2020 regarding the appointment of Mr. David King as a member of the Advisory Board, and the Company's having become a voting member of the Conservative Drug Policy Reform Group (CDPRG);
12. the material change report dated December 4, 2020 regarding the Company's having entered into investor relations agreements with Media Relations Publishing and Midam Ventures, LLC for corporate branding;
13. the material change report dated December 11, 2020 regarding the exercise of 10,927,856 common share purchase warrants resulting in proceeds to the Company of \$5.46 million;
14. the material change report dated December 17, 2020 announcing that the Company had entered into a letter agreement with Eight Capital for total gross proceeds of \$5,000,100;
15. the material change report dated January 7, 2021 regarding the completion of the previously announced bought deal offering;
16. the material change report dated January 25, 2021 regarding the Company's granting of incentive stock option plans;
17. the material change report dated January 27, 2021 regarding a definitive agreement to acquire all the outstanding share capital of GCO Packaging and Manufacturing Ltd ("**GCO**");
18. the material change report dated February 17, 2021 regarding the departure of Ms. Barinder Rasode as President and as a director of the Company, and appointment of Mr. Tim Moore as a director of the Company;
19. the material change report dated February 22, 2021 regarding the Company's common shares now quoted in the United States on the OTC Venture Market under the symbol "HAVLF";
20. the material change report dated March 16, 2021 regarding the appointment of Ms. Jenna Pozar as Chief Operating Officer;
21. the material change report dated March 25, 2021 regarding a entering a joint endeavor with nutraceutical company Hypha Wellness Jamaica Psilocybin ("**HWJP**") towards producing psilocybin active pharmaceutical products;
22. the material change report dated April 8, 2021 regarding the Company's successful completion of the acquisition of GCO;
23. the material change report dated May 11, 2021 regarding the completion of a fully operational mycology lab and production facility in Jamaica;
24. the material change report dated May 11, 2021 regarding the Company's completion of analytical work under its Health Canada Section 56 exemption;

25. the material change report dated May 13, 2021 regarding successful entry into a supply agreement with ATMA Journey Centers Inc. - a company focused on psychedelic-assisted therapies;
26. the material change report dated May 18, 2021 regarding a successful definitive agreement to acquire clinical stage intellectual property from Bolt Therapeutics Limited Partnership;
27. the material change report dated May 19, 2021 regarding a successful production and supply agreement with Lobe Sciences Ltd.;
28. the material change report dated June 2, 2021 regarding completion of the previously announced acquisition of clinical stage intellectual property from Bolt Therapeutics Limited Partnership;
29. the material change report dated June 3, 2021 regarding the launch of the Company's first retail line of natural healthcare products;
30. the material change report dated June 8, 2021 regarding the Company securing a product listing agreement with Choices Markets for its new line of natural health products;
31. the material change report dated June 29, 2021 regarding a successful supply agreement with Allied Health;
32. the material change report dated July 2, 2021 regarding the appointment of Mr. Gordon Clissold as Chief Financial Officer;
33. the material change report dated July 8, 2021 regarding the supply agreement with Cube Psytech; and
34. the business acquisition report in respect of the acquisition of HAVN Research dated January 4, 2021.

Any document of the type required by National Instrument 44-101 — *Short Form Prospectus Distributions* to be incorporated by reference into a short form prospectus, including any annual information forms, material change reports (except confidential material change reports), business acquisition reports, interim financial statements, annual financial statements and the auditor's report thereon, management's discussion and analysis and information circulars of the Company filed by the Company with securities commissions or similar authorities in Canada after the date of this Prospectus and prior to the completion or withdrawal of any offering under this Prospectus shall be deemed to be incorporated by reference into this Prospectus.

Upon a new interim financial report and related management's discussion and analysis of the Company being filed with the applicable securities regulatory authorities during the currency of this Prospectus, the previous interim financial report and related management's discussion and analysis of the Company most recently filed shall be deemed no longer to be incorporated by reference into this Prospectus for purposes of future offers and sales of Securities hereunder. Upon new annual financial statements and related management's discussion and analysis of the Company being filed with the applicable securities regulatory authorities during the currency of this Prospectus, the previous annual financial statements and related management's discussion and analysis and the previous interim financial report and related management's discussion and analysis of the Company most recently filed shall be deemed no longer to be incorporated by reference into this Prospectus for purposes of future offers and sales of Securities hereunder. Upon a new annual information form of the Company being filed with the applicable securities regulatory authorities during the currency of this Prospectus, the following documents shall be deemed no longer to be incorporated by reference into this Prospectus for purposes of future offers and sales of Securities hereunder: (i) the previous annual information form, if any; (ii) material change reports filed by the Company prior to the end of the financial year in respect of which the new annual information form is filed; (iii) business acquisition reports filed by the Company for acquisitions completed prior to the beginning of the financial year in respect of which the new annual information form is filed; and (iv) any information circular of the Company filed by the Company prior to the beginning of the financial year in respect of which the new annual information form is filed. Upon a new information circular of the Company prepared in connection with an annual general meeting of the Company being filed with the applicable securities regulatory authorities during the currency of this Prospectus, the Statement of Executive Compensation and any previous information circular of the Company, if prepared in connection with solely an annual general meeting of the Company, shall be deemed no longer to be incorporated by reference into this Prospectus for purposes of future offers and sales of Securities hereunder.

A Prospectus Supplement to this Prospectus containing the specific variable terms in respect of an offering of the Securities will be delivered to purchasers of such Securities together with this Prospectus, unless an exemption from

the prospectus delivery requirements has been granted or is otherwise available, and will be deemed to be incorporated by reference into this Prospectus as of the date of such Prospectus Supplement only for the purposes of the offering of the Securities covered by such Prospectus Supplement.

Any template version of any “marketing materials” (as such term is defined in National Instrument 41-101 – General Prospectus Requirements) filed after the date of a Prospectus Supplement and before the termination of the distribution of the Securities offered pursuant to such Prospectus Supplement (together with this Prospectus) is deemed to be incorporated by reference in such Prospectus Supplement.

**Notwithstanding anything herein to the contrary, any statement contained in this Prospectus or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded, for purposes of this Prospectus, to the extent that a statement contained herein or in any other subsequently filed document incorporated or deemed to be incorporated by reference herein modifies or supersedes such prior statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purpose that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall thereafter neither constitute, nor be deemed to constitute, a part of this Prospectus, except as so modified or superseded.**

## THE COMPANY

*The following description of the Company is, in some instances, derived from selected information about the Company contained in the documents incorporated by reference into this Prospectus. This description does not contain all of the information about the Company and its business that prospective investors should consider before investing in any Securities. Prospective investors should carefully read the entire Prospectus and the applicable Prospectus Supplement, including under the heading “Risk Factors”, as well as the documents incorporated by reference into this Prospectus and the applicable Prospectus Supplement, before making an investment decision.*

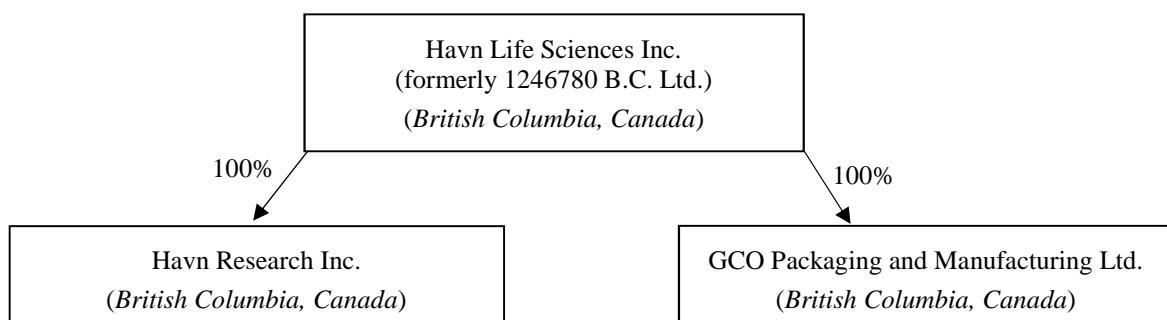
### General

The Company was incorporated under the laws of British Columbia on April 8, 2020 under the name “1246780 B.C. Ltd.” On June 4, 2020, the Company changed its name to “HAVN Life Sciences Inc.” The Company is a reporting issuer in the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador.

The Company’s head office and registered office is located at Suite 2200, 885 West Georgia Street, Vancouver, British Columbia V6C 3E8.

### Inter-corporate Relationships

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



## Summary Description of the Business

### Overview

The Company is a biotechnology company engaged in the scientific research and development of psychopharmacological products, including the formulation of standardized psychoactive compounds derived from fungi, which the Company intends to supply to third parties for use in clinical trials and for production of natural health products (“NHPs”). The Company intends for its compounds to be used to develop innovative therapies to improve mental health and human performance. The Company is also focused on developing methodologies for the standardized, quality-controlled extraction of psychoactive compounds from plants and fungi, including *Psilocybe* spp. mushrooms and the genera directive compounds, such as psilocybin, psilocin and baeocystin, and the development of natural health care products from non-regulated compounds. With this dual focus, the Company has two principal business divisions: HAVN Labs and HAVN Retail.

#### *HAVN Labs*

The Company’s HAVN Labs division is engaged in the development of 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 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 proprietary formulations to third parties for use in research and clinical trials, and eventually for sale to healthcare practitioners once permitted by health authorities. There can be no certainty that the Company will obtain a Dealer’s License.

The Company has entered into a contract with nutraceutical company Hypha Wellness Jamaica Psilocybin (HWJP) towards jointly researching and, subject to compliance with all applicable laws and regulations, producing standardized powdered homogenized psilocybin mushroom active pharmaceutical ingredient (API) products. The arrangement provides the Company with a mycology lab and production facility in Jamaica.

#### *HAVN Retail*

The Company’s HAVN Retail division formulates and sells 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**”). To this end, the Company has secured seven product licenses under the *Natural Health Products Regulations* for the sale of its products (the “**Product Licenses**”). The Product Licenses are focused on four broad categories of human health and performance: immunity support, cognitive support, stress prevention, and energy support. Each of the seven initial products developed by HAVN Retail contains a foundational medicinal mushroom (Chaga, Cordyceps, Lion’s Mane, Reishi, Shiitake, or Turkey Tail), together with other herbs that have been selected for each of the seven products based on an evidence-informed model following the Health Canada regulatory framework. The Company utilizes a combination of contract manufacturing services and in-house manufacturing services through the large-scale manufacturing, packaging and distribution facility operated by the Company’s wholly-owned subsidiary, GCO. The Company markets its proprietary NHPs under the HAVN brand through a direct to consumer market model and through third party point of sale locations of NHPs.

More detailed information regarding the business of the Company as well as its operations, assets, and properties can be found in the AIF and other documents incorporated by reference herein, as supplemented by the disclosure herein. See “Documents Incorporated by Reference”.

## DESCRIPTION OF COMMON SHARES

The Company’s authorized capital stock consists of an unlimited number of Common Shares with no nominal or par value, of which 123,274,581 Common Shares are issued and outstanding as of July 30, 2021. The following is a summary of the principal attributes of the Common Shares:

### *Voting Rights*

Holders of Common Shares are entitled to vote on all matters that are to be voted on at any shareholder meeting. Each Common Share represents one vote. There are no cumulative voting rights.

### *Dividends and Profits*

Holders of Common Shares are entitled to share pro rata in any profits of the Company to the extent that such profits are distributed either through the declaration of dividends by the Company's Board or otherwise distributed to shareholders. There are no indentures or agreements limiting the payment of dividends.

### *Rights on Dissolution*

In the event of the liquidation, dissolution or winding up of the Company, the holders of Common Shares will be entitled to receive, on a pro rata basis, all of the Company's assets remaining after payment of all of the Company's liabilities.

### *Rank*

There are currently no other series or class of shares which rank senior, in priority to, or pari passu with the Common Shares.

### *Pre-Emptive, Conversion and Other Rights*

The Common Shares do not carry pre-emptive, redemption, purchase or conversion rights, and the Common Shares, when fully paid, will not be liable to further call or assessment. No other class of shares may be created without the approval of the holders of the Common Shares. There are no provisions discriminating against any existing or prospective holder of Common Shares as a result of such shareholder owning a substantial number of Common Shares. In addition, non-residents of Canada who hold Common Shares have the same rights as shareholders who are residents of Canada.

## **DESCRIPTION OF DEBT SECURITIES**

The following sets forth certain general terms and provisions of the Debt Securities. The particular terms and provisions of the Debt Securities offered pursuant to this Prospectus will be set forth in the applicable Prospectus Supplement, which particular terms and provisions of such Debt Securities may differ from the general terms and provisions described below in some or all respects.

The Debt Securities will be issued in series under one or more trust indentures to be entered into between the Company and a financial institution to which the *Trust and Loan Companies Act* (Canada) applies or a financial institution organized under the laws of any province of Canada and authorized to carry on business as a trustee. Each such trust indenture, as supplemented or amended from time to time, will set out the terms of the applicable series of Debt Securities. The statements in this Prospectus relating to any trust indenture and the Debt Securities to be issued under it are summaries of anticipated provisions of an applicable trust indenture and do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all provisions of such trust indenture, as applicable.

Each trust indenture may provide that Debt Securities may be issued thereunder up to the aggregate principal amount which may be authorized from time to time by the Company. Any Prospectus Supplement for Debt Securities will contain the terms and other information with respect to the Debt Securities being offered, including (i) the designation, aggregate principal amount and authorized denominations of such Debt Securities, (ii) the currency for which the Debt Securities may be purchased and the currency in which the principal and any interest is payable (in either case, if other than Canadian dollars), (iii) the percentage of the principal amount at which such Debt Securities will be issued, (iv) the date or dates on which such Debt Securities will mature, (v) the rate or rates at which such Debt Securities will bear interest (if any), or the method of determination of such rates (if any), (vi) the dates on which any such interest will be payable and the record dates for such payments, (vii) any redemption term or terms under which such Debt Securities may be defeased, (viii) any exchange or conversion terms (including, as applicable, the terms in respect of any convertibility to Common Shares), and (ix) any other specific terms.

Each series of Debt Securities may be issued at various times with different maturity dates, may bear interest at different rates and may otherwise vary.

The Debt Securities will be direct obligations of the Company. The Debt Securities will be senior or subordinated indebtedness of the Company as described in the relevant Prospectus Supplement.

### **DESCRIPTION OF SUBSCRIPTION RECEIPTS**

The following sets forth certain general terms and provisions of the Subscription Receipts. The particular terms and provisions of the Subscription Receipts offered pursuant to this Prospectus will be set forth in the applicable Prospectus Supplement, which particular terms and provisions of such Subscription Receipts may differ from the general terms and provisions described below in some or all respects.

The Company may issue Subscription Receipts that may be exchanged by the holders thereof for Common Shares and/or other Securities of the Company upon the satisfaction of certain conditions. The Company may offer Subscription Receipts separately or together with Common Shares, Debt Securities, Warrants or Units, as the case may be. The Company will issue Subscription Receipts under one or more subscription receipt agreements. Under each subscription receipt agreement, a purchaser of Subscription Receipts will have a contractual right of rescission following the issuance of the Common Shares and/or other Securities of the Company, as the case may be, to such purchaser upon exchange of Subscription Receipts, entitling the purchaser to receive the amount paid for the Subscription Receipts upon surrender of the Common Shares and/or other Securities of the Company, as the case may be, if this Prospectus, the relevant Prospectus Supplement, and any amendment thereto, contains a misrepresentation, provided such remedy for rescission is exercised within 180 days of the date the Subscription Receipts are issued.

Any Prospectus Supplement will contain the terms and conditions and other information relating to the Subscription Receipts being offered including:

- the number of Subscription Receipts;
- the price and currency at which the Subscription Receipts will be offered and whether the price is payable in instalment;
- any conditions to the exchange of Subscription Receipts into Common Shares and/or other Securities of the Company, as the case may be, and the consequences of such conditions not being satisfied;
- the procedures for the exchange of the Subscription Receipts into Common Shares and/or other Securities of the Company, as the case may be;
- the number of Common Shares and/or other Securities of the Company, as the case may be, that may be exchanged upon exercise of each Subscription Receipt;
- the designation and terms of any other Securities with which the Subscription Receipts will be offered, if any, and the number of Subscription Receipts that will be offered with each Security;
- conditions to the conversion or exchange of Subscription Receipts into other Securities and the consequences of such conditions not being satisfied;
- the dates or periods during which the Subscription Receipts may be exchanged into Common Shares and/or other Securities of the Company;
- whether such Subscription Receipts will be listed on any securities exchange;
- any other rights, privileges, restrictions and conditions attaching to the Subscription Receipts; and
- any other specific terms.

Prior to the exchange of their Subscription Receipts, holders of Subscription Receipts will not have any of the rights of holders of the securities issuable on the exchange of the Subscription Receipts.

## DESCRIPTION OF WARRANTS

The following sets forth certain general terms and provisions of the Warrants. The particular terms and provisions of the Warrants offered pursuant to this Prospectus will be set forth in the applicable Prospectus Supplement, which particular terms and provisions of such Warrants may differ from the general terms and provisions described below in some or all respects.

The Company may issue Warrants for the purchase of Common Shares and/or other Securities of the Company. Warrants may be issued independently or together with Common Shares, Debt Securities and Subscription Receipts offered by any Prospectus Supplement and may be attached to, or separate from, any such offered Securities. Warrants will be issued under one or more warrant agreements entered into between the Company and a warrant agent named in the applicable Prospectus Supplement.

Selected provisions of the Warrants and the warrant agreements are summarized below. This summary is not complete. The statements made in this Prospectus relating to any warrant agreement and Warrants to be issued thereunder are summaries of certain anticipated provisions thereof and are subject to, and are qualified in their entirety by reference to, all provisions of the applicable warrant agreement.

Any Prospectus Supplement will contain the terms and other information relating to the Warrants being offered including:

- the exercise price of the Warrants;
- the designation of the Warrants;
- the aggregate number of Warrants offered and the offering price;
- the designation, number and terms of the Common Shares and/or other Securities of the Company purchasable upon exercise of the Warrants, and procedures that will result in the adjustment of those numbers;
- the dates or periods during which the Warrants are exercisable;
- the designation and terms of any securities with which the Warrants are issued;
- if the Warrants are issued as a unit with another security, the date on and after which the Warrants and the other security will be separately transferable;
- the currency or currency unit in which the exercise price is denominated;
- any minimum or maximum amount of Warrants that may be exercised at any one time;
- whether such Warrants will be listed on any securities exchange;
- any terms, procedures and limitations relating to the transferability, exchange or exercise of the Warrants;
- any rights, privileges, restrictions and conditions attaching to the Warrants; and
- any other specific terms.

Prior to the exercise of their Warrants, holders of Warrants will not have any of the rights of holders of the Securities subject to the Warrants.

## DESCRIPTION OF UNITS

Units are a security comprised of more than one of the other Securities described in this Prospectus offered together as a "Unit". A Unit is typically issued so the holder thereof is also the holder of each Security included in the Unit. As a result, the holder of a Unit will have the rights and obligations of a holder of each Security comprising the Unit. The

agreement, if any, under which a Unit is issued may provide that the Securities comprising the Unit may not be held or transferred separately at any time or at any time before a specified date.

The particular terms and provisions of the Units offered pursuant to this Prospectus will be set forth in the applicable Prospectus Supplement, which particular terms and provisions of such Units may differ from the general terms and provisions described below in some or all respects. This description will include, where applicable: (i) the designation and terms of the Units and of the Securities comprising the Units, including whether and under what circumstances those Securities may be held or transferred separately; (ii) any provisions for the issuance, payment, settlement, transfer or exchange of the Units or of the Securities comprising the Units; (iii) whether the Units will be issued in registered or global form; and (iv) any other material terms and conditions of the Units.

## **PLAN OF DISTRIBUTION**

The Company and/or any selling securityholders may sell the Securities, separately or together: (i) to one or more underwriters or dealers; (ii) through one or more agents; or (iii) directly to one or more purchasers. The Prospectus Supplement relating to a particular offering of Securities will describe the terms of such offering of Securities, including: (i) the terms of the Securities to which the Prospectus Supplement relates, including the type of Security being offered, and the method of distribution; (ii) the name or names of any underwriters, dealers, agents or selling securityholders involved in such offering of Securities; (iii) the purchase price of the Securities offered thereby and the proceeds to, if any, and the expenses borne by, if any, the Company from the sale of such Securities; (iv) any commission, underwriting discounts and other items constituting compensation payable to underwriters, dealers or agents; and (v) any discounts or concessions allowed or re-allowed or paid to underwriters, dealers or agents.

The Securities may be sold, from time to time in one or more transactions at a fixed price or prices which may be changed or at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at negotiated prices, including sales in transactions that are deemed to be “at-the-market distributions” as defined in NI 44-102, including sales made directly on the CSE or other existing trading markets for the Securities, and as set forth in an accompanying Prospectus Supplement. The prices at which the Securities may be offered may vary as between purchasers and during the period of distribution. If, in connection with the offering of Securities at a fixed price or prices, the underwriters have made a bona fide effort to sell all of the Securities at the initial offering price fixed in the applicable Prospectus Supplement, the public offering price may be decreased and thereafter further changed, from time to time, to an amount not greater than the initial public offering price fixed in such Prospectus Supplement, in which case the compensation realized by the underwriters will be decreased by the amount that the aggregate price paid by purchasers for the Securities is less than the gross proceeds paid by the underwriters to the Company and/or any selling securityholders.

Only underwriters, dealers or agents so named in the Prospectus Supplement are deemed to be underwriters, dealers or agents in connection with the Securities offered thereby. If underwriters are used in an offering, the Securities offered thereby will be acquired by the underwriters for their own account and may be resold from time to time in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of sale. The obligations of the underwriters to purchase Securities will be subject to the conditions precedent agreed upon by the parties and the underwriters will be obligated to purchase all Securities under that offering if any are purchased. If agents are used in an offering, unless otherwise indicated in the applicable Prospectus Supplement, such agents will be acting on a “best efforts” basis for the period of their appointment. Any public offering price and any discounts or concessions allowed or re-allowed or paid to underwriters, dealers or agents may be changed from time to time.

Underwriters, dealers and agents who participate in the distribution of Securities may be entitled under agreements to be entered into with the Company and/or any selling securityholders to indemnification by the Company and/or such selling securityholders against certain liabilities, including liabilities under securities legislation, or to contribution with respect to payments which such underwriters, dealers or agents may be required to make in respect thereof. Such underwriters, dealers and agents may be customers of, engage in transactions with, or perform services for, the Company and/or any selling securityholders in the ordinary course of business.

Any offering of Debt Securities, Subscription Receipts, Warrants or Units will be a new issue of securities with no established trading market. Unless otherwise specified in the applicable Prospectus Supplement, the Debt Securities, Subscription Receipts, Warrants or Units will not be listed on any securities exchange. Unless otherwise specified in the applicable Prospectus Supplement, there is no market through which the Debt Securities, Subscription Receipts, Warrants or Units may be sold and purchasers may not be able to resell Debt Securities, Subscription Receipts,



Warrants or Units purchased under this Prospectus or any Prospectus Supplement. This may affect the pricing of the Debt Securities, Subscription Receipts, Warrants or Units in the secondary market, the transparency and availability of trading prices, the liquidity of the Securities, and the extent of issuer regulation. Subject to applicable laws, certain dealers may make a market in these Securities, but will not be obligated to do so and may discontinue any market making at any time without notice. No assurance can be given that any dealer will make a market in these Securities or as to the liquidity of the trading market, if any, for these Securities.

In connection with any offering of the Securities, subject to applicable laws and other than an “at-the-market distribution”, the underwriters or agents may over-allot or effect transactions that stabilize or maintain the market price of the offered Securities at a level above that which might otherwise prevail on the open market. Such transactions, if commenced, may be interrupted or discontinued at any time.

No underwriter or dealer involved in an “at-the-market distribution” under this Prospectus, no affiliate of such an underwriter or dealer and no person or company acting jointly or in concert with such an underwriter or dealer will over-allot securities in connection with such distribution or effect any other transactions that are intended to stabilize or maintain the market price of the offered Securities.

The Securities have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state in the United States and, subject to certain exceptions, may not be offered, sold, exercised, transferred or otherwise disposed of in the United States or to or for the account of U.S. Persons absent registration under the U.S. Securities Act and applicable state securities laws or pursuant to an applicable exemption therefrom. In addition, until 40 days after closing of an offering of Securities, an offer or sale of the Securities within the United States by any dealer (whether or not participating in such offering) may violate the registration requirement of the U.S. Securities Act if such offer or sale is made other than in accordance with an exemption under the U.S. Securities Act.

#### USE OF PROCEEDS

Unless otherwise specified in a Prospectus Supplement, the net proceeds to the Company from any offering of Securities, the proposed use of those proceeds and the specific business objectives that the Company expects to accomplish with such proceeds will be set forth in the applicable Prospectus Supplement relating to that offering of Securities. The Company will not receive any proceeds from any sale of any Securities by the selling securityholders.

**During the financial year ended April 30, 2020, the Company had negative operating cash flows. The Company expects to continue to have negative cash flows for the foreseeable future. The Company’s current working capital surplus is \$10,157,928.**

#### EARNINGS COVERAGE RATIO

The applicable Prospectus Supplement will provide, as required by applicable Canadian securities laws, the earnings coverage ratios with respect to the issuance of Securities pursuant to such Prospectus Supplement.

#### CONSOLIDATED CAPITALIZATION

The authorized share capital of the Company consists of an unlimited number of common shares without par value, of which 123,274,581 were issued and outstanding as at the date of this Prospectus. There have been no material changes in the share and loan capital of the Company, on a consolidated basis, since the date of the Annual Financial Statements, which are incorporated by reference in this Prospectus, other than the following:

#### PRIOR SALES

The Company issued the following Common Shares and securities convertible into Common Shares of the Company for the past 12 months:

Security	Date of Issue	Aggregate Number Issued	Issue / Exercise Price
Shares <sup>(1)</sup>	September 3, 2020	34,155,667	\$0.25
Shares <sup>(2)</sup>	September 4, 2020	15,233,333	\$0.25

options <sup>(3)</sup>	September 4, 2020	1,400,000	\$0.25
options <sup>(4)</sup>	September 4, 2020	200,000	\$0.75
performance warrants <sup>(5)</sup>	September 4, 2020	10,000,000	\$0.05
restricted share rights <sup>(6)</sup>	September 4, 2020	100,000	N/A
restricted share rights <sup>(7)</sup>	September 10, 2020	500,000	N/A
options <sup>(8)</sup>	September 10, 2020	2,135,000	\$0.65
Shares <sup>(9)</sup>	September 14, 2020	200,000	\$0.70
restricted share rights <sup>(10)</sup>	October 4, 2020	3,090,000	N/A
options <sup>(10)</sup>	October 4, 2020	1,750,000	\$0.79
restricted share rights <sup>(11)</sup>	October 11, 2020	250,000	N/A
restricted share rights <sup>(12)</sup>	October 18, 2020	39,130	N/A
Shares <sup>(13)</sup>	December 4, 2020	10,927,856	\$0.50
Shares <sup>(14)</sup>	December 4, 2020	35,212	\$0.82
Shares <sup>(15)</sup>	January 7, 2021	10,747,900	\$1.07
Warrants <sup>(15)</sup>	January 7, 2021	10,747,900	\$1.07/\$1.34
Compensation Warrants <sup>(16)</sup>	January 7, 2021	634,374	\$1.07
Advisory Warrants <sup>(16)</sup>	January 7, 2021	10,500	\$1.07
Shares <sup>(17)</sup>	January 7, 2021	200,000	\$0.87
restricted share rights <sup>(18)</sup>	January 15, 2021	50,000	N/A
options <sup>(19)</sup>	January 15, 2021	250,000	\$0.85
Shares <sup>(20)</sup>	January 21, 2021	39,130	\$0.90
options <sup>(21)</sup>	January 22, 2021	250,000	\$0.85
restricted share rights <sup>(21)</sup>	January 22, 2021	50,000	\$0.85
Shares <sup>(22)</sup>	January 22, 2021	384,896	\$0.96
Shares <sup>(23)</sup>	January 25, 2021	1,000,000	\$0.79
Shares <sup>(24)</sup>	January 29, 2021	200,000	\$0.90
Shares <sup>(25)</sup>	February 17, 2021	100,000	\$0.90
Shares <sup>(26)</sup>	February 19, 2021	3,500	\$1.53
Shares <sup>(27)</sup>	March 10, 2021	450,000	\$0.05
Shares <sup>(28)</sup>	March 15, 2021	508,333	\$0.05
Shares <sup>(29)</sup>	April 7, 2021	9,000,000	\$0.05
Shares <sup>(30)</sup>	April 7, 2021	6,000,000	\$0.70
Shares <sup>(31)</sup>	April 12, 2021	15,000	\$0.77
Shares <sup>(32)</sup>	April 14, 2021	16,554	N/A
Shares <sup>(33)</sup>	April 28, 2021	1,010,000	N/A
Shares <sup>(34)</sup>	June 2, 2021	10,596,026	\$0.755
Shares <sup>(35)</sup>	June 2, 2021	5,298,013	\$0.755

Shares <sup>(36)</sup>	July 14, 2021	150,000	N/A
Shares <sup>(37)</sup>	July 14, 2021	191,413	N/A

Notes:

- (1) Issued in connection with the exercise of the \$0.02 Special Warrants and the \$0.10 Special Warrants.
- (2) Issued in connection with the acquisition of HAVN Research.
- (3) Issued to new employees and consultants of the Company.
- (4) Issued to a consultant of the Company.
- (5) Issued to new employees of the Company.
- (6) Issued to an officer of the Company.
- (7) Issued to consultants of the Company.
- (8) 1,500,000 of these options were issued to directors and officers of the Company with the remainder issued to consultants of the Company.
- (9) Issued in settlement of outstanding debt in the amount of \$97,600.
- (10) Issued to the chairman and vice-chairman of the Company.
- (11) Issued to a director of the Company.
- (12) Issued to an officer of the Company.
- (13) Issued in connection with the exercise of 10,927,856 common share purchase warrants of the Company issued pursuant to private placement which closed June 5, 2020. The Company notes that \$300,000 of such warrant exercises, representing 600,000 warrants, were unintended. As such, 600,000 Shares were issued from treasury in connection with the unintended warrant exercise, which have been returned to treasury.
- (14) Issued in connection with certain marketing services.
- (15) Issued in connection to a short form prospectus bought deal offering of Units that closed on January 7, 2021.
- (16) Issued as partial compensation to the underwriter in connection to a short form prospectus bought deal offering of Units that closed on January 7, 2021.
- (17) Issued pursuant to the exercise of Restricted Share Units.
- (18) Issued to an officer of the Company.
- (19) Issued to an officer of the Company.
- (20) Issued pursuant to the exercise of Options.
- (21) Issued to a director of the Company.
- (22) Issued to certain consultants of the Company for past services rendered.
- (23) Issued pursuant to an exercise of restricted share rights.
- (24) Issued pursuant to an exercise of restricted share rights.
- (25) Issued pursuant to an exercise of restricted share rights.
- (26) Issued pursuant to the exercise of Options.
- (27) Issued pursuant to the exercise of Performance Warrants.
- (28) Issued pursuant to the exercise of Performance Warrants.
- (29) Issued pursuant to the exercise of Performance Warrants.
- (30) Issued in connection with the acquisition of GCO. Of these Shares, 1,214,954 Shares were issued to a creditor of GCO in connection with the settlement of certain outstanding indebtedness.
- (31) Issued in connection with the settlement of certain outstanding indebtedness.
- (32) Issued pursuant to the exercise of Options.
- (33) Issued pursuant to the exercise of restricted share rights.
- (34) Issued in connection with the acquisition of clinical stage intellectual property from Bolt Therapeutics. These shares are subject to voluntary escrow release conditions in which 1/6<sup>th</sup> of the shares shall be released every 3 months starting on June 2, 2021 up until December 2, 2022.
- (35) Issued in connection with the acquisition of clinical stage intellectual property from Bolt Therapeutics. These shares will be subject to resale restrictions until the completion of certain predetermined milestones.
- (36) Issued pursuant to the exercise of restricted share rights.
- (37) Issued pursuant to the exercise of Options.

## TRADING PRICE AND VOLUME

The Company'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" and OTC Pink on February 22, 2021 under the symbol "HAVLF". The following tables sets forth trading information for the Common Shares on the CSE on a monthly basis since September 8, 2020.

Month	Price Range		CSE
	High C\$	Low C\$	Monthly Trading Volume
September 2020	\$0.94	\$0.50	9,489,279
October 2020	\$1.00	\$0.75	5,746,479
November 2020	\$0.94	\$0.77	6,640,611
December 2020	\$1.52	\$0.76	29,264,270
January 2021	\$1.03	\$0.80	16,965,858
February 2021	\$1.07	\$0.87	10,266,146
March 2021	\$0.93	\$0.62	9,409,699
April 2021	\$0.79	\$0.60	3,200,045
May 2021	\$0.80	\$0.64	6,857,566
June 2021	\$0.80	\$0.64	6,857,566
July 2021	\$0.57	\$0.35	8,550,082
August 1 – August 4, 2021	\$0.42	\$0.37	548,433

## 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 the regulatory requirements, 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. Such risks and other risks associated with the Company's business are described in "*Risk Factors*" and in the AIF.

#### **CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS**

The applicable Prospectus Supplement may describe certain Canadian federal income tax considerations generally applicable to investors described therein of purchasing, holding and disposing of the applicable Securities, including, in the case of an investor who is not a resident of Canada, Canadian non-resident withholding tax considerations.

#### **CERTAIN INCOME TAX CONSIDERATIONS**

Owning any of the Securities may subject holders to tax consequences. The applicable Prospectus Supplement may describe certain Canadian federal income tax consequences to an initial investor who is a resident of Canada or a nonresident of Canada of acquiring, owning and disposing of any of the Securities offered thereunder. The applicable Prospectus Supplement may also describe certain United States federal income tax consequences of the acquisition, ownership and disposition of any of the Securities offered thereunder by an initial investor who is a U.S. Person (within the meaning of the U.S. Internal Revenue Code of 1986, as amended). Prospective investors should consult their own tax advisers prior to deciding to purchase any of the Securities.

#### **EXEMPTIONS**

Pursuant to a decision of the Autorité des marchés financiers dated July 29, 2021, the Company was granted a permanent exemption from the requirement to translate into French this Prospectus as well as the documents incorporated by reference herein and any Prospectus Supplement to be filed in relation to an "at-the-market" distribution. This exemption is granted on the condition that this Prospectus and any Prospectus Supplement (other than in relation to an "at-the-market" distribution) be translated into French if the Company offers Securities to Québec purchasers in connection with an offering other than in relation to an "at-the-market" distribution.

#### **RISK FACTORS**

**Before making an investment decision, prospective purchasers of Securities should carefully consider the information and risk factors described in the AIF and incorporated by reference in this Prospectus and the other documents incorporated by reference herein (including subsequently filed documents incorporated by reference herein), including the applicable Prospectus Supplement, all of which may be accessed on the Corporation's issuer profile on SEDAR at [www.sedar.com](http://www.sedar.com). Additional risk factors relating to a specific offering of Securities may be described in the applicable Prospectus Supplement. Some of the risk factors described in the AIF and incorporated by reference in this Prospectus and in the other documents incorporated by reference herein (including subsequently filed documents incorporated by reference herein), including the applicable Prospectus Supplement are interrelated and, consequently, investors should treat such risk factors as a whole. If any event arising from these risks occurs, the Company's business, prospects, financial condition, results of operations and cash flows, and an investment in the Securities, could be materially adversely affected.**

**Additional risks and uncertainties of which the Company is currently unaware or that are unknown or that the Company currently deems to be immaterial could have a material adverse effect on the Company's business, prospects, financial condition, results of operations and cash flows. The Company cannot provide any assurances that it will successfully address any or all of these risks.**

### **Risks Related to the Securities**

#### *Use of Proceeds*

The Company intends to allocate the net proceeds it will receive from any offering as described under "Use of Proceeds" in this Prospectus and the applicable Prospectus Supplement, however, the Company will have discretion in the actual application of the net proceeds. The Company may elect to allocate the net proceeds differently from that described in "Use of Proceeds" in this Prospectus and the applicable Prospectus Supplement if the Company believes it would be in the Company's best interests to do so. The Company's investors may not agree with the manner in which the Company chooses to allocate and spend the net proceeds from an offering. The failure by the Company to apply these funds effectively could have a material adverse effect on the business of the Company.

#### *No Market for the Securities*

There is currently no trading market for any Warrants, Subscription Receipts, Debt Securities and/or Units that may be offered. No assurance can be given that an active or liquid trading market for these securities will develop or be sustained. If an active or liquid market for these securities fails to develop or be sustained, the prices at which these securities trade may be adversely affected. Whether or not these securities will trade at lower prices depends on many factors, including liquidity of these securities, prevailing interest rates and the markets for similar securities, the market price of the Company, general economic conditions and the Company's financial condition, historic financial performance and future prospects.

#### *Potential Volatility of Share Price*

The market price for Common Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Company's control, including the following: (i) actual or anticipated fluctuations in the Company's quarterly results of operations; (ii) recommendations by securities research analysts; (iii) changes in the economic performance or market valuations of other issuers that investors deem comparable to the Company; (iv) addition or departure of the Company's executive officers and other key personnel; (v) release or expiration of lock-up or other transfer restrictions on outstanding Common Shares; (vi) sales or perceived sales of additional Common Shares; (vii) significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving the Company or its competitors; and (viii) news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in the Company's industry or target markets.

Financial markets have recently experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of public entities and that have, in many cases, been unrelated to the operating performance, underlying asset values or prospects of such entities. Accordingly, the market price of the Common Shares may decline even if the Company's operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. As well, certain institutional investors may base their investment decisions on consideration of the Company's environmental, governance and social practices and performance against such institutions' respective investment guidelines and criteria, and failure to satisfy such criteria may result in limited or no investment in the Common Shares by those institutions, which could materially adversely affect the trading price of the Common Shares. There can be no assurance that continuing fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil continue for a protracted period of time, the Company's operations and the trading price of the Common Shares may be materially adversely affected.

## **Risks Related to the Company**

### ***COVID-19 Outbreak***

The outbreak of the novel coronavirus, or COVID-19, which was declared a pandemic by the World Health Organization in March 2020, has spread across the globe and is impacting economic activity worldwide. In response to the outbreak, governmental authorities in Canada and internationally have introduced various recommendations and measures to try to limit the pandemic, including travel restrictions, border closures, non-essential business closures, quarantines, self-isolations, shelters-in-place and social distancing. The COVID-19 pandemic and the response of governmental authorities to try to limit it have had, and continue to have, a significant impact on the private sector and individuals, including unprecedented business, employment and economic disruptions.

The Company expects to experience some short to medium term negative impacts from the COVID-19 outbreak; however, the extent of such impacts is currently unquantifiable, but may be significant. Such impacts include, with respect to its operations, its suppliers' operations and its customers' operations, forced closures, mandated social distancing, isolation and/or quarantines, impacts of declared states of emergency, public health emergency and similar declarations and could include other increased government regulations, a material reduction in demand for the Company's products and services, reduced sales, higher costs for new capital, licensing delays, increased operating expenses, delayed performance of contractual obligations, and potential supply and staff shortages, all of which are expected to negatively impact the business, financial condition and results of operations of the Company and thus may impact the ability of the Company to comply with financial covenants, and its ability to satisfy its obligations to its lenders and other parties, which may in turn may adversely impact, among other things, the ability the Company to access debt or equity capital on acceptable terms or at all.

### ***Negative Operating Cash Flow and Additional Funding***

The Company has no history of revenue from its operating activities. For the nine-months ended January 31, 2021, the Company had negative cash flow from operating activities. The Company anticipates it will continue to have negative cash flow from operating activities and net losses in future periods unless and until commercial sales are achieved for the Company's products. Furthermore, significant additional financing, whether through the issuance of additional securities and/or debt, will be required to continue the development of the Company's current operations. There can be no assurance that the Company will be able to obtain adequate additional financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further development of the Company's operations.

## **LEGAL MATTERS**

Certain legal matters relating to an offering and sale of Securities will be passed upon on behalf of the Company by Cassels Brock & Blackwell LLP with respect to matters of Canadian law. In addition, certain legal matters in connection with an offering and sale of Securities will be passed upon for any underwriters, dealers or agents by counsel to be designated at the time of such offering and sale by such underwriters, dealers or agents with respect to matters of Canadian and, if applicable, United States or other foreign law. As at the date hereof, the partners and associates of Cassels Brock & Blackwell LLP, as a group, own less than 1% of the outstanding Securities of the Company.

## **AUDITORS, TRANSFER AGENT AND REGISTRAR**

De Visser Gray, LLC, Chartered Professional Accountants, is independent of the Company in accordance with Code of Professional Conduct of the Chartered Professional Accountants of British Columbia and the Canadian Securities Authority. De Visser Gray, LLC has performed the audit in respect of certain financial statements incorporated by reference herein or attached hereto. As of the date hereof, De Visser Gray, LLC, and its partners and associates, beneficially own, directly or indirectly, in their respective groups, less than 1% of any class of outstanding securities of the Company. The transfer agent and registrar for the Common Shares is Odyssey Trust Company at its principal offices in Vancouver, British Columbia.

## **PURCHASERS' STATUTORY RIGHTS**

Unless provided otherwise in a Prospectus Supplement, the following is a description of a purchaser's statutory rights. Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to

withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces and territories, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revision of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. However, purchasers of Securities under an "at-the-market distribution" by the Company will not have the right to withdraw from an agreement to purchase Securities and will not have remedies for rescission or, in some jurisdictions, revisions of the price or damages for non-delivery of the prospectus, because this Prospectus, Prospectus Supplements relating to Securities purchased by the purchaser and any amendment relating to Securities purchased by the purchaser will not be delivered in cases where an exemption from such delivery requirement has been obtained. Any remedies under securities legislation that a purchaser of Securities under an "at-the-market distribution" by the Company may have against the Company or agents for rescission or, in some jurisdictions, revisions of the price or damages if this Prospectus, Prospectus Supplements relating to Securities purchased by the purchaser and any amendment relating to Securities purchased by the purchaser contain a misrepresentation will remain unaffected by the non-delivery in cases where an exemption from such delivery requirement has been obtained. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights or consult with a legal advisor.

Original purchasers of Securities which are convertible, exchangeable or exercisable for other securities of the Company (unless the Securities are reasonably regarded by the Company as incidental to the applicable offering as a whole) will have a contractual right of rescission against the Company in respect of the conversion, exchange or exercise of such Securities. The contractual right of rescission will be further described in any applicable Prospectus Supplement, but will, in general, entitle such original purchasers to receive, upon surrender of the underlying securities, the amount paid for the applicable convertible, exchangeable or exercisable Securities (and any additional amount paid upon conversion, exchange or exercise) in the event that this Prospectus (as supplemented or amended) contains a misrepresentation, provided that: (i) the conversion, exchange or exercise takes place within 180 days of the date of the purchase of such Securities under this Prospectus and the applicable Prospectus Supplement; and (ii) the right of rescission is exercised within 180 days of the date of the purchase of such Securities under this Prospectus and the applicable Prospectus Supplement.

In an offering of Securities which are convertible, exchangeable or exercisable for other securities of the Company, investors are cautioned that the statutory right of action for damages for a misrepresentation contained in this Prospectus, the relevant Prospectus Supplement or an amendment thereto is limited, in certain provincial and territorial securities legislation, to the price at which the Securities which are convertible, exchangeable or exercisable for other securities of the Company are offered to the public under the prospectus offering. This means that, under the securities legislation of certain provinces and territories, if the purchaser pays additional amounts upon conversion, exchange or exercise of the Security, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces and territories. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of this right of action for damages or consult with a legal advisor.



**SCHEDULE "A"**  
**Interim consolidated financial statements**  
**of the Company for the nine months ended January 31, 2021**  
**(Reviewed)**

Please see attached.

**HAVN Life Sciences Inc.**  
(Formerly 1246780 B.C. Ltd.)

**Condensed Interim Consolidated Financial Statements**

**For the nine months ended January 31, 2021**

**(Unaudited – Expressed in Canadian Dollars)**

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**HAVN Life Sciences Inc.**  
**(Formerly 1246780 B.C. Ltd.)**  
**Condensed Interim Consolidated Statements of Financial Position**  
**(Unaudited - Expressed in Canadian dollars)**

<b>As at</b>	Notes	January 31, 2021	April 30, 2020 (Audited)
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash		\$ 13,341,645	\$ 1,616,985
Amounts receivable		162,664	-
Prepaid expenses and deposit		584,202	75,000
Promissory note receivable	6	-	250,548
<b>Total Current Assets</b>		<b>14,088,511</b>	<b>1,942,533</b>
<b>Non-Current Assets</b>			
Deposit		5,500	-
Intangible asset	4	2,670,681	-
<b>Total Non-Current Assets</b>		<b>2,676,181</b>	<b>-</b>
<b>TOTAL ASSETS</b>		<b>16,764,692</b>	<b>1,942,533</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts payable and accrued liabilities	7	1,012,257	41,109
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	5	25,363,786	1,922,000
Contributed surplus	5	712,915	-
Subscriptions received	5	-	20,000
Share-based payment reserve	5	9,098,171	-
Deficit		(19,422,437)	(40,576)
<b>Total equity</b>		<b>15,752,435</b>	<b>1,901,424</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>\$ 16,764,692</b>	<b>\$ 1,942,533</b>

Nature of operations – Note 1

Subsequent events – Notes 5 and 10

Approved on behalf of the Board of Directors:

“Tim Moore”, Director

“Rick Brar”, Director

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

**HAVN Life Sciences Inc.**  
**(Formerly 1246780 B.C. Ltd.)**  
**Condensed Interim Consolidated Statement of Loss and Comprehensive Loss**  
**(Unaudited - Expressed in Canadian dollars)**

	Notes	For the three months ended January 31, 2021	For the nine months ended January 31, 2021
<b>EXPENSES</b>			
Advertising and promotion		\$ 41,514	\$ 211,413
Amortization	4	1,158,975	1,877,035
Consulting fees and employee payroll		398,444	641,196
Donations		20,000	40,000
Investor relations and marketing		2,015,082	3,145,656
Management and directors' fees	7	414,500	1,382,167
Office and miscellaneous		444,396	474,866
Professional fees		325,119	646,070
Rent		20,000	86,000
Research and development		216,542	230,744
Share-based payments	5, 7	2,593,857	5,064,144
Finders' performance warrants	5	5,476,618	5,476,618
Transfer agent and filing fees		25,704	84,847
Travel		6,002	19,615
<b>TOTAL OPERATING EXPENSES</b>		<b>(13,156,753)</b>	<b>(19,380,371)</b>
<b>OTHER ITEM</b>			
Foreign exchange loss		(3,508)	(1,490)
		(3,508)	(1,490)
<b>LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD</b>		<b>\$ (13,160,261)</b>	<b>\$ (19,381,861)</b>
<b>Weighted average number of common shares outstanding – basic and diluted</b>			
		76,753,357	47,246,681
<b>Loss per share, basic and diluted</b>		<b>\$ (0.17)</b>	<b>\$ (0.41)</b>

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

**HAVN Life Sciences Inc.**  
**(Formerly 1246780 B.C. Ltd.)**  
**Condensed Interim Consolidated Statements of Changes in Shareholders' Equity**  
**For the nine months ended January 31, 2021**  
**(Unaudited - Expressed in Canadian dollars)**

	Share Capital		Warrants		Subscriptions Received	Share-Based Payment Reserve		Deficit	Total Equity
	Number	Amount	Special warrants	Finders' warrants		Options and RSRs			
		\$	\$	\$	\$	\$	\$	\$	\$
<b>Incorporation, April 8, 2020</b>	-	-	-	-	-	-	-	-	-
Incorporation share issued	1	1	-	-	-	-	-	-	1
Incorporation share repurchased by the Company	(1)	(1)	-	-	-	-	-	-	(1)
Shares issued pursuant to private placements	16,474,000	1,922,000	-	-	-	-	-	-	1,922,000
Subscription receipts	-	-	-	-	20,000	-	-	-	20,000
Net loss for the period	-	-	-	-	-	-	-	(40,576)	(40,576)
<b>April 30, 2020</b>	<b>16,474,000</b>	<b>1,922,000</b>	<b>-</b>	<b>-</b>	<b>20,000</b>	<b>-</b>	<b>-</b>	<b>(40,576)</b>	<b>1,901,424</b>

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

**HAVN Life Sciences Inc.**  
**(Formerly 1246780 B.C. Ltd.)**  
**Condensed Interim Consolidated Statements of Changes in Shareholders' Equity**  
**For the nine months ended January 31, 2021**  
**(Unaudited - Expressed in Canadian dollars)**

	Share Capital		Contributed surplus			Subscriptions Received	Share-Based Payment Reserve Options, RSRs and Performance Warrants	Deficit	Total Equity
	Number	Amount	Special warrants	Finders' warrants / options					
		\$	\$	\$	\$				
<b>April 30, 2020</b>	<b>16,474,000</b>	<b>1,922,000</b>	-	-	<b>20,000</b>	-	<b>(40,576)</b>	<b>1,901,424</b>	
Share issuance converted to 9,550,000 special warrants	(9,550,000)	(191,000)	191,000	-	-	-	-	-	
<i>Special warrants</i>									
Issuance of 12,249,000 special warrants for cash	-	-	264,900	-	-	-	-	264,900	
Issuance of 12,356,667 special warrants for consulting services rendered	-	-	-	-	-	247,133	-	247,133	
Shares issued pursuant to conversion of special warrants	34,155,667	703,033	(455,900)	-	-	(247,133)	-	-	
Shares issued pursuant to private placements	20,297,900	13,887,753	-	-	(20,000)	-	-	13,867,753	
Shares issued pursuant to warrant exercises	10,937,856	5,468,928	-	-	-	-	-	5,468,928	
Warrant exercises reserved for cancellation	(600,000)	(300,000)	-	-	-	-	-	(300,000)	
Finders' units	908,000	227,000	-	-	-	-	-	227,000	
Shares issued for services rendered	620,108	546,072	-	-	-	-	-	546,072	
Shares issued pursuant to acquisition of HAVN Research Inc.	15,233,333	3,808,333	-	-	-	-	-	3,808,333	
<i>Share issuance costs</i>									
Cash	-	(1,163,376)	-	-	-	-	-	(1,163,376)	
110,000 finders' units	-	(27,500)	-	-	-	-	-	(27,500)	
198,000 finders' warrants	-	(22,900)	-	22,900	-	-	-	-	
644,874 finders' options	-	(690,015)	-	690,015	-	-	-	-	
Fair value of cashless option exercises	19,747	16,242	-	-	-	(16,242)	-	-	
Fair value of RSRs exercised	1,439,130	1,179,216	-	-	-	(1,179,216)	-	-	
Fair value of options granted and expected to vest	-	-	-	-	-	2,075,502	-	2,075,502	
Fair value of RSRs granted and expected to vest	-	-	-	-	-	2,741,509	-	2,741,509	
Fair value of performance warrants granted and expected to vest	-	-	-	-	-	5,476,618	-	5,476,618	
Net loss for the period	-	-	-	-	-	-	(19,381,861)	(19,381,861)	
<b>January 31, 2021</b>	<b>89,935,741</b>	<b>25,363,786</b>	-	<b>712,915</b>	-	<b>9,098,171</b>	<b>(19,422,437)</b>	<b>15,752,435</b>	

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

**HAVN Life Sciences Inc.**  
**(Formerly 1246780 B.C. Ltd.)**  
**Condensed Interim Consolidated Statement of Cash Flows**  
**(Unaudited - Expressed in Canadian dollars)**

	For the nine months ended January 31, 2021
<b>Cash (used in) provided by:</b>	
<b>OPERATING ACTIVITIES</b>	
Loss for the period	\$ (19,381,861)
Items not involving cash:	
Amortization	1,877,035
Shares issued for services rendered	546,072
Share-based payments	5,064,144
Finders' performance warrants	5,476,618
<b>Net changes in non-cash working capital items:</b>	
Amounts receivable	(159,228)
Prepaid expenses and deposit	(506,052)
Accounts payable and accrued liabilities	939,913
<b>Cash used in operating activities</b>	<b>(6,143,359)</b>
<b>INVESTING ACTIVITIES:</b>	
Deposit	(5,500)
Net cash paid to acquire HAVN Research Inc.	(264,686)
<b>Cash used in investing activities</b>	<b>(270,186)</b>
<b>FINANCING ACTIVITIES:</b>	
Proceeds from the issuance of common shares	14,132,653
Proceeds from warrant exercises	5,168,928
Share issuance costs	(1,163,376)
<b>Cash provided by financing activities</b>	<b>18,138,205</b>
Net increase in cash	11,724,660
Cash, beginning of period	1,616,985
<b>Cash, end of period</b>	<b>\$ 13,341,645</b>

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

**HAVN Life Sciences Inc.**  
**(Formerly 1246780 B.C. Ltd.)**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**For the nine months ended January 31, 2021**  
**(Unaudited - Expressed in Canadian dollars)**

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**1. NATURE OF OPERATIONS**

HAVN Life Sciences Inc. (formerly 1246780 B.C. Ltd.) (“the Company”) is a Canadian biotechnology company pursuing standardized, quality-controlled extraction of psychoactive compounds from plants and fungi and the development of natural health care products, and mental health treatments to support mental health.

The Company was incorporated under the laws of the Business Corporations Act (British Columbia) on April 8, 2020, and, as such, there are no comparative periods for presentation in the consolidated statements of loss and comprehensive loss and cash flows. The Company’s registered office is 2200-885 West Georgia Street, Vancouver, British Columbia V6C 3E8. On September 8, 2020, the Company’s shares began trading on the Canadian Securities Exchange (“CSE”) under the symbol “HAVN”.

These condensed interim consolidated financial statements were approved by the Board of Directors on April 1, 2021.

**2. BASIS OF PRESENTATION**

**2.1. Statement of compliance**

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34 Interim Financial Reporting (“IAS 34”), using accounting policies which are consistent with the International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the IFRS Interpretations Committee (“IFRIC”).

Certain amounts in the prior period financial statements have been reclassified to conform to the presentation of the current period financial statements.

**2.2. Basis of presentation**

These condensed interim consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments which have been measured at fair value. In addition, these condensed interim consolidated financial statements have been prepared using accrual basis of accounting except for cash flow information. All monetary references expressed in these notes are references to Canadian dollar amounts. These condensed interim consolidated financial statements are presented in Canadian dollars, which is the functional currency of the Company.

**2.3. Basis of consolidation**

These condensed interim consolidated financial statements include the accounts of the Company and its wholly-owned Canadian subsidiary, HAVN Research Inc. (“HAVN Research”), whose functional currency is the Canadian dollar. The accounts of HAVN Research have been included from September 4, 2020 (the date of acquisition). Intercompany balances and transactions are eliminated in preparing the consolidated financial statements.



**HAVN Life Sciences Inc.**  
**(Formerly 1246780 B.C. Ltd.)**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**For the nine months ended January 31, 2021**  
**(Unaudited - Expressed in Canadian dollars)**

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**2. BASIS OF PRESENTATION (CONTINUED)**

**2.4. Significant judgments, estimates and assumptions**

The preparation of the Company's condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities and revenues and expenses. Estimates and assumptions are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from these estimates. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the review affects both current and future periods.

**Critical Accounting Judgments**

*Going Concern*

The assumption that the Company will be able to continue as a going concern is subject to critical judgments by management with respect to assumptions surrounding the short and long-term operating budget, expected profitability, investing and financing activities and management's strategic planning. Should those judgments prove to be inaccurate, management's continued use of the going concern assumption could be inappropriate.

*Business combinations/Asset acquisitions*

Judgment is used when determining whether an acquisition is a business combination or an asset acquisition. Judgment is also used in measuring the fair value of equity instruments issued as consideration for a business combination or an asset acquisition, and in allocating the fair value of consideration paid to the assets acquired and liabilities assumed.

The Company measures all assets acquired and liabilities assumed at their acquisition-date fair values.

*Financial Instruments*

The determination of categories of financial assets and financial liabilities has been identified as an accounting policy which involves judgements or assessments made by management.

**Critical Accounting Estimates**

*Income Taxes*

The determination of income tax is inherently complex and requires making certain estimates and assumptions about future events. While income tax filings are subject to audits and reassessments, the Company has adequately provided for all income tax obligations. However, changes in facts and circumstances as a result of income tax audits, reassessments, jurisprudence and any new legislation may result in an increase or decrease in our provision for income taxes.

**HAVN Life Sciences Inc.**  
**(Formerly 1246780 B.C. Ltd.)**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**For the nine months ended January 31, 2021**  
**(Unaudited - Expressed in Canadian dollars)**

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**2. BASIS OF PRESENTATION (CONTINUED)**

**2.4. Significant judgments, estimates and assumptions (Continued)**

*Share-based payments*

Where applicable, the fair value of certain equity instruments is subject to the limitations of the Black-Scholes option pricing model, as well as other pricing models that incorporate market data and involves uncertainty in estimates used by management in the assumptions. Because option pricing models require inputs of highly subjective assumptions, including the volatility of share prices, changes in subjective input assumptions can materially affect the fair value estimate.

*Valuation of equity consideration granted*

The valuation of share consideration granted involves management judgment in determining valuation of the share consideration granted. Judgment is exercised in the reliability of the fair value of consideration received.

*Estimated useful lives, impairment considerations and amortization of tangible assets and intangible assets*

Amortization of tangible and intangible assets is dependent upon estimates of useful lives based on management's judgment.

Impairment of tangible and intangible assets with limited lives are affected by judgments about impairment indicators and estimates used to measure impairment losses where necessary.

The recoverable value of intangible assets is determined using discounted cash flow models, which incorporate assumptions about future events including future cash flows, growth rates and discount rates.

***Functional currency***

Items included in the consolidated financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the "functional currency").

The functional currency of the Company was determined to be the Canadian dollar.

***Transactions and balances***

Foreign currency transactions are translated into the relevant functional currency using the exchange rate prevailing at the date of the transaction. Foreign currency gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of profit or loss.

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### **3. SIGNIFICANT ACCOUNTING POLICIES**

Aside from the policies adopted below, the accounting principles utilized herein are consistent with those applicable to the annual audited financial statements; however, they lack certain disclosures that are ordinarily only reported in those annual statements. Accordingly, these consolidated statements should be read in conjunction with the Company's last annual financial statements as at and for the period ended April 30, 2020 and filed on SEDAR.com.

#### **3.1 Intangible assets**

Intangible assets acquired individually or with a group of other assets from others (other than in a business combination) are recognized at cost, including transaction costs, and allocated to the individual assets acquired based on relative fair values and no goodwill is recognized. Cost is measured based on cash consideration paid. If consideration given is in the form of non-cash assets, liabilities incurred, or equity interests issued, measurement of cost is based on either the fair value of the consideration given or the fair value of the assets (or net assets) acquired, whichever is more clearly evident and more reliably measurable. Costs of internally developing, maintaining or restoring intangible assets that are not specifically identifiable, have indeterminate lives or are inherent in a continuing business are expensed as incurred.

Intangibles with a finite useful life are amortized and those with an indefinite useful life are not amortized. The useful life is the best estimate of the period over which the asset is expected to contribute directly or indirectly to the future cash flows of the Company. The useful life is based on the duration of the expected use of the asset by the Company and the legal, regulatory or contractual provisions that constrain the useful life and future cash flows of the asset, including regulatory acceptance and approval, obsolescence, demand, competition and other economic factors. If an income approach is used to measure the fair value of an intangible asset, the Company considers the period of expected cash flows used to measure the fair value of the intangible asset, adjusted as appropriate for Company-specific factors discussed above, to determine the useful life for amortization purposes. If no regulatory, contractual, competitive, economic or other factors limit the useful life of the intangible to the Company, the useful life is considered indefinite.

Intangibles with a finite useful life are amortized on the straight-line method unless the pattern in which the economic benefits of the intangible asset are consumed or used up are reliably determinable. The Company evaluates the remaining useful life of intangible assets each reporting period to determine whether any revision to the remaining useful life is required. If the remaining useful life is changed, the remaining carrying amount of the intangible asset will be amortized prospectively over the revised remaining useful life. Licensed rights are amortized on a straight-line basis over the lease period of the leased premises to which the licensed rights are related.

Intangibles with an indefinite useful life are not amortized until its useful life is determined to be no longer indefinite. If the useful life is determined to be finite, the intangible is tested for impairment and the carrying amount is amortized over the remaining useful life in accordance with intangibles subject to amortization. Indefinite-lived intangibles are tested for impairment annually and more frequently if events or circumstances indicate that it is more-likely-than-not that the asset is impaired. The Company has not recognized any intangible assets with an indefinite useful life.

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**3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**3.2 Impairment of tangible and intangible assets**

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash generating unit ("CGU") to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or CGU in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

**3.3 Share-based payments**

Share-based payment arrangements in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity-settled transactions and, when determinable, are recorded at the value of the goods and services received. If the value of the goods and services received is not determinable, then the fair value of the share-based payment is used.

The Company uses a fair value-based method (Black-Scholes Option Pricing Model) for all share options granted to directors, officers, employees and certain non-employees. For directors, officers and employees, the fair value of the share options is measured at the date of grant. For grants to non-employees where the fair value of the goods or services is not determinable, the fair value of the share options is measured on the date the services are received.

The fair value of share-based payments is charged to profit or loss with the offsetting credit to contributed surplus. For directors, employees and consultants, the share options are recognized over the vesting period based on the best available estimate of the number of share options expected to vest. If options vest immediately, the expense is recognized when the options are issued. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognized in the current period. No adjustment is made to any expense recognized in prior periods where vested. For non-employees, the share options are recognized over the related service period. When share options are exercised, the amounts previously recognized in contributed surplus are transferred to share capital.

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**3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**3.3 Share-based payments (Continued)**

In the event share options are forfeited prior to vesting, the associated fair value recorded to date is reversed. The fair value of any vested share options that expire remain in contributed surplus.

**3.4 Research and development**

Research costs are expensed as incurred. Development expenditures are capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development or use or sell the asset. Other development expenditures are expensed as incurred.

**3.5 Changes in Significant Accounting Policies**

**Accounting standard anticipated to be effective**

There are no new standards issued, but not yet effective, that are anticipated to have a material impact on the Company's consolidated financial statements.

**4. ACQUISITION AND INTANGIBLE ASSET**

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

In connection with entering into the original SPA on May 29, 2020, the Company paid \$142,857 and issued 798,000 units pursuant to finder's fees measured at a fair value of \$0.25 per unit for an aggregate total finders' fee expense of \$342,357. Each unit consists of one common share and one warrant at an exercise price of \$0.50 per warrant for a period of two years, provided that in the event that the common shares trade on the CSE, or other recognized stock exchange or market, as applicable, at a price of \$0.75 or more for a period of at least ten (10) consecutive trading days, the Company shall be entitled to accelerate the exercise period to a period ending at least 30 days from the date that notice of such acceleration is provided to the holders of the warrants. (see Note 5.3)

The condensed interim consolidated financial statements for the period ended January 31, 2021 reflect the assets, liabilities and results of operations of the Company and HAVN Research since September 4, 2020, being the date on which the Company formally became the sole shareholder of HAVN Research.

The transaction has been accounted for as an asset acquisition in accordance with IFRS 2 *Share-based payments*, with the excess purchase price having been accounted for as an intangible asset pursuant to the value of the Section 56 exemption rights ("Section 56 Exemption") granted by Health Canada to HAVN Research.

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**4. ACQUISITION AND INTANGIBLE ASSET (CONTINUED)**

The allocation of the purchase price to the estimated fair value of the assets and liabilities of HAVN Research is as follows:

<b>Cost of acquisition</b>	
15,233,333 common shares measured at a fair value of \$0.25 per share	\$ 3,808,333
798,000 finders' units measured at a fair value of \$0.25 per unit	199,500
Finder's fee, cash	142,857
Promissory note receivable at April 30, 2020	250,548
Cash advances	125,000
<b>Total consideration</b>	<b>4,526,238</b>
<b>Fair value of net assets acquired</b>	
Cash	3,171
Amounts receivable and deposit	6,586
Total assets	9,757
Accounts payable and accrued liabilities	31,235
<b>Net liabilities acquired</b>	<b>21,478</b>
<b>Intangible assets – Section 56 Exemption</b>	<b>\$ 4,547,716</b>

The intangible asset will be amortized over its useful life, that being one year.

The carrying value of the intangible asset at January 31, 2021 is as follows:

<b>Cost</b>	<b>Section 56 Exemption</b>
Balance, April 30, 2020	\$ -
Additions	4,547,716
<b>Balance, January 31, 2021</b>	<b>\$ 4,547,716</b>
<b>Accumulated amortization</b>	
Balance, April 30, 2020	\$ -
Additions	(1,877,035)
<b>Balance, January 31, 2021</b>	<b>\$ (1,877,035)</b>
<b>Net, April 30, 2020</b>	<b>\$ -</b>
<b>Net, January 31, 2021</b>	<b>\$ 2,670,681</b>

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**5. EQUITY**

**5.1 Authorized Share Capital**

Unlimited number of common shares without par value.

**5.2 Shares Issued**

There are 89,935,741 common shares issued and outstanding as at January 31, 2021.

Shares issued during the nine months ended January 31, 2021 were as follows:

Description	Number of shares	Amount \$
<b>Balance, April 30, 2020</b>	<b>16,474,000</b>	<b>1,922,000</b>
May, 2020	(9,550,000)	(191,000)
May 27, 2020	Private placement 3,340,000	835,000
June 5, 2020	Private placement 6,210,000	1,552,500
June 5, 2020	Finders' units 908,000	227,000
September 4, 2020	Acquisition of HAVN Research 15,233,333	3,808,333
September 4, 2020	Conversion of special warrants 33,906,667	678,133
September 4, 2020	Conversion of special warrants 249,000	24,900
September 14, 2020	Investor relations and marketing services rendered 200,000	140,000
December 4, 2020	Research and development services rendered 35,212	28,874
December 4, 2020	Warrants exercised 10,937,856	5,468,928
December 4, 2020	Cancellation of warrants exercised (600,000)	(300,000)
January 7, 2021	Private placement 10,747,900	11,500,253
January 13, 2021	Cashless options exercised 19,747	16,242
January, 2021	RSRs exercised 1,439,130	1,179,216
January 22, 2021	Investor relations and marketing services rendered 298,896	292,918
January 22, 2021	Consulting services rendered 86,000	84,280
	Share issuance costs	(1,903,791)
<b>Balance, January 31, 2021</b>	<b>89,935,741</b>	<b>25,363,786</b>

During the nine months ended January 31, 2021, the Company:

- i. During May 2020, all of the subscribers of the \$0.02 private placement entered into special warrant subscription agreements at a price of \$0.02 per special warrant. The replacement special warrant subscription agreements resulted in the termination of the previous \$0.02 subscription agreements, and the cancellation of the underlying common shares. In total, the Company cancelled all 9,550,000 common shares on May 28, 2020.

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**5. EQUITY (CONTINUED)**

**5.2 Shares Issued (Continued)**

- ii. On May 28, 2020, the Company completed a private placement of 21,550,000 special warrants at a price of \$0.02 per special warrant for total net proceeds of \$431,000 (of which \$191,000 was previously received). Each special warrant automatically converts into a common share of the Company at the earlier of (a) the date that is four months and a day following the closing date and (b) the day on which a receipt for the final prospectus of the Company qualifying the distribution of its common shares underlining the special warrant is received.
- iii. During May and June 2020, the Company completed the following private placements:
  - a) Issued 249,000 special warrants at a price of \$0.10 per special warrant for total net proceeds of \$24,900. Each special warrant automatically converts into a common share of the Company at the earlier of (a) the date that is four months and a day following the closing date and (b) the day on which a receipt for the final prospectus of the Company qualifying the distribution of its common shares underlining the special warrant is received; and
  - b) Issued 9,550,000 units at a price of \$0.25 per unit for total net proceeds of \$2,387,500. Each unit consists of one common share and one warrant, with each warrant being exercisable at \$0.50 per common share for a period of two years, provided that in the event that the common shares trade on the CSE, or other recognized stock exchange or market, as applicable, at a price of \$0.75 or more for a period of at least ten (10) consecutive trading days, the Company shall be entitled to accelerate the exercise period to a period ending at least 30 days from the date that notice of such acceleration is provided to the holders of the warrants. (see Note 5.3)

In connection with completing the aforementioned private placements, the Company paid cash of \$192,357 to finders, issued 110,000 finder's units and 198,000 finder's warrants. Each finder's unit consists of one common share and one warrant, with each warrant being exercisable at \$0.50 per common share for a period of two years, provided that in the event that the common shares trade on the CSE, or other recognized stock exchange or market, as applicable, at a price of \$0.75 or more for a period of at least ten (10) consecutive trading days, the Company shall be entitled to accelerate the exercise period to a period ending at least 30 days from the date that notice of such acceleration is provided to the holders of the warrants (see Note 5.3). The finder's units were measured at a fair value of \$0.25 per finders' unit for a total of \$27,500. The finder's warrants have the same terms as those included in the units and were measured at a fair value of \$22,900.



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**5. EQUITY (CONTINUED)**

**5.2 Shares Issued (Continued)**

- iv. On June 3, 2020, the Company entered into an Acquisition with HAVN Research. Under the terms of the Agreement, the Company is to acquire 100% of the outstanding shares of HAVN Research for an aggregate of 15,233,333 common shares of the Company (completed September 4, 2020). In connection with completing the Acquisition, the Company paid cash of \$142,857 and issued 798,000 units, measured at a value of \$199,500, pursuant to finders' fees. Each unit consists of one common share and one warrant at an exercise price of \$0.50 per warrant for a period of two years, provided that in the event that the common shares trade on the CSE, or other recognized stock exchange or market, as applicable, at a price of \$0.75 or more for a period of at least ten (10) consecutive trading days, the Company shall be entitled to accelerate the exercise period to a period ending at least 30 days from the date that notice of such acceleration is provided to the holders of the warrants. (see Note 5.3)
- v. During June 2020, the Company issued 12,356,667 special warrants in consideration for consulting fees totalling \$247,133. Each special warrant automatically converts into a common share of the Company at the earlier of (a) the date that is four months and a day following the closing date and (b) the day on which a receipt for the final prospectus of the Company qualifying the distribution of its common shares underlining the special warrant is received.
- vi. Following receipt of the Company's prospectus, on September 4, 2020, the Company issued 34,155,667 common shares pursuant to the conversion of all 34,155,667 special warrants.
- vii. On September 4, 2020, the Company issued 15,233,333 common shares pursuant to the acquisition of HAVN Research measured at a fair value of \$3,808,333. (Note 4)
- viii. On September 14, 2020, the Company issued 200,000 common shares in exchange for investor relations and marketing services rendered. These common shares were measured at a fair value of \$140,000.
- ix. On December 4, 2020, the Company issued 35,212 common shares in exchange for a website which was included in research and development expense. These common shares were measured at a fair value of \$28,874.
- x. During the nine months ended January 31, 2021, the Company received total proceeds of \$5,468,928 pursuant to the exercise of 10,937,856 warrants. The Company is in the process of cancelling 600,000 of warrant exercises and has refunded exercise proceeds totalling \$300,000. The Company notes that certain of the warrants were sold by their original holders to third party buyers prior to being exercised. The Company paid a finder's fee totalling \$80,000 pursuant to certain warrant exercises. The remaining 7,242,144 of unexercised warrants and finders' warrants expired unexercised.

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**5. EQUITY (CONTINUED)**

**5.2 Shares Issued (Continued)**

xi. On January 7, 2021, the Company completed a bought deal public financing with Eight Capital for 10,747,900 units at a price of \$1.07 per unit for total proceeds of \$11,500,253. Each unit consists of a common share a warrant exercisable into a common share at \$1.34 per warrant for three years.

In connection with completing the financing, the Company paid commissions, advisory and legal fees totalling \$891,020 and issued 644,874 finders' options, measured at a fair value of \$690,015. Each finders' option is exercisable into one unit for three years for no consideration. Each unit consists of one common share and one warrant at an exercise price of \$1.34 per warrant for a period of three years.

xii. On January 22, 2021, the Company issued 298,896 common shares pursuant to investor relations and marketing services rendered measured at a fair value of \$377,198. The Company also issued 86,000 common shares pursuant to consulting services rendered measured at a fair value of \$84,280.

During the nine months ended January 31, 2021, the Company issued common shares pursuant to options, RSRs and warrants exercised, as follows:

	<b>Description</b>	<b>Number of shares issued</b>	<b>Options/ RSRs/ warrants exercised</b>	<b>Exercise price</b>	<b>Fair value reclassified to share capital</b>	<b>Proceeds</b>
January 13, 2021	Cashless options exercised	19,747	25,000	\$ 0.25	\$ 16,242	\$ Nil
January, 2021	RSRs exercised	1,439,130	1,439,130	N/A	\$ 1,179,216	\$ Nil
December, 2020	Warrants exercised	10,337,856	10,337,856	\$ 0.50	\$ Nil	\$ 5,168,928

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**5. EQUITY (CONTINUED)**

**5.3 Warrants**

At January 31, 2021, the following warrants were outstanding:

	<b>Warrants</b>		<b>Exercise Price</b>
<b>April 30, 2020</b>	6,924,000	\$	0.50
Issued in May and June	9,550,000		0.50
Exercised in November	(10,337,856)		0.50
Expired in November	(6,136,144)		0.50
Issued in January	10,747,900		1.34
<b>January 31, 2021</b>	<b>10,747,900</b>	<b>\$</b>	<b>1.34</b>
<b>Expiry date</b>	<b>Warrants</b>		<b>Exercise Price</b>
<b>Warrants</b>			
January 7, 2024	10,747,900	\$	1.34
<b>Balance, January 31, 2021</b>	<b>10,747,900</b>	<b>\$</b>	<b>1.34</b>

At January 31, 2021, the following finders' warrants were outstanding:

	<b>Finders' warrants</b>		<b>Exercise Price</b>
<b>April 30, 2020</b>	-	\$	-
Issued in May and June	1,106,000		0.50
Expired	(1,106,000)		0.50
<b>January 31, 2021</b>	<b>-</b>	<b>\$</b>	<b>-</b>

The fair value of finders' warrants was determined on the date of issuance using the following Black-Scholes Option Pricing Model assumptions:

	<b>January 31, 2021</b>
Share price	\$ 0.25
Exercise price	\$ 0.50
Expected life	2
Volatility	120%
Risk-free interest rate	0.32%

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**5. EQUITY (CONTINUED)**

**5.3 Warrants (Continued)**

During the nine months ended January 31, 2021, the Company granted the following performance warrants (“PWs”):

- i. On June 4, 2020, the Company issued an aggregate of 9,000,000 performance warrants to certain consultants as consideration for the performance of ongoing consulting services. Each of the 9,000,000 performance warrant are exercisable to acquire one common share of the Company at a price of \$0.05 for a period of three years from the date of issuance, and will vest and become exercisable when the Company completes an acquisition of an accretive business or asset having a value of \$5,000,000 or greater either in a single or in a series of separate transactions in respect of which the vending party is identified and introduced to the Company by the holder of such performance warrants;

On January 25, 2021, the Company entered into a share purchase agreement to acquire (the “Acquisition”) all of the outstanding share capital of GCO Packaging and Manufacturing Ltd. (“GCO”) in exchange for 6,000,000 common shares of the Company. Pursuant to the expectation of the Acquisition imminently closing, the Company has recognized \$5,476,618 in finders’ performance warrants expense on these 9,000,000 performance warrants expected to vest.

The fair value of performance warrants was determined using the following Black-Scholes Option Pricing Model assumptions:

	<b>January 31, 2021</b>	
Share price	\$	0.87
Exercise price	\$	0.05
Expected life		2.34 years
Volatility		120%
Risk-free interest rate		0.15%
Probability of meeting performance milestones		100%

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**5. EQUITY (CONTINUED)**

**5.3 Warrants (Continued)**

ii. On September 4, 2020, the Company issued an aggregate of 10,000,000 performance warrants to officers and director of the Company pursuant to the performance of services provided. Each performance warrant is exercisable to acquire one common share of the Company at a price of \$0.05 for a period of three years from the date of issuance, and will vest as follows:

- (a) 50% will be exercisable upon the Company's first production of psilocybin compounds in its laboratory facility; and
- (b) 50% will be exercisable upon the Corporation's first sale of a natural health product.

Pursuant to a settlement agreement with the President and Director of the Company, the Company modified the performance conditions such that 3,500,000 performance warrants vested on February 12, 2021, subject to escrow terms with 10% release upfront and the remainder in equal amounts every six months over thirty-six months.

At January 31, 2021, the following performance warrants were outstanding:

	Performance warrants	Exercise Price
<b>April 30, 2020</b>	-	\$ -
Granted in June and September	19,000,000	0.05
<b>Outstanding, January 31, 2021</b>	<b>19,000,000</b>	<b>\$ 0.05</b>
Vested	-	-
<b>Exercisable, January 31, 2021</b>	<b>-</b>	<b>\$ -</b>

Expiry date	Performance warrants outstanding	Performance warrants exercisable	Exercise Price
<b>Performance Warrants</b>			
June 4, 2023	9,000,000	-	\$ 0.05
September 4, 2023	10,000,000	-	0.05
<b>Balance, January 31, 2021</b>	<b>19,000,000</b>	<b>-</b>	<b>\$ 0.05</b>

At January 31, 2021, the weighted-average remaining life of the outstanding performance warrants was 2.47 years.

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**5. EQUITY (CONTINUED)**

**5.4 Options**

During the nine months ended January 31, 2021, the Company granted options subject to certain performance and time-based vesting conditions to directors, officers, employees and consultants as follows:

	<b>Options</b>	<b>Weighted Average Exercise Price</b>
<b>April 30, 2020</b>	-	\$ -
Granted in June, September, October and January	6,485,000	0.56
Exercised	(25,000)	0.25
<b>Outstanding, January 31, 2021</b>	<b>6,460,000</b>	<b>\$ 0.56</b>
Vested	2,985,000	0.59
<b>Exercisable, January 31, 2021</b>	<b>2,985,000</b>	<b>\$ 0.59</b>

The Company's options as at January 31, 2021 are as follows:

<b>Expiry date</b>	<b>Options outstanding</b>	<b>Options exercisable</b>	<b>Exercise Price</b>
<b>Options</b>			
June 4, 2025	750,000	500,000	0.25
September 4, 2022	1,375,000	50,000	0.25
September 4, 2022	200,000	50,000	0.50
September 10, 2025	2,135,000	2,135,000	0.65
October 4, 2025	1,750,000	-	0.79
January 15, 2026	250,000	250,000	0.85
<b>Balance, January 31, 2021</b>	<b>6,460,000</b>	<b>2,985,000</b>	<b>\$ 0.56</b>

At January 31, 2021, the weighted-average remaining life of the outstanding options was 3.87 years.

The fair value of options was determined using the following Black-Scholes Option Pricing Model assumptions:

	<b>January 31, 2021</b>
Share price	\$ 0.25 – 0.90
Exercise price	\$ 0.25 – 0.85
Expected life	2 – 5 years
Volatility	120%
Risk-free interest rate	0.24% – 0.46%

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**5. EQUITY (CONTINUED)**

**5.4 Options (Continued)**

During the nine months ended January 31, 2021, the Company recognized \$2,075,502 in share-based payment expense in connection with the options granted.

**5.5 Restricted Share Rewards (“RSRs”)**

During the nine months ended January 31, 2021, the Company granted the following RSRs subject to certain performance and time-based vesting conditions to directors, officers, employees, and consultants:

	<b>RSRs</b>
<b>April 30, 2020</b>	-
Granted June, September, October and January	4,679,130
Exercised	(1,439,130)
<b>Outstanding, January 31, 2021</b>	<b>3,240,000</b>
Vested	2,579,547
Exercised	(1,439,130)
<b>Vested, January 31, 2021</b>	<b>1,140,417</b>

During the nine months ended January 31, 2021, the Company recognized \$2,741,509 in share-based payment expense in connection with the RSRs granted.

**5.6 Equity Incentive Plan**

On June 4, 2020, the Company established its equity incentive plan. The equity incentive plan provides for the grant to eligible directors and employees (including officers) of stock options and restricted share rights. The equity incentive plan also provides for the grant to eligible directors of deferred share rights which the directors are entitled to redeem for 90 days following retirement or termination 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 Corporation, shall not exceed 20% of the Corporation’s issued and outstanding share capital from time to time.

**6. PROMISSORY NOTE RECEIVABLE**

On April 20, 2020, the Company entered into a promissory note agreement (the “Note”) with HAVN Research to advance \$250,000 for the purpose of pursuing a transaction whereby the Company and HAVN Research would enter into an acquisition with the effect that HAVN Research would become a wholly owned subsidiary of the Company, and the Company would subsequently pursue a going-public transaction in respect of HAVN Research. On September 4, 2020, the Company acquired HAVN Research (Note 4) and the promissory note receivable and accrued interest thereon have been included in the cost of acquisition.

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**7. RELATED PARTY TRANSACTIONS AND BALANCES**

Key management personnel are the officers and directors of the Company. Management and directors' fees and share-based payments for the nine months ended January 31, 2021 is summarized as follows:

<b>January 31, 2021</b>	
Management and directors' fees	\$ 1,382,167
Share-based payments (fair value)	3,904,656
	<b>\$ 5,286,823</b>

As at January 31, 2021, \$82,708 (April 30, 2020 - \$nil) is owed to certain officers and directors of the Company.

During the nine months ended January 31, 2021, the Company recorded:

<b>Equity incentives granted and fees paid to the following for services rendered:</b>	<b>Equity incentive</b>	<b>Equity incentive (amount)</b>	<b>Fair value</b>	<b>Fees paid</b>
			\$	\$
The former President and Director (formerly Co-President) pursuant to officer services provided	RSRs	200,000	174,000	120,000
	Options	250,000	133,505	
	PWs	4,500,000	Nil	
The former Co-President and Director pursuant to president services rendered pursuant to officer services provided	Options	250,000	133,505	330,000
	PWs	4,500,000	Nil	
The CEO and Director pursuant to officer services provided	RSRs	500,000	36,783	114,000
A company controlled by the CFO pursuant to CFO and former co-CEO, President and Director services provided	Options	750,000	229,361	
	RSRs	150,000	37,500	162,500
The former Co-CEO pursuant to officer services provided	Options	250,000	51,397	
	RSRs	39,130	35,216	84,000
The Chief Psychedelics Officer pursuant to officer services provided	PWs	1,000,000	Nil	
	Options	1,000,000	Nil	45,500
The Chief Research Officer pursuant to officer services provided	Options	100,000	Nil	39,500
A company controlled by the Chief Science Officer pursuant to officer services provided	RSRs	100,000	Nil	30,000
	Options	200,000	63,212	
A company controlled by a Director of the Company pursuant to director services provided	RSRs	50,000	16,918	100,000
	Options	250,000	133,505	
A Director of the Company pursuant to director services provided	RSRs	50,000	2,459	40,000
	Options	250,000	163,971	
A Director and Vice Chair of the Company pursuant to director services provided	RSRs	1,040,000	666,080	112,500
	Options	1,000,000	321,083	
A Director and Chair of the Company pursuant to director services provided	RSRs	2,050,000	1,322,553	204,167
	Options	1,250,000	383,608	
			<b>\$ 3,904,656</b>	<b>\$ 1,382,167</b>



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## **8. MANAGEMENT OF CAPITAL**

The Company defines the capital that it manages as its cash and share capital.

The Company's objective when managing capital is to maintain corporate and administrative functions necessary to support the Company's operations and corporate functions; and to seek out and acquire new projects of merit.

The Company manages its capital structure in a manner that provides sufficient funding for operational and capital expenditure activities. Funds are secured, when necessary, through debt funding or equity capital raised by means of private placements exercises of equity instruments. There can be no assurances that the Company will be able to obtain debt or equity capital in the case of working capital deficits.

The Company does not pay dividends and has no long-term debt or bank credit facility. The Company is not subject to any externally imposed capital requirements.

## **9. RISK MANAGEMENT**

### **9.1 Financial Risk Management**

The Company may be exposed to risks of varying degrees of significance which could affect its ability to achieve its strategic objectives. The main objectives of the Company's risk management processes are to ensure that risks are properly identified and that the capital base is adequate in relation to those risks. The principal risks to which the Company is exposed are described below.

#### **a. Capital Risk**

The Company manages its capital to ensure that there are adequate capital resources for the Company to maintain operations. The capital structure of the Company consists of cash and share capital.

#### **b. Credit Risk**

Credit risk is the risk that a counter party will be unable to pay any amounts owed to the Company. The Company is not exposed to any credit risk at this time.

#### **c. Liquidity Risk**

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due. As at January 31, 2021, the Company's working capital is \$13,076,254 and it does not have any long-term liabilities. The Company may seek additional financing through equity offerings, but there can be no assurance that such financing will be available on terms acceptable to the Company or at all. Any equity offering will result in dilution to the ownership interests of the Company's shareholders and may result in dilution to the value of such interests. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at January 31, 2021, the Company had cash of \$13,341,645 and total liabilities of \$1,012,257.

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**9. RISK MANAGEMENT (CONTINUED)**

**9.1 Financial Risk Management (Continued)**

**d. Market Risk**

Market risk incorporates a range of risks. Movements in risk factors, such as market price risk and currency risk, affect the fair values of financial assets and liabilities. The Company is not exposed to these risks.

**9.2 Fair Values**

The carrying values of cash, amounts receivable, promissory note receivable and accounts payable and accrued liabilities approximate their fair values due to their short-term to maturity.

Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

**Level 1** – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

**Level 2** – Quoted prices in markets that are not active, or inputs that are not observable, either directly or indirectly, for substantially the full term of the asset or liability.

**Level 3** – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

Cash is classified at level 1.

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**10. SUBSEQUENT EVENTS**

On January 25, 2021, the Company entered into a share purchase agreement to acquire all of the outstanding share capital of GCO in exchange for 6,000,000 common shares of the Company. GCO operates a manufacturing, packaging and distribution facility in British Columbia. As of April 1, 2021, this transaction has not closed.

Of the purchase price, 1,214,954 common shares will be subject to escrow with 50% released in four months after the closing date and 50% released 5 months after the closing date. The remaining 4,785,046 common shares will be released every 3 months after the closing date in 6 equal tranches.

Subsequent to January 31, 2021, the Company issued common shares, pursuant to options, RSRs and performance warrants exercised, as follows:

	<b>Description</b>	<b>Number of shares issued</b>	<b>Options/ RSRs/ warrants exercised</b>	<b>Exercise price</b>	<b>Proceeds</b>
February 19, 2021	Cashless options exercised	3,500	10,000	\$ 0.25	\$ Nil
February 17, 2021	RSRs exercised	100,000	100,000	N/A	\$ Nil
March, 2021	Performance warrants exercised	958,333	958,333	\$ 0.05	\$ 47,917

**CERTIFICATE OF THE COMPANY**

Dated: August 5, 2021

This short form prospectus, together with the documents incorporated in this prospectus by reference, will, as of the date of the last supplement to this prospectus relating to the securities offered by this prospectus and the supplement(s), constitute full, true and plain disclosure of all material facts relating to the securities offered by this prospectus and the supplement(s) as required by the securities legislation of each of the provinces and territories of Canada.

(Signed) TIM MOORE  
Chief Executive Officer

(Signed) GORDON CLISSOLD  
Chief Financial Officer

On behalf of the Board of Directors

(Signed) RICKY BRAR  
Director

(Signed) TIM LAIDLER  
Director