HAVN Life Sciences Inc.

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the three months ended July 31, 2021

This Management's Discussion and Analysis ("MD&A") of the financial condition and results of operations of HAVN Life Sciences Inc. (the "Company"), is for the three months ended July 31, 2021. It is supplemental to, and should be read in conjunction with, the Company's condensed interim consolidated financial statements and the accompanying notes for the three months ended July 31, 2021, as well as the audited financial statements and MD&A for the year ended April 30, 2021. Such financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). This MD&A has been prepared by reference to the MD&A disclosure requirements established under National Instrument 51-102 - *Continuous Disclosure Obligations* ("NI 51-102") of the Canadian Securities Administrators.

In this MD&A, reference is made to adjusted EBITDA which does not have any standardized meaning under IFRS and is not a measure of financial performance under IFRS, and therefore, may not be comparable to similar measures presented by other companies. Management believes this measure provides useful information as it is a commonly used measure in the capital markets and as it is a close proxy for repeatable cash generated by operations. The Company calculates adjusted EBITDA as follows:

> Net income (loss), plus (minus) the add-backs or reversals of the following: unrealized foreign exchange (gains) losses, interest (income) expense, tax (recovery) expense, amortization expense, share-based payments, finders' performance warrants, impairment, one-time transaction costs and certain one-time non-operating expenses, as determined by management.

All dollar amounts in this MD&A are expressed in Canadian dollars unless otherwise indicated.

This MD&A contains forward-looking information within the meaning of Canadian securities laws. Refer to "Cautionary Note Regarding Forward-Looking Statements" for cautionary statements regarding forward-looking statements.

DATE

This MD&A is prepared as of September 23, 2021.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

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

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

DESCRIPTION OF BUSINESS

HAVN Life Sciences Inc. 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.

The Company was incorporated under the laws of the Business Corporations Act (British Columbia) on April 8, 2020. 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".

On September 4, 2020, the Company acquired all of the issued and outstanding securities of HAVN Research Inc. ("HAVN Research") in exchange for the issuance of 15,233,333 common shares to the HAVN Research shareholders on a pro rata basis (the "Acquisition").

In connection with completion of the Acquisition and acceptance of its final long form prospectus dated September 2, 2020 (the "Prospectus"), the Company successfully began trading its shares on the CSE.

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 Licence under the Food and Drugs Regulations (Part J) to the Food and Drugs Act (Canada) (the "Dealer's Licence") 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 Licence.

On May 4, 2021, the Company 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 licences under the *Natural Health Products Regulations* for the sale of its

products (the "Product Licences"). The Product Licences 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 Packaging and Manufacturing Ltd. 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.

On June 2, 2021, the Company acquired intellectual property ("IP") from Bolt Therapeutics Limited Partnership (the "IP Acquisition") consisting primarily of a formulation for non-psychedelic 2 Bromo-Lysergic Acid Diethylamide (LSD) and a patent application which will allow the company to begin executing on certain milestones. With this IP Acquisition, the Company looks to substantiate a patent application after which preclinical work can begin. To complete the IP Acquisition, the Company issued 15,894,040 common shares. Of the purchase price, 10,596,032 common shares will be subject to escrow with 1/6th of the common shares will be released every three months from closing date and 5,298,008 common shares (the "Milestone Shares") upon satisfaction of milestones tied to the IP.

HIGHLIGHTS FOR THE PERIOD

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

The following highlights occurred during the first quarter ended July 31, 2021:

On May 4, 2021, the Company announced that it now has access to a fully operational mycology lab and production facility in Jamaica. The Company also announced the initiation of production alongside local partner Hypha Wellness, a Jamaican-based food and psychoactive mushroom producer. The Company expects to be able to deliver naturally-derived psilocybin products to clinical studies and researchers by Q3 of fiscal 2022.

On May 11, 2021, the Company announced that it has completed the analytical work under its Health Canada Section 56 exemption. Specifically, the Company's research team has developed a rapid testing method that enables precise and accurate measurement of psilocybin content in under 5 minutes.

On May 13, 2021, the Company announced it has entered into a supply agreement (the "Supply Agreement") with ATMA Journey Centers Inc. – an Alberta-based company focused on delivering innovative psychedelic-assisted therapies internationally – to be their exclusive supplier of naturally-derived psilocybin.

On May 17, 2021, the Company announced that it has entered into a definitive agreement to acquire clinical stage intellectual property ("IP") from Bolt Therapeutics Limited Partnership (the "Acquisition"). The IP consists of a combination of BOL-148, which has demonstrated potential for treating cluster headaches in a human study, and a neuroprotectant that is believed to act in unison with BOL-148. BOL-148, an unrestricted compound, is an analogue of lysergic acid diethylamide (LSD) that does not produce the same psychotropic effects, making it a promising candidate for a new therapy.

On closing of the Acquisition, the Company paid Bolt Therapeutics Limited Partnership $1,000,000 in cash issued: (i) 10,596,032 common shares, which common shares will be subject to an escrow arrangement whereby one-sixth (1/6) of such common shares will be released from escrow every three (3) months following completion of the Acquisition; and (ii) 5,298,008 common shares upon the satisfaction of certain milestones in respect of the IP.

The closing of the Acquisition occurred on June 2, 2021.

On May 19, 2021, the Company announced a production and supply agreement (the "Agreement") with Lobe Sciences Ltd. (CSE: LOBE) (OTC: GTSIF), an innovative biotech company committed to investigating and developing treatments using psychedelic and non-traditional medicines for better brain health.

On June 3, 2021, the Company announced the launch of its first retail line of natural health products. The seven SKUs: Mind Mushroom, Bacopa Brain, Rhodiola Relief, Cordyceps Perform, Chaga Immunity, Reishi Recharge and Lion's

Mane are now available at yourHAVNlife.com and are now rolled out on Amazon and at select Nesters Market stores across British Columbia.

On June 8, 2021, the Company announced it has secured a product listing agreement with Choices Markets for the company's new line of natural health products, which officially launched on June 3, 2021. The locally owned and operated grocery chain will carry the full line of the Company's natural health products at all locations.

On July 2, 2021, the Company announced the appointment of Gordon Clissold as Chief Financial Officer ("CFO") and announced that the Company's outgoing CFO, Eli Dusenbury, will remain on as a consultant providing accounting services as necessary. Mr. Clissold has over 20 years of experience as an operational and financial manager, in both public and private companies, with career experience spanning technology, manufacturing, wholesale distribution and professional services. His management competencies encompass organizational leadership, strategic planning, corporate finance, financial modelling, ERP and financial systems implementation, internal control development, and due diligence for mergers and acquisitions. Mr. Clissold has led the international expansion of companies and has established a reputation for being able to identify the talent necessary to build high-performing teams.

On July 27, 2021, the Company announced a new agreement with P.A. Benjamin Manufacturing Company ("PAB"), a pharmaceutical manufacturing company based in Kingston, Jamaica.

PAB operates a GMP compliant facility and will be contract packing the Company's naturally-derived psilocybin, following the necessary protocols to allow for export from Jamaica and import into Canada, the US and Europe. Along with the Company's collaboration with Hypha Wellness, a Jamaican food and psychoactive mushroom producer, this agreement further reinforces the Company's commitment to collaboration and long-term industry growth in Jamaica. The agreement will also open the door for the Company to seek API designations, as well as secure further supply agreements with companies in the industry.

On July 29, 2021, the Company announced it has received Fulfillment by Amazon ("FBA") designation from Amazon.ca for the Company's new line of natural health products, which launched on June 3, 2021. The ecommerce giant now carries the full line of the Company's natural health products and ships anywhere in Canada.

The following highlights occurred subsequent to the first quarter ended July 31, 2021:

On August 3, 2021, the Company announced the harvest of its first crop of psilocybin containing mushrooms pursuant to the production facility in Jamaica. Working with its partner, GMP manufacturer P.A. Benjamin in Kingston, the Company intends to export the harvested psilocybin to Canada where it will be tested for safety and quality control through its lab partner, Delic Labs.

On August 25, 2021, the Company announced signing a supply agreement with Mycotopia Therapies, which uses psilocybin to treat people dealing with anxiety, depression, bipolar disorders, PTSD, ADHD, autism and addictions.

On September 21, 2021, the Company announced a strategic partnership with Horizon Grocery + Wellness, a Western Canadian distributor of organic and natural foods, natural personal care items, and nutritional health supplements (the "Distribution Deal"). Horizon will distribute the full portfolio of the Company's NHPs. The Company also announced that it has recently partnered with Well.ca, an online Canadian natural health retailer.

On September 23, 2021, the Company announced a strategic partnership with California-based Mycrodose Therapeutics, ("MT") who holds a Schedule I Licence. MT was granted its licence by the United States Drug Enforcement Agency (DEA) which allows the company to research four psychedelic compounds which include: psilocybin, MDMA, DMT and LSD. The Company will work with its partner to export its naturally derived psilocybin to MT, where it will be used in the development of an advanced drug delivery systems to treat mental health and cognitive degenerative diseases, as well as be distributed to appropriately licenced vendors in the U.S.

OVERALL PERFORMANCE

As of July 31, 2021, the Company has earned revenues of $9,367 (2020 - $nil) from operations with the first launch of its NHP line starting in June. The Company continues to look towards building a laboratory for which it will execute research and development activities.

The net assets of the Company increased from $13,199,908 as at April 30, 2021 to $17,808,867 at July 31, 2021, an increase of $4,608,959. The assets at July 31, 2021 consist primarily of cash of $5,781,026 (April 30, 2021 - $9,401,676), amounts receivable of $274,221 (April 30, 2021 - $210,225), prepaid expenses and deposits of $650,853 (April 30, 2021 - $998,119), inventory of $357,427 (April 30, 2021 - $nil), right-of-use asset of $425,256 (April 30, 2021 - $448,835), and intangible assets of $10,928,052 (April 30, 2021 - $2,930,953) arising on the acquisition of GCO and Bolt Therapeutics IP.

Liabilities as of July 31, 2021, consists of accounts payable and accrued liabilities of $498,319 (April 30, 2021 - $584,037), current portion of lease liabilities of $130,946 (April 30, 2021 - $130,946), and non-current portion of lease liabilities of $309,565 (April 30, 2021 - $325,386).

DISCUSSION OF OPERATIONS

The following highlights the key operating expenditures during the three months ended July 31, 2021, compared to the three months ended July 31, 2020.

During the three months ended July 31, 2021, the Company incurred a net and comprehensive loss of $2,971,190. The comprehensive loss for the period consists primarily of the following:

- Revenues of $9,367 (2020 - $nil), pursuant to the first launch of NHP products which are expected to increase substantially during each of the next few fiscal quarters.

- Amortization expense of $130,818 (2020 - $nil) consists primarily of the non-cash intangible asset amortization on the Company's Exclusive Supply Rights acquired through the acquisition of GCO and amortization of the Company's equipment used in manufacturing of its NHP.

- Investor relations and marketing expense of $1,004,595 (2020 - $nil) consists of strategic marketing, advertising, public relations and corporate branding programs executed pursuant to investor relation agreements with a focus on North American and German markets.

- Consulting fees and employee payroll of $287,123 (2020 - $309,867) consists primarily of fees paid to third party service providers and employee payroll. The Company issued nil (2020 - 12,356,667) common shares pursuant to consulting services rendered measured at a fair value of $nil (2020 - $247,133).

- Management and directors' fees of $439,417 (2020 - $128,000) consists of fees paid to the Company's executive officers and directors for terminations, bonuses, and salaries. Pursuant to successfully completing the go-public transaction and the acquisition of HAVN Research, the Company expanded its management and director team.

- Research and development expense of $252,955 (2020 - $nil) consists primarily of clinical studies and psilocybin research performed in conjunction with its contract with Hypha Wellness.

- Share-based payments of $480,807 (2020 - $94,690) consists of the non-cash fair value as measured by the Black-Scholes option pricing model pursuant to the vesting of options and RSRs granted in the prior year.

SUMMARY OF QUARTERLY RESULTS

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

	1st Quarter Ended July 31, 2021 $	4th Quarter Ended April 30, 2021 $	3rd Quarter Ended January 31, 2021 $	2nd Quarter Ended October 31, 2020 $
Revenue	9,367	Nil	Nil	Nil
Operating expenses	(2,970,210)	(10,972,767)	(13,156,753)	(5,399,675)
Loss	(2,971,190)	(10,998,772)	(13,160,261)	(5,404,315)
Loss per share, basic and diluted	(0.03)	(0.12)	(0.17)	(0.11)

	1st Quarter Ended July 31, 2020 $	Period from incorporation on April 8, 2020 to April 30, 2020 $
Revenue	Nil	Nil
Operating expenses	(823,943)	(41,124)
Loss	(817,285)	(40,576)
Loss per share, basic and diluted	(0.05)	(0.01)

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

An analysis of the quarterly results from inception is as follows:

- For the quarter ended April 30, 2020, the Company was in its initial start-up phased and had engaged in initial drafts of the business plan and legal fees to close a financing for gross proceeds of $1,922,000 and subscriptions of $20,000 had been received.

- For the first quarter ended July 31, 2020, the Company was still its initial start-up phase closing two financings raising gross proceeds of $2,632,400 in private placements and had submitted its preliminary prospectus.

- For the second quarter ended October 31, 2020, the Company received acceptance of its final prospectus and listed its shares on the CSE, closed the acquisition of HAVN Research for 15,233,333 shares, granted executive, consulting and employee options and RSRs recognizing fair value of $2,128,464 and received subscriptions of $655,400 pursuant to warrant exercises.

- For the third quarter ended January 31, 2021, the Company closed warrant exercises for total gross proceeds of $5,168,928 and closed a bought deal financing for gross proceeds $11,500,253. Additionally, the Company developed 7 Natural Health Products which have been approved by Health Canada which it plans to manufacture pursuant to the acquisition of GCO (acquired April 7, 2021). The Company recognized $5,476,618 in non-cash finders' fees pursuant to performance warrant milestones expected to vest as a result of the pending GCO transaction.

- For the fourth quarter ended April 30, 2021, the Company closed the acquisition of GCO, recognized additional $530,826 in finders' warrant expense pursuant to the vesting of performance warrants, recognized $3,353,179 pursuant to employee performance warrants vesting and recognized $969,283 pursuant to the vesting of RSRs and options. The Company also recognized amortization expense of $2,727,501 primarily to the completion of research and development activities related to the s56 exemption rights which are now complete.

- For the first quarter ended July 31, 2021, the Company closed the acquisition of Bolt IP, recognized additional share-based payment expense of $480,807 pursuant to the vesting of RSRs and options, $130,818 in amortization expense, $1,004,595 in investor relations and marketing pursuant to capital markets and NHP promotional activities and $252,955 in research and development activities pursuant to clinical studies and

psychedelic research in Jamaica. The Company began earning revenues over sales of its NHP products in late June totaling $9,367 for the period.

LIQUIDITY AND CAPITAL RESOURCES

The Company had cash of $5,781,026 as at July 31, 2021 (April 30, 2021 - $9,401,676). The Company had working capital of $6,434,262 as at July 31, 2021 (April 30, 2021 - $9,895,037).

Financing activities

During the three months ended July 31, 2021 the company raised net proceeds of $nil (2020 - $2,440,043).

The Company plans to raise additional capital, as necessary, primarily through issuance of equity securities or debt. Under such circumstances, there is no assurance that the Company will be able to obtain further funds required for the Company's continued working capital requirements.

Operating Activities

The Company used cash of $2,502,524 (2020 - $951,254) in operating activities during the three months ended July 31, 2021.

Investing Activities

The Company used cash of $1,085,389 (2020 - $242,857) in investing activities primarily pursuant to the acquisition of Bolt Therapeutics IP during the three months ended July 31, 2021.

OFF-BALANCE SHEET ARRANGEMENTS

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

TRANSACTIONS WITH RELATED PARTIES

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

	July 31, 2021	July 31, 2020
Management and directors' fees	$ 439,417	$ 128,000
Share-based payments (fair value)	489,431	94,690
	$ 928,848	**$ 222,690**

As at July 31, 2021, $48,607 (April 30, 2021 - $49,285) is owed to certain officers and directors of the Company.

During the three months ended July 31, 2021, the Company recorded:

Equity incentives granted and fees paid to the following for services rendered:	Equity incentive	Equity incentive	Far value	Fees paid
			$	$
Tim Moore, the CEO and Director pursuant to officer services provided	Options	750,000	2,314	60,000
A company controlled by Jenna Pozar, the Chief Operating Officer pursuant to officer services provided				36,000
Gordon Clissold, the CFO pursuant to officer services provided				15,417
A company controlled by Eli Dusenbury, the CFO pursuant to CFO services provided				37,500
Dr. Ivan Casselman, the Chief Psychedelics Officer pursuant to officer services provided	Options	1,000,000	297,633	30,000
Alex Samuelsson, the Chief Research Officer pursuant to officer services provided	Options	100,000	29,764	25,500
A company controlled by Gary Leong, the Chief Science Officer pursuant to officer services provided	Options	200,000	(12,361)	15,000
Vic Neufeld, a Director and Chair of the Company pursuant to director services provided	RSRs	2,050,000	5,579	62,500
	Options	1,250,000	83,993	
Rick Brar, a Director and Vice Chair of the Company pursuant to director services provided	RSRs	1,040,000	4,463	57,500
	Options	1,000,000	62,995	
Dennis Staudt, a Director of the Company pursuant to director services provided	RSRs	50,000	8,767	50,000
A company controlled by Tim Laidler, a Director of the Company pursuant to director services provided	RSRs	50,000	6,284	50,000
			$ 489,431	**$ 439,417**

* The fair value recognized during the three months ended July 31, 2021 relates to the vesting of equity incentives previously granted.

PROPOSED TRANSACTIONS

On August 5, 2021, the Company filed its preliminary short form base shelf prospectus, to 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 at any time during the 25-month period that the short form base shelf prospectus remains valid.

As of the date of this MD&A, the Company has not raised any financing under the aforementioned equity and/ or debt offering.

SUBSEQUENT EVENTS

None

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

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

(i) Classification

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

The Company classifies its financial instruments as follows:

Financial assets/liabilities	
Cash	FVTPL
Accounts receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Lease liability	Amortized cost

(ii) Measurement

Financial assets and liabilities at amortized cost

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

Financial assets and liabilities at FVTPL

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

(iii) Impairment of financial assets at amortized cost.

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

(iv) Derecognition

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

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

During the three months ended July 31, 2021 and 2020, the Company incurred the following significant expenses:

	2021	2020
Advertising and promotion	$ 189,488	$ 63,400
Amortization	$ 130,818	$ -
Consulting fees and employee payroll	$ 287,123	$ 309,867
Investor relations and marketing	$ 1,004,595	$ -
Management and directors' fees	$ 439,417	$ 128,000
Professional fees	$ 50,486	$ 198,309
Research and development	$ 252,955	$ -
Share-based payments	$ 480,807	$ 94,690

Advertising and promotion consist of product marketing and branding activities related to the Company's NHP. Amortization consists of depreciation of the Company's intangible Exclusive Supply Rights and its equipment, of which there were no such assets in the prior year. Consulting fees relate to strategic services provided for which a full-time role is not required and expected to continue until such time the Company's operational levels justify full-time employee services for such roles. In the comparative period, consulting fees and employee payroll included $247,133 in shares issued for consulting services rendered. Investor relations fees consist of the Company's strategic marketing, promotion and branding strategies. Management and directors' fees consist of all officer and director compensation. Professional fees include corporate counsel and auditor fees. Research and development expense consists of activities incurred pursuant to third party clinical studies and psychedelic research performed in Jamaica. Share-based payments consist of non-cash fair value of options and restricted share rewards.

Adjusted EBITDA

Adjusted EBITDA is a non-IFRS financial measure that does not have any standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other companies. Management believes this measure provides useful information as it is a commonly used measure in the capital markets and as it is a close proxy for repeatable cash generated by operations.

The Company calculates adjusted EBITDA as net income (loss), plus (minus) the add-backs or reversals of the following: unrealized foreign exchange (gains) losses, interest (income) expense, tax (recovery) expense, amortization expense, share-based payments, finders' performance warrants, impairment, one-time transaction costs, one-time non-operating expenses, as determined by management as follows:

Adjusted EBITDA for the three months ended July 31, 2021 and 2020 is as follows:

		For the three months ended July 31, 2021		For the three months ended July 31, 2020
LOSS AND COMPREHENSIVE LOSS	$	(2,971,190)	$	(817,285)
Amortization		130,818		-
Consulting services rendered (12,356,667 shares issued)		-		247,133
Share-based payments		480,807		94,690
Interest expense		16,916		-
Foreign exchange loss (gain)		(11,899)		(6,658)
ADJUSTED EBITDA	$	(2,354,548)	$	(482,120)

DISCLOSURE OF OUTSTANDING SHARE DATA

Common Shares

The Company's common shares are listed on the CSE under the symbol 'HAVN.' The Company's authorized share capital consists of an unlimited number common shares without par value.

As at September 23, 2021, the Company had the following shares and equity instruments outstanding:

i) *Common shares*: 123,874,581 (July 31, 2021 – 123,874,581) common shares issued and outstanding.
ii) *Share Purchase Warrants*: 10,747,900 (July 31, 2021 – 10,747,900) share purchase warrants outstanding.
iii) *Finders' Options*: 644,874 (July 31, 2021 – 644,874) finders' options outstanding.
iv) *Performance Warrants*: 9,041,667 (July 31, 2021 – 9,041,667), performance warrants outstanding.
v) *Restricted Share Rewards*: 1,980,000 (July 31, 2021 – 1,980,000), RSRs outstanding.
vi) *Options*: 6,100,000 (July 31, 2021 – 6,100,000), options outstanding, summarized as follows:

Expiry date	Options outstanding	Options exercisable		Exercise Price
Options				
June 4, 2025	500,000	500,000		0.25
September 4, 2022	1,325,000	775,000		0.25
September 4, 2022	200,000	200,000		0.50
September 10, 2025	2,075,000	2,075,000		0.65
October 4, 2025	1,750,000	656,250		0.79
January 15, 2026	250,000	250,000		0.85
	6,100,000	**4,456,250**	**$**	**0.57**

RISK FACTORS

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

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

Risks Related to the Company's Business

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

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

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

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

The Company has a limited operating history and there is no assurance that the Company will be successful in achieving a return on shareholders' investment.

The Company has a limited operating history and as a result will be subject to all of the business risks and uncertainties associated with any new business enterprise, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources, lack of revenue and the risk that it will not achieve its growth objective. There is no assurance that the Company will be successful in achieving a return on shareholders' investment.

History of losses

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

Reliance on management

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

Insurance and uninsured risks

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

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

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

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

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

Dependence on suppliers and skilled labour

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

Difficulty to forecast

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

Management of growth

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

Internal controls

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

Liquidity

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

Litigation

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

Privacy

The Corporation and its employees and consultants have access, in the course of their duties, to personal information of clients of the Corporation. There can be no assurance that the Corporation's existing policies, procedures and systems will be sufficient to address the privacy concerns of existing and future clients whether or not such a breach of privacy were to have occurred as a result of the Corporation's employees or arm's length third parties. If a client's privacy is violated, or if the Corporation's found to have violated any law or regulation, it could be liable for damages or for criminal fines and/or penalties.

For a complete list of risk factors, please see the section entitled "Risk Factors" described in the AIF filed September 21, 2021 which may be accessed on the Corporation's issuer profile on SEDAR at www.sedar.com.

BOARD APPROVAL

The Board of Directors of the Company has approved this MD&A.