

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

This prospectus supplement, together with the accompanying short form base shelf prospectus dated October 4, 2021 to which it relates, as amended or supplemented, and each document deemed to be incorporated by reference into this prospectus supplement and in the short form base shelf prospectus, as amended or supplemented, 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.

These securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws. Accordingly, these securities may not be offered or sold to, or for the account or benefit of, persons in the "United States" (as such term is defined in Regulation S under the U.S. Securities Act) except pursuant to transactions exempt from registration under the U.S. Securities Act and under the securities laws of any applicable state. This prospectus supplement, together with the short form base shelf prospectus, does not constitute an offer to sell or a solicitation of an offer to buy any of these securities to, or for the account or benefit of, persons in the United States. See "Plan of Distribution".

Information has been incorporated by reference in this prospectus supplement and the accompanying 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 HAVN Life Sciences Inc. at Suite 1480, 885 West Georgia Street, Vancouver, British Columbia V6C 3E8 (Telephone 604-639-2143), and are also available electronically at www.sedar.com.

**PROSPECTUS SUPPLEMENT
To the Short Form Base Shelf Prospectus dated October 4, 2021**

New Issue

August 11, 2022



HAVN LIFE SCIENCES INC.

\$1,100,000 Senior Unsecured Convertible Debenture

190,839 Warrants

and

190,214 Common Shares at a price of \$1.15 per Common Share

This non-offering prospectus supplement (this "**Prospectus Supplement**"), together with the accompanying short form base shelf prospectus dated October 4, 2021 (the "**Base Shelf Prospectus**", and as supplemented by this Prospectus Supplement, the "**Prospectus**"), is hereby qualifying the distribution to investors (the "**Debenture Offering**") of: (i) \$1,100,000 aggregate principal amount of senior unsecured convertible debenture (the "**Offered Debenture**") of HAVN Life Sciences Inc. (the "**Corporation**") and 190,839 common share purchase warrants of the Corporation (the "**Offered Warrants**") and the Conversion Shares (as defined below) and the Warrant Shares (as defined below) underlying the Offered Debenture and Offered Warrants; and (ii) 190,214 common shares in the capital of the Corporation (the "**Debt Shares**") at a price of \$1.15 per Debt Share to settle an aggregate amount of indebtedness in the amount of \$218,746.53 (the "**Outstanding Amount**") owing to certain third-party creditors of the Corporation (the "**Creditors**") in connection with services provided by the Creditors to the Corporation (the "**Debt Settlement**"). The Offered Debenture is inclusive of a commitment fee of \$600,000 (the "**Debenture Commitment Fee**") and will be issued for proceeds equal to 90% of the face value of the principal amount, for aggregate gross proceeds of \$450,000. Each Offered Warrant will entitle the holder thereof to acquire, subject to adjustment in certain circumstances, one common share (each, a "**Warrant Share**") at an exercise price of \$1.31 per Warrant Share for a period of 60 months following the Closing Date (as defined below), subject to certain customary events.

The Offered Debenture and Offered Warrants will be issued pursuant to the terms of a subscription agreement (the "**Subscription Agreement**") dated July 21, 2022, between the Corporation and Global Corporate Finance Opportunities 17 (the "**Investor**"), and governed by a debenture certificate (the "**Debenture Certificate**") and a Warrant Certificate (the "**Warrant Certificate**"), respectively, to be entered into on the Closing Date between the Corporation and the Investor. See "*Description of Securities — Offered Warrants*" and "*Description of Securities — Offered Debenture*". The Debt Shares will be issued pursuant to debt settlement agreements to be entered into between the Corporation and each of the Creditors on the Closing Date. See "*Plan of Distribution*".

The terms of the Offered Debenture, Offered Warrants and the Debt Shares were determined based on arm's length negotiations between the Corporation and the Investor and the Creditors, respectively. See "*Plan of Distribution*".

Debenture Conversion Privilege

The Offered Debenture will mature on the date that is twelve months from the date of issuance (unless accelerated in accordance with its terms) (the "**Maturity Date**"), and are convertible into common shares of the Corporation ("**Common Shares**"): (i) at any time prior to the Maturity Date at the option of the holder; and (ii) automatically on the Maturity Date. The conversion price of the Debenture (the "**Conversion Price**") is equal to 100% of the lowest daily volume weighted average price ("**VWAP**") of the Common Shares on the Canadian Securities Exchange (the "**CSE**"), during the fifteen (15) trading days immediately preceding the date on which a conversion notice is delivered to the Corporation determined in accordance with the provisions of the Debenture Certificate (or, in the event of the automatic conversion of the outstanding principal upon the maturity of the Offered Debenture, the Maturity Date) having regard for any adjustments, including the Conversion Price Adjustments (defined below), made in accordance with the terms of the Debenture Certificate.

Note on Pricing

If the Conversion Price is less than the minimum issue price permitted under the CSE policies (or the policies of such other stock exchange on which the Common Shares are listed for trading from time to time), then the Conversion Price shall be automatically adjusted to be equal to the Theoretical Conversion Price (defined below) (the "**Conversion Price Adjustments**"). In the event that the Conversion Price is less than the Theoretical Conversion Price, the Company will be required to pay the Subscriber a make whole amount to compensate the Investor for the difference between the Conversion Price and the Theoretical Conversion Price (each, a "**Make-Whole Amount**").

"**Theoretical Conversion Price**" means the last closing price of the Common Shares on the CSE (or such other stock exchange on which the Common Shares are then principally traded) prior to the conversion of the Offered Debentures into Common Shares provided, however, that if the Theoretical Conversion Price is less than the minimum issue price permitted under the CSE policies (or the policies of such other stock exchange on which the Common Shares are listed for trading from time to time), then the Theoretical Conversion Price shall be adjusted to be equal to the minimum price permitted under such policies.

The Offered Debenture is being issued at a discount, with an effective yield of 111%, if held to maturity.

The outstanding Common Shares are currently listed for trading on the CSE under the symbol "**HAVN**", on the OTC Pink in the U.S. (the "**OTC Pink**") under the symbol "**HAVLD**" and on the Frankfurt Stock Exchange in Germany (the "**FSE**") under the symbol "**5NP**". The closing price of the Common Shares on the CSE on July 20, 2022, the last trading day prior to the announcement of the Debenture Offering, was \$1.80 (on a post-Consolidation (as defined below) basis). The closing price of the Common Shares on August 10, 2022, the last trading day prior to the date of this Prospectus Supplement, was \$1.15 on the CSE, US\$0.82 on the OTC Pink and €0.85 on the FSE.

The Corporation has provided notice to list on the CSE the Common Shares issuable upon conversion of the Offered Debenture (the "**Conversion Shares**"), the Warrant Shares, the Debt Shares, and the Compensation Shares (as defined below). The listings are subject to the Corporation fulfilling all of the listing requirements of the CSE. See "*Plan of Distribution*".

There is currently no market through which the Offered Debenture and the Offered Warrants may be sold and purchasers may not be able to resell the Offered Debenture and the Offered Warrants purchased under this Prospectus Supplement and the Prospectus. In addition, we do not intend to apply for listing of the Offered Debenture or the Offered Warrants on any securities exchange or other nationally recognized trading system. This may affect the pricing of the Offered Debenture and the Offered Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of the Offered Debenture and the Offered Warrants and the extent of issuer regulation. See "Risk Factors".

	<u>Price to the Public⁽¹⁾⁽⁴⁾</u>	<u>Debenture Commitment Fee⁽²⁾⁽³⁾</u>	<u>Net Proceeds to the Corporation⁽¹⁾⁽²⁾</u>
Offered Debenture and Offered Warrants	\$1,100,000	\$600,000	\$450,000
Per Debt Share	\$1.15	-	.5 ⁽⁵⁾
Total	\$1,318,747 ⁽⁵⁾	-	\$450,000 ⁽⁴⁾⁽⁵⁾

Notes:

- (1) The price of the Offered Debenture, Offered Warrants and the Debt Shares were determined based on arm's length negotiations between the Corporation and the Investor and the Creditors, respectively, with reference to the then-prevailing market price of the Common Shares.
- (2) The Corporation will pay to the Investor the Debenture Commitment Fee, which is to be included in the aggregate amount of the Offered Debenture.
- (3) In consideration for purchasing the Offered Debenture and Offered Warrants, the Corporation has agreed to issue the Investor 489,130 Common Shares (the "**Compensation Shares**"), which is equal to \$450,000 divided by 80% of the last closing price for the Common Shares prior to the date of the delivery of the Compensation Shares. This Prospectus Supplement also qualifies the distribution of the Compensation Shares. See "*Plan of Distribution*".
- (4) After deducting the Debenture Commitment Fee, but before deducting expenses of the Debenture Offering and Debt Settlement estimated to be \$120,000 (exclusive of taxes), \$100,000 of which remains outstanding and will be paid out of the gross proceeds of the Debenture Offering.
- (5) The Corporation will not receive any of the proceeds related to the distribution of the Debt Shares, as the Debt Shares are being issued to the Creditors in satisfaction of the Outstanding Amount. See "*Plan of Distribution*".

Closing of the Debenture Offering and the Debt Settlement (the "**Closing**") is expected to take place on or about August 11, 2022 or such other date as the Investor and the Corporation may mutually agree (the "**Closing Date**"). See "*Plan of Distribution*".

No underwriter has been involved in the preparation of this Prospectus Supplement or performed any review or independent due diligence of the contents of this Prospectus Supplement.

An investment in the securities offered hereunder is speculative, involves a high degree of risk and is subject to certain risks inherent in the Corporation's activities. The risks outlined in this Prospectus Supplement, the Base Shelf Prospectus and in the documents incorporated by reference herein and therein should be carefully reviewed, considered and evaluated. See the "Risk Factors" in this Prospectus Supplement, the Base Shelf Prospectus and the documents incorporated by reference herein and therein, as well as the information under the heading "*Forward Looking Statements*" in this Prospectus Supplement.

The Corporation will use the net proceeds of the Debenture Offering and the Debt Settlement as described in this Prospectus Supplement. See "*Use of Proceeds*".

The Offered Debenture and Offered Warrants will be issued in registered and definitive form whereby the Investor will received a copy of the Debenture Certificate and Warrant Certificate. It is expected that the Debt Shares and Compensation Shares, and, upon exercise of the Offered Debentures and Offered Warrants, the Conversion Shares and the Warrant Shares, will be issued in registered and definitive form or as direct registration system advices.

Investors should rely only on current information contained in or incorporated by reference into this Prospectus Supplement and the accompanying Base Shelf Prospectus as such information is accurate only as of the date of the

applicable document. The Corporation has not authorized anyone to provide investors with different information. Information contained on the Corporation's website shall not be deemed to be a part of this Prospectus Supplement or incorporated by reference and should not be relied upon by prospective investors for the purpose of determining whether to invest in the securities. The Corporation will not make an offer of the securities hereunder in any jurisdiction where the offer or sale is not permitted. Investors should not assume that the information contained in this Prospectus Supplement is accurate as of any date other than the date on the face page of this Prospectus Supplement or the date of any documents incorporated by reference herein. The Corporation does not undertake to update information contained or incorporated by reference in this Prospectus Supplement, except as required by applicable securities laws.

Owning our securities may subject you to tax consequences both in Canada and the United States. This Prospectus Supplement and the Prospectus does not describe these tax consequences fully. You should read the tax discussion and other information in this Prospectus Supplement, the Base Shelf Prospectus and the information incorporated by reference herein and therein and consult your own tax advisor with respect to your own particular circumstances.

The Corporation is existing under the *Business Corporations Act* (British Columbia). The Corporation's head office is located at Suite 1480, 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8. The Corporation's registered and records office is located at Suite 2800, 666 Burrard Street, Vancouver, British Columbia V6C 2Z7.

Unless otherwise indicated, all references in this Prospectus Supplement and the Base Shelf Prospectus to "C\$" or "\$" are to Canadian dollars. See "*Important Notice about the Information in this Prospectus Supplement and the Accompanying Base Shelf Prospectus*".

TABLE OF CONTENTS

PROSPECTUS SUPPLEMENT

IMPORTANT NOTICE ABOUT INFORMATION IN THIS PROSPECTUS SUPPLEMENT AND THE ACCOMPANYING BASE SHELF PROSPECTUS.....	S-1
NOTE ON COMMON SHARE CONSOLIDATION	S-1
FORWARD-LOOKING STATEMENTS.....	S-1
MARKET AND INDUSTRY DATA.....	S-4
DOCUMENTS INCORPORATED BY REFERENCE	S-4
DESCRIPTION OF THE BUSINESS.....	S-7
PRIOR SALES	S-8
TRADING PRICE AND VOLUME	S-9
DESCRIPTION OF SECURITIES.....	S-9
PLAN OF DISTRIBUTION.....	S-16
CONSOLIDATED CAPITALIZATION	S-20
USE OF PROCEEDS	S-21
RISK FACTORS	S-21
CERTAIN INCOME TAX CONSIDERATIONS.....	S-24
AUDITORS, REGISTRAR AND TRANSFER AGENT.....	S-24
PURCHASERS' STATUTORY RIGHTS.....	S-24

TABLE OF CONTENTS

BASE SHELF PROSPECTUS

ABOUT THIS SHORT FORM BASE SHELF PROSPECTUS	1
MEANING OF CERTAIN REFERENCES AND CURRENCY PRESENTATION	1
MARKET AND INDUSTRY DATA.....	1
CAUTION REGARDING FORWARD-LOOKING STATEMENTS.....	1
DOCUMENTS INCORPORATED BY REFERENCE	3
THE COMPANY	6
DESCRIPTION OF COMMON SHARES.....	8
DESCRIPTION OF DEBT SECURITIES	8
DESCRIPTION OF SUBSCRIPTION RECEIPTS.....	9
DESCRIPTION OF WARRANTS.....	10
DESCRIPTION OF UNITS	11
PLAN OF DISTRIBUTION.....	11
USE OF PROCEEDS	12
EARNINGS COVERAGE RATIO	13
CONSOLIDATED CAPITALIZATION	13
PRIOR SALES	13
TRADING PRICE AND VOLUME	16
REGULATORY OVERVIEW.....	16
CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS.....	18
EXEMPTIONS.....	18
LEGAL MATTERS	20
AUDITORS, TRANSFER AGENT AND REGISTRAR.....	20
PURCHASERS' STATUTORY RIGHTS.....	20
CERTIFICATE OF THE COMPANY.....	C-1

IMPORTANT NOTICE ABOUT INFORMATION IN THIS PROSPECTUS SUPPLEMENT AND THE ACCOMPANYING BASE SHELF PROSPECTUS

This document is in two parts. The first part is this Prospectus Supplement, which describes the specific terms of the Debenture Offering and the Debt Settlement and also adds to and updates certain information contained in the Base Shelf Prospectus and the documents incorporated by reference therein. The second part, the Base Shelf Prospectus, provides more general information, some of which may not apply to the Debenture Offering and the Debt Settlement. This Prospectus Supplement is deemed to be incorporated by reference into the Base Shelf Prospectus solely for the purposes of the Debenture Offering and the Debt Settlement.

You should rely only on the information contained in or incorporated by reference in this Prospectus Supplement and the Base Shelf Prospectus. To the extent that there is a conflict between the information contained in this Prospectus Supplement and the Base Shelf Prospectus, you should rely on the information in this Prospectus Supplement. We have not authorized anyone to provide you with different or additional information. This document may only be used where it is legal to offer the securities qualified hereby. If anyone provides you with any different or inconsistent information, you should not rely on it. You should not assume that the information contained in or incorporated by reference in this Prospectus Supplement or the Base Shelf Prospectus is accurate as of any date other than the date on the front of this Prospectus Supplement with respect to information contained herein and, with respect to information incorporated by reference, the date of such document. The Corporation's business, financial condition, results of operations and prospects may have changed since those dates.

Unless the context otherwise requires, all references in this Prospectus Supplement to the "Corporation" refer to the Corporation and its subsidiary entities on a consolidated basis. References in this Prospectus Supplement to "HAVN Life", "we", "us" or "our" refer to the Corporation and its wholly-owned subsidiaries, unless the context indicates otherwise. The term "management" in this Prospectus Supplement means those persons acting, from time to time, in the capacities of Chief Executive Officer and Chief Financial Officer of the Corporation. Any statements in this Prospectus Supplement made by or on behalf of management are made in such persons' capacities as officers of the Corporation and not in their personal capacities.

All references to "dollars" or "\$" are to Canadian dollars, and all references to "US\$" are to United States dollars, unless otherwise indicated. Unless otherwise indicated, all financial information included and incorporated by reference in this Prospectus Supplement is determined using International Financial Reporting Standards as issued by the International Accounting Standards Board.

NOTE ON COMMON SHARE CONSOLIDATION

On August 3, 2022, the Corporation completed a consolidation of its Common Shares on the basis of a consolidation ratio of 1 new Common Share for every 30 old Common Shares (the "**Consolidation**"). Unless otherwise indicated, all references to the number of Common Shares and other securities of the Corporation and the prices thereto prior to the Consolidation date have been restated to reflect the Consolidation. As a result, restated figures may be slightly greater than or less than their pre-consolidated equivalent due to rounding.

FORWARD-LOOKING STATEMENTS

This Prospectus Supplement 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 Corporation 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 Corporation does not intend, and disclaims any obligation, to update any forward-looking statements after it files this Prospectus Supplement, 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 Supplement.

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 Corporation 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 completion of the Debenture Offering and the Debt Settlement, including the anticipated Closing Date thereof;
- the use of proceeds from the Debenture Offering and the Debt Settlement;
- the size of the Debenture Offering and the Debt Settlement, including the Outstanding Amount to be settled;
- the listing on the CSE of the Offered Debenture, Offered Warrants, Debt Shares, Conversion Shares and the Warrant Shares and the Compensation Shares;
- the Corporation's expectations regarding its revenues, expenses and operations;
- the Corporation's anticipated cash needs and its needs and ability to raise future capital through debt or equity financing transactions on acceptable terms or at all;
- the Corporation's intention to grow the business and operations;
- expectations with respect to future production costs and capacity;
- the grant and impact of any licence or supplemental licence to conduct activities with psychopharmacological products or any amendments thereof;
- the Corporation's competitive position and the regulatory environment in which the Corporation operates;
- the Corporation's expectation that available funds will be sufficient to cover its expenses over the next 12 months;
- 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;
- the intentions of the board of directors of the Corporation (the "**Board**") with respect to executive compensation and corporate governance plans;
- expected operating costs, general and administrative costs (including sales and marketing costs), costs of services and other costs and expenses;
- future positive operating cash flow; and
- currency, exchange and interest rates.

By their very nature, forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Corporation believes the expectations reflected in those forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this Prospectus Supplement should not be unduly relied upon. These statements speak only as of the date of this Prospectus Supplement. The forward-looking statements in this document are based on what the Corporation currently believes are reasonable assumptions, including the material assumptions set out in the management discussion and analysis and press releases of the Corporation (such documents are available under the Corporation's System for Electronic Document Analysis and Retrieval ("**SEDAR**") profile at www.sedar.com). Other material factors or assumptions that were applied in formulating the forward-looking statements contained herein include or relate to the following:

- the Corporation's ability to implement its growth strategies and business plan;
- the Corporation's ability to maintain or build strong business relationships with its customers, suppliers and wholesalers;
- the Corporation's ability to keep pace with changing consumer preferences;
- ongoing ability to conduct business in the regulatory environments in which the Corporation operates and may operate in the future;
- the absence of material adverse changes in the Corporation's industry or the global economy; and

- the current COVID-19 (as defined herein) pandemic will not have a material adverse effect on the Corporation's industry.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Corporation's ability to predict or control. Some of the factors that could cause outcomes and results to differ materially from those expressed in the forward-looking statements include:

- risks related to epidemics, pandemics or other public health crises, including the COVID-19 global health pandemic, and the spread of other viruses or pathogens, and the potential impact thereof on the Corporation's business, operations and financial condition;
- that regulatory requirements will be maintained;
- continued growth of the psychopharmacological industry;
- positive public opinion with respect to the psychopharmacological industry;
- the Corporation's ability to attract and retain skilled staff;
- brand development and effectiveness of marketing;
- technology risks;
- third party service providers;
- information technology systems and data security breaches;
- use of personal information;
- content quality;
- competition and pricing;
- inability to protect intellectual property;
- intellectual property claims;
- successful management and growth;
- changing consumer and user preferences and retention;
- operating costs;
- product recalls;
- product returns;
- inability to implement growth strategy;
- key officer and employees;
- acquisitions and partnerships;
- breach of confidentiality;
- conflicts of interest;
- emerging industry;
- difficulty to forecast;
- litigation;
- management of growth;
- additional financings;
- third party business relationships;
- natural disasters, unusually adverse weather, pandemic outbreaks, boycotts and geo-political events;
- global economic uncertainty;
- changes in applicable regulation;
- regulatory approvals and permits;
- environmental, health and safety laws;
- further issuance of securities and dilution;
- value assigned to the Corporation;
- potential for price volatility;
- changes in law;
- the ability to implement business strategies and pursue business opportunities;
- the state of the capital markets;
- the availability of funds and resources to pursue operations;
- dependence on key partners;
- competition;

- difficulty integrating newly acquired businesses;
- the time, outcome and cost of any inquiries, audits or litigation with insurance providers, or federal, state or local regulators; and
- general economic, market and business conditions.

Whether actual results, performance or achievements will conform to the Corporation'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 herein) and the Annual MD&A (as defined herein) which are incorporated by reference in this Prospectus.

Although the Corporation 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. The Corporation has included the above summary of assumptions and risks related to forward-looking statements provided in this Prospectus Supplement in order to provide investors with a more complete perspective on the Corporation's current and future operations and such information may not be appropriate for other purposes. Forward-looking statements contained in certain documents incorporated by reference into this Prospectus Supplement are based on the key assumptions and are subject to the risks described herein and in the documents incorporated by reference. The reader is cautioned that such assumptions, although considered reasonable by the Corporation at the time of preparation, may prove to be incorrect.

These factors should not be construed as exhaustive. The forward-looking statement disclosure contained in this Prospectus Supplement and the documents incorporated by reference herein, are expressly qualified by this cautionary statement. These forward-looking statements are made as of the date of this Prospectus Supplement, or in the case of the documents incorporated by reference herein, as of the dates of such documents. Unless required by law, the Corporation does not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Investors are urged to read the Corporation's filings with Canadian securities regulatory agencies, which can be viewed online under the Corporation's profile on SEDAR at www.sedar.com.

Financial outlook information contained in this Prospectus Supplement and the documents incorporated by reference herein about prospective results of operations, financial position or cash flows is based on assumptions about future events, including economic conditions and proposed courses of action, based on management's assessment of the relevant information available as of the date of this Prospectus Supplement or as of the date specified in the documents incorporated by reference herein, as the case may be. Readers are cautioned that such financial outlook information contained in this Prospectus Supplement and the documents incorporated by reference herein should not be used for purposes other than for which it is disclosed herein or therein, as the case may be.

MARKET AND INDUSTRY DATA

Unless otherwise indicated, the market and industry data contained or incorporated by reference in this Prospectus Supplement is based upon information from independent industry publications, market research, analyst reports and surveys and other publicly available sources. Although the Corporation 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 Corporation 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.

DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus Supplement is deemed to be incorporated by reference into the accompanying Base Shelf Prospectus solely for the purpose of the Debenture Offering and Debt Settlement. Other documents are also incorporated, or deemed to be incorporated, by reference in the Base Shelf Prospectus and reference should be made to the Base Shelf Prospectus for full particulars thereof.

Information has been incorporated by reference in Prospectus Supplement from documents filed with securities commissions or similar authorities in each of the provinces and territories of Canada. Copies of the documents incorporated herein by reference or a copy of the permanent information record may be obtained on request without charge from the Corporation at Suite 1480, 885 West Georgia Street, Vancouver, British Columbia V6C 3E8 (Telephone 604-639-2143) or by accessing the disclosure documents available through the internet on SEDAR, which can be accessed at www.sedar.com.

As at the date hereof, the following documents of the Corporation, filed with or delivered to the securities commission or similar authority in each of the provinces and territories of Canada that permits certain information about these securities to be determined after the Base Shelf Prospectus has become final and that permits the omission from the Base Shelf Prospectus of that information, are specifically incorporated by reference into and form an integral part of this Prospectus Supplement and the Prospectus:

- (a) the annual information form of the Company dated September 20, 2021 in respect of the year ended April 30, 2021 (the "**AIF**");
- (b) the audited consolidated financial statements of the Corporation for the year ended April 30, 2021 (the "**Annual Financial Statements**"), together with the notes thereto and the auditors' report thereon;
- (c) management's discussion and analysis of financial condition and results of operations of the Company for the year ended April 30, 2021 (the "**Annual MD&A**");
- (d) the unaudited reviewed consolidated financial statements of the Corporation for the three and nine months ended January 31, 2022 (the "**Interim Financial Statements**"), together with the notes thereto;
- (e) the management's discussion and analysis of the financial condition and operating results for the three and nine months ended January 31, 2022 (the "**Interim MD&A**");
- (f) the management information circular dated March 2, 2022 in connection with the annual and special meeting of shareholders of the Corporation held on April 8, 2022;
- (g) the material change report dated May 11, 2021, regarding the completion of a fully operational mycology lab and production facility in Jamaica;
- (h) the material change report dated May 11, 2021, regarding the Corporation's completion of analytical work under its Health Canada Section 56 exemption;
- (i) 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;
- (j) the material change report dated May 18, 2021, regarding a successful definitive agreement to acquire clinical stage intellectual property from Bolt Therapeutics Limited Partnership;
- (k) the material change report dated May 19, 2021, regarding a successful production and supply agreement with Lobe Sciences Ltd.;
- (l) 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;
- (m) the material change report dated June 3, 2021, regarding the launch of the Corporation's first retail line of natural healthcare products;

- (n) the material change report dated June 8, 2021, regarding the Corporation securing a product listing agreement with Choices Markets for its new line of natural health products;
- (o) the material change report dated June 29, 2021, regarding a successful supply agreement with Allied Health;
- (p) the material change report dated July 2, 2021, regarding the appointment of Mr. Gordon Clissold as Chief Financial Officer;
- (q) the material change report dated July 8, 2021, regarding the supply agreement with Cube Psytech;
- (r) the material change report dated July 27, 2021, regarding the Corporation's entry into a memorandum of understanding with P.A. Benjamin Manufacturing Company, a pharmaceutical manufacturing company based in Kingston, Jamaica;
- (s) the material change report dated July 29, 2021, regarding the Corporation's receipt of its FBA designation from Amazon.ca for the Corporation's line of natural health products;
- (t) the material change report dated August 3, 2021, regarding the Corporation's first harvest of a crop of psilocybin-containing mushrooms from their growing and production facility in Jamaica;
- (u) the material change report dated October 1, 2021, regarding the update on the Corporation's HAVN Labs and HAVN Retail operations;
- (v) the material change report dated October 26, 2021, regarding the departure of Mr. Rick Brar as Vice-Chair of the Board and as a director of the Corporation;
- (w) the material change report dated December 22, 2021, regarding entering a definitive arrangement dated December 17, 2021 pursuant to which the Corporation agreed to acquire all of the issued and outstanding common shares of Spore Life Sciences Inc. by way of a three-cornered amalgamation under the *Business Corporations Act* (Ontario);
- (x) the material change report dated January 10, 2022, regarding the appointment of Mr. Gary Leong to the Board and Mr. Leong stepping down as the Corporation's Chief Science Officer;
- (y) the material change report dated February 23, 2022, regarding the termination of the amalgamation agreement entered into with Spore Life Sciences Inc., as announced on December 20, 2021;
- (z) the material change report dated March 3, 2022, regarding the close of its March 2021 Private Placement (as defined below);
- (aa) the material change report dated July 26, 2022, regarding the departures of certain directors and certain appoints to the Board; and
- (bb) the material change report dated July 29, 2022, regarding the Consolidation.

Any document of the type referred to in the preceding paragraph, and all other documents of the type required by National Instrument 44-101 - *Short Form Prospectus Distributions* of the Canadian Securities Administrators to be incorporated by reference in this Prospectus Supplement, filed by the Corporation with a securities commission or similar regulatory authority in Canada after the date of this Prospectus Supplement and prior to the termination of the Debenture Offering or the Debt Settlement, shall be deemed to be incorporated by reference into this Prospectus Supplement.

Any statement contained herein 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 Supplement, to the extent that a statement contained herein or in any other subsequently filed document that also is or is deemed to be incorporated by reference herein modifies or supersedes that statement. Any such 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 purposes 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 not be considered in its unmodified or superseded form to constitute part of this Prospectus Supplement; rather only such statement as so modified or superseded shall be considered to constitute part of this Prospectus Supplement.

References to the Corporation's website in any documents that are incorporated by reference into this Prospectus do not incorporate by reference the information on the Corporation's website into this Prospectus, and we disclaim any such incorporation by reference.

DESCRIPTION OF THE BUSINESS

General

The following description of the Corporation is derived from selected information about the Corporation contained in the documents incorporated by reference and does not contain all of the information about the Corporation and its business that should be considered before investing in the securities. This Prospectus Supplement, the Base Shelf Prospectus and the documents incorporated by reference herein and therein should be reviewed and considered by prospective purchasers in connection with their investment in the securities.

The Corporation was incorporated under the laws of British Columbia on April 8, 2020 under the name "1246780 B.C. Ltd." On June 4, 2020, the Corporation changed its name to "HAVN Life Sciences Inc." The Corporation is a reporting issuer in all of the provinces and territories of Canada.

The Corporation's head office is located at Suite 1480, 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8. The Corporation's registered and records office is located at Suite 2800, 666 Burrard Street, Vancouver, British Columbia V6C 2Z7.

Summary Description of the Business

The Corporation 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 Corporation intends to supply to third parties for use in clinical trials and for production of natural health products ("NHPs"). The Corporation intends for its compounds to be used to develop innovative therapies to improve mental health and human performance. The Corporation 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 NHPs from non-regulated compounds. With this dual focus, the Corporation has two principal business divisions: HAVN Labs and HAVN Retail.

HAVN Labs 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 Corporation 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.

HAVN Retail 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 Corporation utilizes contract manufacturing services. The Corporation markets its proprietary NHPs under the HAVN brand through a direct to consumer market model, a distributor network and through third party NHP point of sale locations.

Additional information regarding the business of the Corporation or its operations can be found in the AIF and the other documents incorporated by reference into this Prospectus. See "*Documents Incorporated by Reference*".

PRIOR SALES

The following table sets forth the date, number and prices at which the Corporation has issued Common Shares and securities that are convertible into Common Shares in the 12-month period prior to the date hereof:

Date of Issuance	Class of Securities	Number of Securities Issued ⁽¹⁾	Issue/Exercise Price
September 28, 2021	Common Shares	90,243 ⁽²⁾	\$8.70
October 20, 2021	Common Shares	16,944 ⁽³⁾	\$1.50
November 19, 2021	Common Shares	7,667 ⁽⁴⁾	\$7.20
January 13, 2022	Common Shares	6,667 ⁽⁵⁾	\$4.50
February 4, 2022	Common Shares	23,333 ⁽⁶⁾	\$4.50
March 3, 2022	Common Shares	684,571 ⁽⁷⁾	\$2.61
March 3, 2022	Pre-Funded Warrants	81,713 ⁽⁸⁾	\$0.003
March 3, 2022	March 2022 Warrant	766,284 ⁽⁹⁾	\$3.75
March 3, 2022	March 2022 Agent Warrants	61,303 ⁽¹⁰⁾	\$2.70
March 15, 2022	Common Shares	81,713 ⁽¹¹⁾	\$2.61
March 15, 2022	Common Shares	33,333 ⁽¹²⁾	\$23.70
March 16, 2022	Common Shares	16,667 ⁽¹³⁾	\$7.50
March 23, 2022	Common Shares	3,333 ⁽¹⁴⁾	\$7.50
May 26, 2022	Options	133,333 ⁽¹⁵⁾	\$1.80
June 14, 2022	Agent Warrants	16,667 ⁽¹⁶⁾	\$2.70
June 30, 2022	Common Shares	16,042 ⁽¹⁷⁾	\$8.38

Note:

- (1) Provided on a post-Consolidation basis.
- (2) Issued in connection the Corporation's acquisition of intellection property from Bennett's Choice completed on September 29, 2021.
- (3) Issued pursuant to the exercised of performance warrants issued to Barinder Rasode in connection with her departure from the Corporation.
- (4) Issued pursuant to the conversion of restricted share rights ("RSRs") granted under the Corporation's equity incentive plan.
- (5) Issued in exchange for consulting services rendered. The fair value of Common Shares issued for services rendered totaled \$30,000.
- (6) Issued in exchange for investor relations services for a total fair value of \$105,000.
- (7) Issued in connection with the March 2022 Brokered Private Placement.
- (8) Issued in connection with the March 2022 Brokered Private Placement. Each Pre-Funded Warrant entitles the holder thereof to purchase one Common Share at an exercise price of \$0.0003 per warrant for a period of five (5) years.
- (9) Issued in connection with the March 2022 Brokered Private Placement. Each March 2022 Warrant entitles the holder thereof to purchase one Common Share at an exercise price of \$3.75 per March 2022 Warrant for a period of five (5) years.
- (10) Issued as compensation for services rendered to the agent in the March 2022 Brokered Private Placement. Each March 2022 Agent Warrant entitles the holder to purchase one Common Share at an exercise price of \$2.70 per March 2022 Agent Warrant for a period of five (5) years.
- (11) Issued for gross proceeds of \$245 upon the exercise of Prefunded Warrants.
- (12) Issued pursuant to the conversion of RSRs granted under the Corporation's equity incentive plan.
- (13) Issued pursuant to the conversion of RSRs granted under the Corporation's equity incentive plan.
- (14) Issued pursuant to the conversion of RSRs granted under the Corporation's equity incentive plan.
- (15) Issued 33,333 and 100,000 to the CFO and CEO, respectively.
- (16) Issued additional agent warrants in connected with the March 2022 Brokered Private Placement.
- (17) Issued pursuant to the conversion of RSRs granted under the Corporation's equity incentive plan.

TRADING PRICE AND VOLUME

The following table sets forth, for the periods indicated, the reported high and low daily trading prices and the aggregate volume of trading of the Common Shares on the CSE.

Month	High⁽¹⁾	Low⁽¹⁾	Volume⁽¹⁾
Jul 2021	\$17.10	\$10.50	8,543,182
Aug 2021	\$12.60	\$9.90	2,918,871
Sept 2021	\$10.80	\$7.65	3,280,700
Oct 2021	\$9.90	\$5.70	4,758,452
Nov 2021	\$8.10	\$6.60	2,244,394
Dec 2021	\$7.35	\$4.50	4,219,031
Jan 2022	\$5.40	\$4.20	2,457,974
Feb 2022	\$5.10	\$3.15	2,137,012
Mar 2022	\$3.60	\$1.20	42,792,134
Apr 2022	\$2.25	\$1.80	4,646,194
May 2022	\$2.55	\$1.50	1,909,409
Jun 2022	\$2.10	\$1.50	1,809,340
Jul 2022	\$2.25	\$1.35	2,086,847
Aug 1-10, 2022 ⁽²⁾	\$1.60	\$1.00	528,202

Notes:

- (1) Provided on a post-Consolidation basis.
- (2) On August 10, 2022, being the last day the Common Shares traded on the CSE prior to the date of this Prospectus Supplement, the closing price of the Common Shares on the CSE was \$1.15.

DESCRIPTION OF SECURITIES

The following is a summary of the material attributes and characteristics of the Offered Debenture and the Offered Warrants to be issued pursuant to the Debenture Offering, and Debt Shares to be issued pursuant to the Debt Settlement. This summary is subject to, and qualified in its entirety by, reference to the terms of the Debenture Certificate and Warrant Certificate, which, following the Closing Date, may be viewed under the Corporation's profile on SEDAR at www.sedar.com.

Offered Debenture

The Offered Debenture will be issued pursuant to the Subscription Agreement and governed by the Debenture Certificate to be entered into between the Corporation and the Investor. The aggregate principal amount of the Offered Debenture authorized for issue will be limited to the aggregate principal amount of \$1,100,000. The Offered Debenture will be dated as at the Closing Date.

Price

The Offered Debenture will be issued at a 90% the face value of the principal amount of the Offered Debenture and will not accrue interest (except on certain unpaid amounts, as discussed below under the Section "*Plan of Distribution*").

Maturity and Conversion

The Offered Debenture will mature on the Maturity Date (i.e., the date that is 12 months after the Closing Date) (unless accelerated in accordance with the terms of the Debenture Certificate), and is convertible into fully paid, non-assessable and freely-tradeable Conversion Shares: (i) at any time prior to the Maturity Date at the option of the holder; and (ii) automatically on the Maturity Date. The Conversion Price of the Offered Debenture is equal to 100% of the lowest daily VWAP of the Common Shares on the CSE (or such other stock exchange on which the Common Shares

are then principally traded), during the fifteen (15) trading days immediately preceding the date on which a conversion notice is delivered to the Corporation determined in accordance with the provisions of the Debenture Certificate (or, in the event of the automatic conversion of the outstanding principal upon maturity of the Offered Debenture, the Maturity Date) having regard for any adjustments made in accordance with the terms of the Debenture Certificate.

If the Conversion Price is less than the minimum issue price permitted under the CSE policies (or the policies of such other stock exchange on which the Common Shares are listed for trading from time to time), then the Conversion Price shall be automatically adjusted to be equal to the Theoretical Conversion Price in accordance with the Conversion Price Adjustments. In the event that the Conversion Price is less than the Theoretical Conversion Price, the Company will be required to pay the Investor the Make-Whole Amount.

The Offered Debenture and any Conversion Shares issuable upon conversion of the Offered Debenture have not been and will not be registered under the U.S. Securities Act or under state securities laws of any state in the United States. Accordingly, the Offered Debenture may not be transferred or exercised in the United States or by or on behalf of a U.S. Person or a person in the United States unless an exemption is available from the registration requirements of the U.S. Securities Act and applicable state securities laws and the holder of the Offered Debenture has furnished an opinion of counsel of recognized standing or such other documentation in form and substance satisfactory to the Corporation to such effect, as applicable.

The Corporation's obligation to issue the any Common Shares on the conversion of any of the unsecured convertible debentures issued pursuant to the Subscription Agreement, shall not be effective or enforceable if the issuance of such Common Shares would result in: (i) the holder thereof and any person acting in combination or in concert with such holder, holding greater than 9.99% of the outstanding Common Shares after giving effect to the conversion and issuance, without the insiders of the holder having filed and cleared a Personal Information Form with the CSE if required; or (ii) the holder and any person acting in combination or in concert with such Holder, holding greater than 19.99% of the outstanding Common Shares after giving effect to the conversion and issuance. Notwithstanding the foregoing, upon the occurrence of an Event of Default (as defined below), the prohibitions set forth in (ii) shall be of no further force or effect.

Rank

Upon any liquidation, dissolution or winding up of the Corporation, either voluntary or involuntary, or upon the occurrence of a Change of Control (as discussed and defined below) in which the outstanding principal is not converted in accordance with Debenture Certificate, if the Offered Debenture is outstanding at such time, subject to applicable law, the holder hereof will rank: (a) *pari passu* with all other existing and future senior unsecured indebtedness of the Corporation, and (b) senior to all existing and future subordinated indebtedness of the Corporation.

Change of Control and Events of Default

Upon the occurrence of an Event of Default (as defined below) or a Change of Control the holder thereof has the right to: (i) convert all or a portion of the outstanding principal of the Offered Debenture into Conversion Shares at the Conversion Price (subject to any Conversion Price Adjustments); or (ii) within ten (10) business days following the occurrence of a Change of Control, provide written notice to the Corporation requiring the Corporation to immediately redeem in cash all or a portion of the outstanding principal at a redemption price equal to 115% of the outstanding principal being redeemed.

For the purposes hereof, a "**Change of Control**" means: (i) any merger, consolidation or other business combination transaction of the Corporation with or into another person, other than a transaction in which the holders of at least a majority of the voting securities outstanding immediately prior to such transaction continue to hold (either by such shares remaining outstanding or by their being converted into voting securities of the surviving entity) a majority of the total voting power represented by the voting securities of the Corporation (or surviving entity) outstanding immediately after such transaction; (ii) the direct or indirect acquisition (including by way of a takeover, tender or exchange offer) by any person, or persons acting as a group, of beneficial ownership or a right to acquire beneficial ownership of shares representing a majority of the voting power of the then outstanding voting securities of the Corporation; or (iii) the sale or other transfer of all or substantially all of the consolidated assets of the Corporation.

For the purposes hereof, a "**Event of Default**" means any of the following occurrences: (i) material breach, delay or failure by the Corporation in the due performance of any of its obligations under the Subscription Agreement or any debenture certificate representing the senior unsecured convertible debentures issued pursuant to the Subscription Agreement; (ii) failure by the Corporation to deliver to the Investor a DRS advice with respect to the relevant Common Shares to be issued to the Investor in accordance with the terms of the Subscription Agreement, or any debenture or warrant certificate representing the senior unsecured convertible debentures and common share purchase warrants to be issued pursuant to the Subscription Agreement, within two (2) trading days following the sending of a conversion notice or warrant exercise notice; (iii) de-listing or suspension of the Common Shares from the CSE, or the suspension from trading of the Common Shares from the CSE for a period of ten (10) trading days or more; (iv) any refusal by the auditors of the Corporation to certify the financial statements of the Corporation prior to the applicable filing deadlines for such financials as prescribed under National Instrument 51-102 – *Continuous Disclosure Obligations*; (v) material adverse effect has occurred; (vi) (a) failure by the Corporation to pay when due or within any applicable grace period any outstanding indebtedness in excess of \$500,000, other than any such failure resulting from a good faith error which is corrected as soon as reasonably practicable, or (b) failure by the Corporation to observe or perform any term, covenant or agreement contained in any agreement or instrument evidencing or securing outstanding indebtedness which would cause or permit the acceleration or the maturity of such indebtedness; (vii) if a decree or order of a court having jurisdiction is entered: (a) adjudging the Corporation, any subsidiary or any part of the Corporation's assets or property as bankrupt or insolvent under the *Bankruptcy and Insolvency Act* (Canada) or any other bankruptcy, insolvency or analogous laws now or hereafter in effect, (b) issuing sequestration or process of execution against the Corporation, any substantial part of, the property of the Corporation or any subsidiary, or appointing a receiver of, or any substantial part of, the property of the Corporation or any Subsidiary, or ordering the winding up or liquidation of its affairs, and any such decree or order continues unstayed and in effect for a period of sixty (60) days; (viii) if the Corporation or any subsidiary becomes or institutes proceedings to be adjudicated as bankrupt or insolvent, or consents to the institution of bankruptcy or insolvency proceedings against it, under the *Bankruptcy and Insolvency Act* (Canada) or any other bankruptcy, insolvency or analogous laws now or hereafter in effect, or consents to the filing of any such petition or to the appointment of a receiver, trustee, liquidator or custodian of the Corporation, any subsidiary or any part of the Corporation's assets or property or makes a general assignment for the benefit of creditors, or is unable, or admits in writing its inability, to pay its debts (other than trade payables which are twenty (20) trading days or more over due) generally as they become due or stops (or threatens to stop) paying its debts (other than trade payables which are twenty (20) trading days or more over due) when they become due, or commences a voluntary case or other proceeding seeking liquidation, reorganization, dissolution or other relief with respect to itself or its debts under the *Bankruptcy and Insolvency Act* (Canada) or any other bankruptcy, insolvency or analogous laws now or hereafter in effect or consent to any such relief or to the appointment of or taking possession of its property by any official in an involuntary case or other proceeding commenced against it, or takes any action for the purpose of effecting any of the foregoing or any analogous act; (ix) if a resolution is passed for the winding-up, liquidation or dissolution of the Corporation or any subsidiary, except for the winding-up or liquidation of a non-material Subsidiary in the normal course of the Corporation's business; (x) if any proceedings with respect to the Corporation or any material Subsidiary are taken with respect to a compromise or arrangement, with respect to creditors of the Corporation or any material subsidiary generally, under the applicable legislation of any jurisdiction; (xi) failure by the Corporation or any subsidiary to pay final and non-appealable judgments aggregating in excess of \$150,000 (net of any amounts that are covered by insurance issued by a reputable and creditworthy insurance company (as determined in good faith by the Corporation) that has not contested coverage), which judgments remain unsatisfied or undischarged for any period of sixty (60) consecutive days during which a stay of enforcements of such judgments shall not be in effect; (xii) failure by the Corporation to hold, when required, all such approvals as are required by the Corporation under the policies of the CSE for the issuance of the Common Shares upon conversion any of any senior unsecured convertible debentures or exercise of any common share purchase warrants issued under the Subscription Agreement; and (xiii) failure by the Corporation to remain eligible to issue securities, including the senior unsecured convertible debentures and Common Shares, pursuant to this Prospectus.

Additional Indebtedness

Except with the prior written consent of the Investor (which shall not be unreasonably withheld or delayed), the Corporation shall not, and shall not permit any subsidiary, whether existing as at the date hereof or formed after the date hereof, to incur Indebtedness; provided, however, that, the Corporation and any subsidiary may incur Permitted Debt (as defined below) if no Event of Default (as defined below) is in effect. Notwithstanding the foregoing, the Corporation shall not drawdown any variable rate equity financings (such as equity lines of credit) currently in place

or participate in any variable rate equity financings, unless the variable rate element of such financing occurs (e.g., issuance or redemption of Common Shares) may only occur after the date on which any and all senior unsecured debentures issued under the Subscription Agreement shall have been fully converted, or otherwise reimbursed, repaid or cancelled.

For the purposes hereof, a "**Indebtedness**" means with respect to any person, without duplication, the aggregate of the following amounts, at the date of determination: (i) all indebtedness of such person for borrowed money; (ii) all obligations of such person for the deferred purchase price of property, assets or services where such purchase price is deferred for six (6) months or longer; (iii) all obligations of such person evidenced by notes, bonds, debentures or other similar evidence or instruments; (iv) all obligations of such person created or arising under any conditional sale or other title retention agreement with respect to property acquired by such person (whether or not the rights and remedies of the seller or lender under such agreement in the event of a default are limited to repossession or sale of such property); (v) all obligations of such person as lessee under leases that have been or should be, in accordance with generally accepted accounting principles, recorded as capital leases; (vi) all reimbursement obligations, contingent or otherwise, of such person under acceptance, letter of credit and similar facilities; (vii) all net obligations of such person to purchase, redeem, retire, defease or otherwise acquire for value any equity interests of such person, provided that all conditions to such purchase, retirement, defeasance or acquisition have been satisfied; (viii) the market value of all hedge arrangements in respect of which the market value is negative or is "out of the money" less, in the case of any such hedge arrangements with a lender that permit "netting", the market value of all hedge arrangements with such lender in respect of which the market value is positive (up to a maximum of the market value of the hedge arrangements having a negative market value); (ix) all contingent obligations of such person; (x) all Indebtedness of another person referred to in subsections (i) through (ix) above secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any lien on property (including accounts and contract rights) owned by such person, even though such person has not assumed or become liable for the payment of such Indebtedness; (xi) the amount of all trade payables and other accrued liabilities to the extent the same are past the due date thereof by more than 180 days (except to the extent that such payables and liabilities are being properly contested in good faith by such person with the person to whom same are owing); (xii) the net present value of all remaining payment obligations under leases that have been or should be, in accordance with generally accepted accounting principles, recorded as operating leases; and (xiii) any other obligations which would be treated as debt under IFRS other than capital leases.

For the purposes hereof, a "**Permitted Debt**" means: (i) Indebtedness under all senior unsecured debentures issued under the Subscription Agreement; (ii) reimbursement obligations, contingent or otherwise, under or in connection with credit card facilities, letters of credit or letters of guarantee in the ordinary course of business in an amount not exceeding \$100,000 and customary indemnity obligations thereof; (iii) Indebtedness of the Corporation pursuant to purchase money security interests and capital leases, provided that such Indebtedness does not exceed \$100,000 in aggregate at any one time; (iv) intercompany Indebtedness owing by the Corporation to any subsidiary; (v) Indebtedness that ranks junior or pari passu to all senior unsecured debentures issued under the Subscription Agreement in an amount not to exceed \$150,000, provided that such Indebtedness shall not cause a breach of Section 6.1.8; and (vi) the net present value of remaining payment obligations under leases, including all contingent obligations in connection with the same, that have been or should be, in accordance with generally accepted accounting principles, recorded as operating leases.

Adjustments for Stock Splits

After the date of issue of the Offered Debenture, the Conversion Price will be adjusted upon a Stock Split (as defined below) for determining the number of Conversion Shares to be issued upon conversion of the outstanding principal of the Offered Debenture, to provide that at the time the Conversion Price is calculated it will automatically be adjusted to give effect to any Stock Splits completed by the Corporation, such that the Conversion Price will be equal to the product obtained by multiplying the Conversion Price by a fraction:

1. the numerator of which is the number of Common Shares issued and outstanding immediately before the Stock Split; and

2. the denominator of which is the number of Common Shares issued and outstanding immediately after the Stock Split (assuming all equity securities issued pursuant to the Stock Split are converted into or exchanged for Common Shares in accordance with the terms thereof).

For the purposes hereof, a "**Stock Split**" means: (i) the issuance of any equity securities that do not require the payment of additional consideration upon their conversion, exchange or exercise, as a dividend or other distribution on outstanding Common Shares; (ii) the subdivision of outstanding Common Shares into a greater number of shares of such class; or (iii) the consolidation of outstanding Common Shares into a smaller number of Common Shares.

Adjustments for Capital Reorganizations

If, following the date of issue of the Offered Debenture, the Common Shares are changed into the same or a different number of shares of any class or series of stock (including, for clarity, pursuant to a consolidation), whether by capital reorganization, reclassification, amalgamation or merger of the Corporation, or otherwise, the Offered Debenture will be convertible into the kind and amount of shares, other securities and property receivable upon such change that a holder of a number of Common Shares equal to the number of Common Shares into which the Offered Debenture was convertible immediately prior to the change is entitled to receive upon such change.

In any such case, appropriate adjustment will be made with respect to the rights of the holder of this the Offered Debenture after the capital reorganization, reclassification, amalgamation or merger to the end that the adjustment provisions under the Debenture Certificate (including adjustment of the Conversion Price then in effect and the number of Common Shares or other securities or property purchasable upon conversion of the Offered Debenture) will be applicable after that event and be as nearly equivalent as practicable.

Tax Matters

Increased Amounts

All payments to the holder of the Debenture Certificate (the "**Debenture Holder**") by the Corporation under the Offered Debenture will be made free and clear of, and without deduction or withholding for, any and all Taxes (as defined below) except as required by applicable law to be deducted or withheld. If the Corporation is required by applicable law to deduct or withhold any Indemnified Taxes (as defined below) from, or in respect of, any amount payable under the Offered Debenture: (a) the amount payable will be increased as may be necessary so that after making all required deductions or withholdings (including deductions or withholdings applicable to any additional amounts paid under the Offered Debenture), the Debenture Holder receives an amount equal to the amount it would have received if no such deduction or withholding had been made; (b) the Corporation will make such deductions or withholdings; (c) the Corporation will pay the full amount deducted or withheld to the relevant governmental authority in accordance with applicable law; and (d) the Corporation shall deliver to the Debenture Holder as soon as practicable after it has made such payment (i) a copy of any receipt issued by the governmental authority evidencing the payment of all amounts required to be deducted or withheld from the sum payable hereunder, or (ii) if such a receipt is not available from such governmental authority, notice of the payment of the amount deducted or withheld.

Payment of Other Taxes

The Corporation agrees to immediately pay any Other Taxes (as defined below) which arise from any payment made by the Corporation under the Offered Debenture or from the execution, delivery or registration of, or otherwise with respect to, the Offered Debenture.

Tax Indemnity

The Corporation will indemnify the Debenture Holder for the full amount of Indemnified Taxes (as defined below) or Other Taxes (as defined below) paid by the Debenture Holder and any liability (including penalties, interest and expenses) arising from, or with respect to, such Indemnified Taxes or Other Taxes, whether or not they were correctly or legally asserted. In addition, the Corporation will indemnify the Debenture Holder for any Taxes, Other Taxes or Tax based on or measured by the overall net income of the Debenture Holder imposed by any jurisdiction on or with

respect to any increased amount payable by the Corporation or any payment or indemnity payable by such Corporation.

For the purpose of this section, the below words and expressions have the following meanings:

"Excluded Taxes" means any of the following Taxes imposed on, or with respect to the Debenture Holder or required to be withheld or deducted from a payment to the Debenture Holder: (a) Taxes imposed on, or measured by, its net income (however denominated), franchise Taxes and branch profits Taxes, in each case, (i) imposed as a result of that recipient being organized under the laws of, or having its principal office or its applicable lending office located in the jurisdiction imposing the Tax (or any political subdivision of the jurisdiction) or (ii) that are Other Connection Taxes (as defined below); (b) Taxes imposed pursuant to Part XIII of the *Income Tax Act* (Canada) by reason of such Debenture Holder not dealing at arm's length with the Corporation for purposes of *Income Tax Act* (Canada); (c) Taxes that arise as a result of Debenture Holder's refusal to provide evidence or documents reasonably requested from such holder, where such Taxes could otherwise be reduced or eliminated had such evidence or documents been provided; and (d) any FATCA Withholding Tax (as defined below).

"FATCA Withholding Tax" means any United States federal withholding tax imposed or collected pursuant to sections 1471 through 1474 of the *U.S. Internal Revenue Code of 1986*, as amended (the "**Code**"), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to section 1471(b) of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of those sections of the Code.

"Indemnified Taxes" means: (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by, or on account of, any obligation of the Corporation under the Offered Debenture; and (b) to the extent not otherwise described in (a), Other Taxes.

"Other Connection Taxes" means Taxes imposed as a result of a present or former connection between the Debenture Holder and the jurisdiction imposing the Tax (other than connections arising from the Debenture Holder having executed, delivered, become a party to, performed its obligations under, engaged in any other transaction pursuant to or enforced the Offered Debenture).

"Other Taxes" means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, or otherwise with respect to, the Offered Debenture.

"Taxes" means all present or future taxes, levies, imposts, duties, deductions, withholdings, assessments, fees or other charges imposed by any governmental authority, including any interest, additions to tax or penalties applicable to them.

Offered Warrants

Each whole Offered Warrant entitles its holder, upon the payment of the exercise price of \$1.31, to purchase one (1) Warrant Share, subject to adjustment as set out in the Warrant Certificate, at any time prior to 5:00 p.m. (Vancouver time) on August 11, 2027 (60 months from the Closing Date).

Adjustments

The Warrant Certificate will provide for adjustment in the number of Warrant Shares issuable upon the exercise of the Offered Warrants and/or the exercise price per Warrant Share upon the occurrence of certain events, including:

- (a) setting of a record date for the issuance of Common Shares or securities convertible into or exchangeable for Common Shares to all or substantially all of the holders of Common Shares by way of a stock dividend or other distribution;
- (b) the subdivision, redivision, or change of the Common Shares into a greater number of shares;

- (c) the consolidation, reduction, or combination of the Common Shares into a lesser number of shares;
- (d) setting of a record date for the issuance to all or substantially all of the holders of Common Shares of rights, options or warrants under which such holders are entitled, during a period expiring not more than 45 days after the record date for such issuance, to subscribe for or purchase Common Shares, or securities exchangeable for or convertible into Common Shares, at a price per Common Share to the holder (or at an exchange or conversion price per share) of less than 95% of the "current market price", as defined in the Warrant Certificate, of Common Shares on such record date; and
- (e) setting of a record date for the issuance or distribution to all or substantially all of the holders of Common Shares of: (i) shares of any class other than Common Shares whether of the Corporation or any other corporation, rights; (ii) rights, options or warrants to acquire Common Shares or securities exchangeable for or convertible into Common Shares or property or other assets of the Corporation (other than a Rights Offering, as defined in the Warrant Certificate); (iii) evidences of indebtedness; or (iv) cash, securities or other property or assets.

The Warrant Certificate will also provide for adjustment in the class and/or number of securities issuable upon the exercise of the Offered Warrants and/or exercise price per security in the event of the following additional events:

- (a) the reclassification of the Common Shares;
- (b) the consolidation, amalgamation, arrangement, merger or other form of business combination of the Corporation with or into any other corporation resulting in any reclassification of the outstanding Common Shares, any change of the Common Shares into other shares or any other reorganization of the Corporation;
- (c) the consolidation, amalgamation, arrangement or merger with or into any other corporation or other entity (other than a consolidation, amalgamation, arrangement or merger which does not result in any reclassification of the Corporation's outstanding Common Shares or a change of the Common Shares into other shares); or
- (d) any sale, lease, exchange or transfer of the undertaking or assets of the Corporation as an entirety or substantially as an entirety to another corporation or entity.

(each, a "**Reclassification Event**").

No adjustment in the exercise price will be required to be made unless the cumulative effect of such adjustment or adjustments would result in a change of at least 1% in the exercise price or a change in the number of Warrant Shares purchasable upon exercise by at least one one-hundredth (1/100th) of a Common Share, as the case may be.

No adjustment in the Exercise Price will be made in respect of any event described above, other than a Reclassification Event, if the holder of an Offered Warrant is entitled to participate in such event on the same terms (subject to the consent of the CSE or such other stock exchange on which the Corporation's securities are listed as long as the Common Shares are listed on the CSE or such other stock exchange and the consent of the CSE or such other stock exchange is required to comply with the rules and/or policies of the CSE or such other stock exchange), *mutatis mutandis*, as if the holder had exercised the Offered Warrants prior to or on the effective date or record date of such event.

The Corporation will covenant in the Warrant Certificate that, during the period in which the Offered Warrants are exercisable, the Corporation will give notice to holders of the Offered Warrants of certain stated events, including events that would result in an adjustment to the exercise price for the Offered Warrants or the number of Warrant Shares issuable upon exercise of the Offered Warrants, at least seven (7) days prior to the record date or effective date, as the case may be, of such event.

No Fractional Warrant Shares

No fraction of a Warrant Share will be issued upon the exercise of an Offered Warrant and no cash payment will be made in lieu thereof. Holders of the Offered Warrants are not entitled to any voting rights or pre-emptive rights or any other rights conferred upon a person as a result of being a holder of Common Shares.

Amendments

From time to time, subject to the approval of the CSE or such other stock exchange on which the Corporation's securities are listed, if applicable, the provisions of this Warrant Certificate may from time to time be amended, modified or waived, if such amendment, modification or waiver is in writing and consented to in writing by the Corporation and the holder.

U.S. Securities Law

The Offered Warrants and the Warrant Shares have not been and will not be registered under the U.S. Securities Act or under state securities laws of any state in the United States. Accordingly, the Offered Warrants may not be transferred or exercised in the United States or by or on behalf of a U.S. Person or a Person in the United States unless an exemption is available from the registration requirements of the U.S. Securities Act and applicable state securities laws and the holder of the Warrant Certificate has furnished an opinion of counsel of recognized standing or such other documentation in form and substance satisfactory to the Corporation to such effect, as applicable, and if the Offered Warrants are so exercised, the certificate representing the Warrant Shares will bear the necessary legends as determined by legal counsel for the Corporation.

Debt Shares, Compensation Shares, Conversion Shares, and Warrant Shares

The Debt Shares, and upon conversion of the Offered Debenture and/or exercise of the Offered Warrants, holders of the Conversion Shares, Warrant Shares and Compensation Shares will be entitled, as holders of Common Shares, to receive notice of and to attend all meetings of the shareholders of the Corporation and have one vote for each Common Share held at all meetings of the shareholders of the Corporation.

All of such Common Shares rank equally within their class as to dividends, voting rights, participation in assets and in all other respects. None of such Common Shares are subject to any call or assessment nor pre-emptive or conversion rights. Any modification, amendment or variation of any rights or other terms attached to the Common Shares would require special resolutions passed by the shareholders of the Corporation.

PLAN OF DISTRIBUTION

The Debenture Offering

Pursuant to the Subscription Agreement between the Corporation and the Investor, the Corporation has agreed to issue to the Investor up to \$10.6 million principal amount of senior unsecured convertible debentures in up to twenty (20) tranches, with the Debenture Offering comprising the first tranche with nineteen (19) subsequent tranches in the aggregate principal amount of \$500,000 each over a period of 36 months. All senior unsecured convertible debentures subscribed for under the Subscription Agreement are to be subscribed for at a subscription price equal to ninety (90%) percent of the principal amount.

In each tranche, the Investor is entitled to receive Common Share purchase warrants of the Corporation to acquire such number of Common Shares as is equal to 50% of the aggregate principal amount of the senior unsecured convertible debentures issued in each Tranche divided by the warrant exercise price (the "Warrant Exercise Price"). The Warrant Exercise Price is equal 120% of the lowest closing VWAP over the fifteen (15) trading days immediately preceding the request to issue a new tranche, except that in connection with the first tranche (i.e., the Debenture Offering), the Warrant Exercise Price must be equal to the lower of \$0.06 and 120% of the lowest closing VWAP over the fifteen (15) trading days immediately preceding the request to issue the Closing Date.

This Prospectus Supplement qualifies the distribution of the Offered Debenture (i.e., \$1,100,000 aggregate principal amount of senior unsecured convertible debenture (inclusive of the Debenture Commitment Fee), 190,839 Offered Warrants, and the Conversion Shares and Warrant Shares issuable upon the respective conversion and exercise thereof. The Offered Debenture and Offered Warrants will be issued pursuant to the Subscription Agreement, and governed by the Debenture Certificate and the Warrant Certificate, respectively, to be entered into on the Closing Date between the Corporation and the Investor. See "*Description of Securities — Offered Warrants*" and "*Description of Securities — Offered Debenture*".

The Closing of the Debenture Offering is expected to take place on or about the Closing Date, or such other date as the Investor and the Corporation may mutually agree. The Corporation will receive the net proceeds from the Debenture Offering directly from the Investor upon Closing.

In consideration for purchasing the Offered Debenture and Offered Warrants, and pursuant to the terms of the Subscription Agreement, the Corporation will pay the Investor the Debenture Commitment Fee, which is payable by adding \$600,000 to the principal amount of the Offered Debenture issued pursuant to the Debenture Offering. As additional consideration for purchasing the Offered Debenture and Offered Warrants, the Corporation has agreed to grant to the Investor, the Compensation Shares. The grant of the Compensation Shares is also qualified under this Prospectus Supplement.

The Investor is required to return the Compensation Shares to the Corporation, if: (a) either (i) 36 months since the date of the Subscription Agreement (the "**Commitment Period**") has lapsed or (ii) the Subscription Agreement is terminated prior to the end of the Commitment Period in accordance with its terms; (b) all outstanding debentures issued under the Subscription Agreement have been converted by the holder(s) thereof; (c) the Corporation is not in breach of the Subscription Agreement; and (d) no payment remains outstanding by the Corporation to the Investor and no delivery of Common Shares resulting from a conversion of the senior unsecured convertible debentures, issuable under the Subscription Agreement, or the exercise of any of the common share purchase warrants, issuable under the Subscription Agreement, by the Investor shall remain outstanding pursuant to the Subscription Agreement.

Pursuant to the terms of the Subscription Agreement, the Corporation has agreed to reimburse the Investor for certain fees and expenses incurred in connection with the Debenture Offering and to indemnify the Investor and its directors, officers, employees, and agents against, certain liabilities and expenses.

Any amount due to the Investor in connection with any senior unsecured convertible debentures or warrants issuable under the Subscription Agreement that has not been paid when due will bear interest at a rate equal to 60% per annum from the due date of the payment to the date paid, or such lesser amount as may be the maximum permitted by applicable law.

Conditions to Closing

Closing of the Debenture Offering is subject to customary closing conditions of a transaction of this nature and certain other closing conditions, including, but not limited to: (i) obtaining all necessary regulatory and CSE approvals and the qualification of the Offered Debenture, the Offered Warrants, Compensation Shares and the Conversion Shares and the Warrant Shares for distribution under this Prospectus Supplement; (ii) the Corporation shall have at least such number of freely tradeable (listed on CSE) Common Shares authorized, available, and approved for issuance to the Investor upon conversion of all outstanding Offered Debentures that is equal to 200% of the principal amount of the Offered Debentures and such Common Shares shall be freely tradeable upon issuance to the Investor; (iii) the Corporation having sufficient headroom to issue up to 300% of the aggregate principal amount of the Offered Debenture and 300% of the number of Common Shares issuable upon conversion of the Offered Debenture before the completion of the Debenture Offering; and (iv) no payment owing by the Corporation to the Investor pursuant to the Subscription Agreement, except for the Debenture Commitment Fee and the transaction expenses.

Exclusivity

Pursuant to the Subscription Agreement, the Corporation is restricted from drawing down any variable rate equity financings (being, for these purposes, the issue of any equity securities (or debt securities carrying the right to convert

into, or otherwise acquire, equity securities) for which the conversion, redemption or exercise price is variable, including but not limited to equity lines of credit and convertible debt structures similar to the structure of the Debenture Offering currently in place, other than the Subscription Agreement) or participate in any such variable rate equity financings, unless the variable rate element of such financing occurs after the later of (a) the date which falls thirty-six (36) months from the date of the Subscription Agreement or (b) the date on which any and all senior unsecured convertible debentures to be issued under the Subscription Agreement will have been fully converted (the "**Exclusivity Provisions**"). The Corporation is required to pay to the Investor an amount equal to 5% of the principal amount of any financing procured by the Corporation from a third party investor in the event that the Corporation breaches the Exclusivity Provisions.

Negative Covenants

Pursuant to the Subscription Agreement, the Corporation has agreed not to, except with the prior written consent of the Investor, so long as any senior unsecured convertible debentures or warrants issuable under the Subscription Agreement remain outstanding: (i) except as expressly contemplated or permitted thereunder, purchase, buy back, redeem, retire, repurchase, cancel or otherwise acquire for cash any security of the Corporation (including, without limitation, options, warrants, conversion or exchange privileges and similar rights in respect of shares), other than pursuant to the terms and conditions of any securities of the Corporation outstanding as of the date of the Subscription Agreement; (ii) make any change to its constating documents that would reasonably be expected to have a "material adverse effect" (as that term is defined in the Subscription Agreement), including name changes, without providing the Investor with at least thirty (30) days' prior written notice; (iii) pay out any shareholder loans or certain other indebtedness to non-arm's length parties, except in accordance with their terms in the ordinary course of the Corporation's business, consistent with past practices (for clarity, without acceleration); (iv) enter into any transaction with any non-arm's length parties on commercially unreasonable terms; (v) except as expressly contemplated or permitted under the Subscription Agreement, make any payment to, or declare any amounts payable to, its shareholders, affiliates or executives (other than commercially reasonable or existing contractual salaries and bonuses in the ordinary course of the Corporation's business), including, without limitation, the declaration or payment of any dividend to the holders of the Corporation's issued and outstanding Common Shares, provided, however, that, the Corporation may make payments to its subsidiaries and the its subsidiaries may make payments among themselves; (vi) guarantee the obligations of any other person, directly or indirectly, other than obligations permitted by the Subscription Agreement and the Offered Debenture and certain permitted debt; (vii) enter into or become party or subject to any dissolution, winding up, reorganization, arrangement or similar transaction or proceedings, except for the dissolution or winding-up or liquidation of a non-material subsidiary in the ordinary course of the Corporation's business; and (viii) engage in or conduct any business other than its business as currently conducted and existing on the date of the Subscription Agreement, except in any related, ancillary or complimentary business.

Termination

The Subscription Agreement may be terminated as follows:

1. by either of the Corporation or Investor upon the written notice to the other party upon the earliest to occur of a Closing not occurring within three (3) trading days (as that term is defined in the Subscription Agreement) of the relevant Closing Date;
2. by mutual written consent of the parties; or
3. immediately by the Investor upon delivery of a written notice to the Corporation upon the occurrence of (i) an Event of Default or (ii) a Change of Control (as discussed and defined under the section "*Description of Securities — Offered Debenture — Change of Control and Events of Default*").

Upon termination of the Subscription Agreement, the Corporation and the Investor will be released from all of their obligations under and will have no further liability arising out of the Subscription Agreement, except that the following rights, obligations and agreements will survive:

1. any liability under the Subscription Agreement, any debenture certificates or warrant certificate issued under the Subscription Agreement, and any of the other transaction documents delivered in connection with the Debenture Offering and other tranches arising before or in connection with such termination;
2. each party's obligations;
3. the Investor's right to be paid the Debenture Commitment Fee and the Compensation Shares;
4. for a period of thirty six (36) months from the date of the Subscription Agreement, the Exclusivity Provisions; and
5. for so long as any of the senior unsecured convertible debentures or warrants issuable under the Subscription Agreement remain outstanding, certain covenants of the Corporation.

The Debt Settlement

Pursuant to certain debt settlement agreements to be entered into between the Corporation and each of the Creditors on the Closing Date, the Corporation will issue an aggregate of 190,214 Debt Shares at a price of \$1.15 per Debt Share to settle the Outstanding Amount owing to the Creditors in connection with services provided by the Creditors to the Corporation.

The Closing of the Debt Settlement is expected to take place on or about the Closing Date, or such other date as any Creditor and the Corporation may mutually agree.

Provision Pertaining to both the Debenture Offering and the Debt Settlement

Certificated Form

The Offered Debenture and Offered Warrants will be issued in registered and definitive form whereby the Investor will received a copy of the Debenture Certificate and Warrant Certificate. It is expected that the Debt Shares and Compensation Shares, and, upon exercise of the Offered Debentures and Offered Warrants, the Conversion Shares and the Warrant Shares, will be issued in registered and definitive form or as direct registration system advices.

Jurisdictions

The Debenture Offering and the Debt Settlement is being made only in those jurisdictions where the Offered Debenture, the Offered Warrants, including the Conversion Shares and the Warrant Shares issuable pursuant to the Offered Debenture and Offered Warrants, respectively, and the Debt Shares may be lawfully offered for sale and therein only by persons permitted to sell such securities

Market for Securities

The Corporation has provided notice to list the Conversion Shares, the Warrant Shares, the Debt Shares and the Compensation Shares. The listings are subject to the Corporation fulfilling all of the listing requirements of the CSE.

The issued and outstanding Common Shares are listed and posted for trading on the CSE under the symbol “HAVN”, on the OTC Pink under the symbol “HAVLD” and on the FSE under the stock symbol “5NP”. On August 10, 2022, the last trading day prior to the date of this Prospectus Supplement, the closing price per Common Share on the CSE was \$1.15, on the OTC Pink was US\$0.82 and on the FSE was €0.85.

Selling Restrictions

The Offered Debenture, Offered Warrants, the Debt Shares, the Compensation Shares, the Conversion Shares and the Warrant Shares have not been and will not be registered under the U.S. Securities Act or any U.S. state securities laws and, subject to registration under the U.S. Securities Act and applicable U.S. state securities laws or certain exemptions

therefrom, may not be offered, sold, transferred, delivered or otherwise disposed of, directly or indirectly, to or for the account or benefit of, persons within the United States or a U.S. Persons. Except as permitted in the Subscription Agreement and as expressly permitted by applicable laws of the United States, the Investor will not offer, sell or deliver the Offered Debenture, Offered Warrants or the Debt Shares to, or for the account or benefit of, persons in the United States or to U.S. Persons. The Offered Warrants will not be exercisable by, or on behalf of, a person in the United States or a U.S. Person, nor will certificates representing the Warrant Shares issuable upon exercise of the Offered Warrants, respectively, be registered or delivered to an address in the United States, unless an exemption from the registration requirements of the U.S. Securities Act and any applicable state securities laws is available at the time of exercise.

This Prospectus Supplement does not constitute an offer to sell or a solicitation of an offer to buy the Offered Debenture, Offered Warrants or Debt Shares to, or for the account or benefit of, persons in the United States or U.S. Persons.

Other than in each of the jurisdictions in which the Offered Debentures, Offered Warrants and Debt Shares are sold, no action has been taken by the Corporation that would permit a public offering of the Offered Debenture, Offered Warrants, and Debt Shares in any jurisdiction where action for that purpose is required. The Offered Debenture, Offered Warrants, and Debt Shares may not be offered or sold, directly or indirectly, nor may this Prospectus Supplement or any other offering material or advertisements in connection with the offer and sale of any such Offered Debenture, Offered Warrants, and Debt Shares be distributed or published in any jurisdiction, except under circumstances that will result in compliance with the applicable rules and regulations of that jurisdiction. Persons into whose possession this Prospectus Supplement comes are advised to inform themselves about and to observe any restrictions relating to the Debenture Offering and the Debt Settlement, respectively, and the distribution of this Prospectus Supplement. This Prospectus Supplement does not constitute an offer to sell or a solicitation of an offer to buy any Offered Debenture, Offered Warrants, and Debt Shares in any jurisdiction in which such an offer or a solicitation is unlawful.

CONSOLIDATED CAPITALIZATION

Other than as stated herein, there have been no material changes in the consolidated capitalization of the Corporation since the date of the Interim Financial Statements which have not been disclosed in this Prospectus or the documents incorporated by reference herein or therein.

After giving effect to the Debenture Offering and the Debt Settlement, the Corporation will have a total of 5,788,997 Common Shares immediately issued and outstanding, and 190,839 common share purchase warrants will also be newly outstanding. The table below should be read in conjunction with the Interim Financial Statements.

Description	Authorized	Outstanding as at January 31, 2022	Outstanding as at the Date of this Prospectus Supplement⁽¹⁾
Common Shares	Unlimited	4,250,673 ⁽¹⁾	5,788,997 ⁽¹⁾⁽²⁾
Warrants	N/A	492,707 ⁽¹⁾⁽³⁾	1,527,800 ⁽¹⁾⁽⁴⁾
Debentures	N/A	Nil	\$1,100,000

Notes:

- (1) This figure is represented on a post-Consolidation basis.
- (2) This figure includes the Debt Shares and the Compensation Shares.
- (3) This figure includes 358,263 Common Share purchase warrants of the Corporation and 134,444 Common Share performance warrants of the Corporation.
- (4) This figure include the Offered Warrants issuable pursuant to the Debenture Offering.

USE OF PROCEEDS

Proceeds

The net proceeds to be received by the Corporation under the Debenture Offering are estimated to be \$450,000, after deducting the Debenture Commitment Fee, but before deducting the estimated expenses in connection with this Offering of approximately \$120,000 (\$20,000 of which have already been paid), excluding applicable taxes and disbursements. The Corporation will not receive any of the proceeds related to the distribution of the Debt Shares, as the Debt Shares are being issued to the Creditors in satisfaction of the Outstanding Amount, and expects the expenses in connection with the Debt Settlement to be minimal.

Principal Purposes

The Corporation intends to use the net proceeds from the Debenture Offering for general corporate and working capital purposes. This includes salary and benefits, professional fees including legal, auditing and tax, costs associated with public listing, regulatory, investor relations and public relations, business and corporate development, travel expenses, office rent, operating and information technology costs, director compensation and director's and officer's insurance premiums. The Corporation expects that this amount will be used to fund these expenses for a period of approximately three (3) months.

While the Corporation currently intends to use the net proceeds from the Debenture Offering for the purposes set out herein, the ultimate allocation of such proceeds and the timing of their expenditure will depend upon the prevailing business opportunities and conditions and unforeseen events. The Corporation will have discretion to use the net proceeds differently than as described herein, if the Corporation believes it is in its best interests to do so. Pending the use of the proceeds described herein, the Corporation may hold or invest all or a portion of the proceeds of the Debenture Offering in interest bearing bank accounts and the funds may be added to the working capital of the Corporation. There may be circumstances where, for sound business reasons, a reallocation of funds may be necessary. See "*Risk Factors*".

The Corporation had negative cash flow from operations for the year ended April 30, 2021 and for three and nine months ended January 31, 2022, and has a history of losses from operations since in 2020. The Corporation will need to generate and sustain increased revenue levels in future periods in order to become profitable, and, even if it does, the Corporation may not be able to maintain or increase its level of profitability. To the extent that the Corporation has negative operating cash flow in future periods, it may need to deploy some or all of the proceeds raised from any offering under this Prospectus Supplement to fund such negative cash flow until such time as it becomes profitable. See "*Risk Factors — Negative Cash Flow from Operations*".

RISK FACTORS

Investing in our securities is speculative and involves a high degree of risk. In addition to the risk factors set out herein, you should carefully consider the risks under the heading "Risk Factors" in each of the Prospectus and the AIF, as well as any other documents incorporated by reference in this Prospectus Supplement that summarize the risks that may materially affect our business before making an investment in our securities. See "*Documents Incorporated by Reference*". If any of these risks occur, our business, results of operations or financial condition could be materially and adversely affected. In that case, the trading price of our securities could decline, and you may lose all or part of your investment. The risks set out in the documents indicated above are not the only risks we face. You should also refer to the other information set forth in this Prospectus Supplement and the documents incorporated by reference herein and therein, including our financial statements and the related notes.

There can be no assurance that the Debenture Offering and the Debt Settlement will be completed

Completion of the Debenture Offering and the Debt Settlement remains subject to a number of conditions precedent. There can be no certainty that the Debenture Offering and the Debt Settlement will be completed. If the Debenture Offering and the Debt Settlement is not completed, the Corporation may not be able to raise the funds required for the purposes contemplated under "*Use of Proceeds*" from other sources on commercially reasonable terms or at all.

Discretion over the use of the net proceeds from the Debenture Offering

Management of the Corporation will have broad discretion over the use of the net proceeds from the Debenture Offering pursuant to this Prospectus Supplement and the Base Shelf Prospectus. As a result, investor(s) will be relying on the judgment of management for the application of the net proceeds from the Debenture Offering. If the net proceeds from the Debenture Offering are not applied effectively, the Corporation's results of operations and financial condition may suffer.

Holders of Offered Warrants and Offered Debenture have no rights as a shareholder

Until a holder of Offered Warrants and the Offered Debenture acquires Warrant Shares or Conversion Shares upon exercise of Offered Warrants or conversion of Offered Debenture, as applicable, such holder will have no rights with respect to the underlying Common Shares. Upon exercise of such Offered Warrants or conversion of Offered Debenture, as applicable, such holder will be entitled to exercise the rights of a common shareholder only as to matters for which the record date occurs after the exercise date.

Market for the Offered Warrants and Offered Debenture

There is currently no market through which the Offered Warrants, Offered Debenture may be sold. There can be no assurance that an active or liquid trading market will develop for the Offered Warrants and Offered Debenture after the Debenture Offering, or if developed, that such a market will be sustained. If an active or liquid market for the Offered Warrants or Offered Debenture fails to develop or be sustained, the prices at which the Offered Warrants or Offered Debenture trade may be adversely affected. The market price of the Offered Warrants and Offered Debenture will be based on a number of factors, including but not limited to: (a) the markets for similar securities; (b) the financial condition, results of operations and prospects of the Corporation; (c) the market price and volatility of the Common Shares; (d) changes in the industry in which the Corporation operates and competition affecting the Corporation; and (e) general market and economic conditions. Purchasers may not be able to resell Offered Warrants or Offered Debenture purchased under this Prospectus Supplement and the accompanying Base Shelf Prospectus if such Offered Warrants or Offered Debenture are not listed on the CSE. This may affect the pricing of the Offered Warrants and the Offered Debenture in the secondary market, the transparency and availability of trading prices, the liquidity of these securities and the extent of issuer regulation.

Trading price of Common Shares and volatility

In recent years, the securities markets in the United States and Canada, have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced large fluctuations in price that have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur with respect to the Common Shares. The trading price of the Common Shares may be subject to large fluctuations and may decline below the price at which an investor acquired their Common Shares. The trading price may increase or decrease in response to a number of events and factors, which may not be within the Corporation's control nor be a reflection of the Corporation's actual operating performance, underlying asset values or prospects. Accordingly, investors may not be able to sell their securities at or above their acquisition cost.

Inability to satisfy payments

There is no guarantee that the Corporation will have to repay the principal outstanding on the Offered Debenture on a timely basis, if required. The Corporation's ability to make cash payments under the Debenture Certificate may be limited by the terms of other present or future agreements relating to the Corporation's other indebtedness and agreements that the Corporation may enter into in the future which may replace, supplement or amend the Corporation's existing indebtedness.

Change of Control

The Corporation may be required to make an offer to holders of the Offered Debenture to purchase all or a portion of their Offered Debenture for cash in the event of certain transactions that would constitute a Change of Control. The Corporation cannot assure holders of Offered Debenture that, if required, it would have sufficient cash or other financial resources at that time or would be able to arrange financing to pay the purchase price of the Offered Debenture in cash. The Corporation's ability to purchase the Offered Debenture in such an event may be limited by law, by the provisions of the Debenture Certificate, by the terms of other present or future agreements relating to credit agreements and other indebtedness and agreements that the Corporation may enter into in the future which may replace, supplement or amend the Corporation's future debt.

Negative cash flow from operations

The Corporation had negative cash flow from operations for the financial year ended April 30, 2021 and for its most recent interim financial period. While the Corporation anticipates that it will have positive cash flow from operating activities in future periods, to the extent that the Corporation has negative cash flow in any future period, the Corporation will predominantly use cash on hand to fund any such negative cash flow, including the net proceeds from the Debenture Offering to fund such negative cash flow from operating activities.

Litigation, proceedings and prior acts

The Corporation and its directors and officers may, from time to time, become party to proceedings or litigation in the ordinary course of business which could adversely affect its business. Should any proceeding or litigation in which the Corporation or its directors or officers are, or becomes, involved in be determined against the Corporation or such directors or officers, such a decision could adversely affect the Corporation's ability to continue operating and could use significant resources. Even if the Corporation or its directors or officers become involved in a proceeding or litigation and win, such proceeding or litigation could redirect a significant amount of the Corporation's resources. A proceeding or litigation may also create a negative perception of the Corporation.

We have significant intangible assets and potential impairment of our intangible assets may have a significant adverse impact on the Corporation

Intangible assets represent a significant portion of our total assets. Finite-life intangible assets are subject to an impairment analysis whenever events or changes in circumstances indicate the carrying amount of the asset may not be recoverable. Indefinite-life intangible assets are tested for impairment annually, or more frequently if events or changes in circumstances indicate that the asset may be impaired. If impairment exists, we would be required to take an impairment charge with respect to the impaired asset. Events giving rise to impairment are difficult to predict, including the uncertainties associated with the launch of new products, and are an inherent risk in the psychopharmacological and natural health product industries. As a result of the significance of intangible assets, our financial condition and results of operations in a future period could be negatively impacted should such an impairment of intangible assets occur, which could cause the market value of our common shares and/or debt securities to decline. We may be required to take impairment charges in the future and such impairment charges may be material.

Forward-looking statements and FOFI may prove inaccurate

Investors are cautioned not to place undue reliance on forward-looking information included in this Prospectus or the documents incorporated by reference in this Prospectus Supplement, including the forward-looking information under "*Use of Proceeds*". By their nature, forward-looking information and future outlook financial information ("**FOFI**") involve numerous assumptions, known and unknown risks and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking information and/or FOFI or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate. Some of the FOFI presented in this Prospectus Supplement is based upon the completion of the Debenture Offering and the Debt Settlement and if the Debenture Offering or the Debt Settlement are not completed or not completed on the terms or timelines contemplated, this will impact the forward looking FOFI provided herein and such impact may be material. See "*Forward-Looking Statements*".

CERTAIN INCOME TAX CONSIDERATIONS

The acquisition of the securities described herein may subject the purchasers participating in Debenture Offering and the Debt Settlement to tax consequences in both the U.S. and Canada. This Prospectus Supplement does not describe these tax consequences. Each purchaser participating in the Debenture Offering and the Debt Settlement, in purchasing the securities under the Subscription Agreement, has acknowledged that it, either alone or together with its representatives, has such knowledge, sophistication and experience in business and financial matters so as to be capable of evaluating the merits and risks of their prospective investment in the securities, and has so evaluated the merits and risks of such investment. This includes issues relevant to the tax consequences of owning the Corporation's securities. The Corporation has not made any representation regarding the tax consequences of an investment in the securities. You should read the information in this Prospectus Supplement, the Base Shelf Prospectus and the documents incorporated by reference herein and therein, and consult your own tax advisor with respect to your own particular circumstances.

AUDITORS, REGISTRAR AND TRANSFER AGENT

De Visser Gray, LLC, Chartered Professional Accountants, are the auditors of the Corporation. De Visser Gray, LLC has confirmed with respect to the Corporation that they are independent 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, own, registered or beneficial, directly or indirectly, in their respective groups, less than 1% of any class of outstanding securities of the Corporation.

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

PURCHASERS' 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 or a prospectus supplement relating to the securities purchased by a purchaser and any amendments thereto. In several of the provinces and territories, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revision of the price or damages if a prospectus or a prospectus supplement relating to the securities purchased by a purchaser or any amendments thereto 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. 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 adviser.

In an offering of debentures, common share purchase warrants and common shares, investors are cautioned that the statutory right of action for damages for a misrepresentation contained in the Prospectus Supplement is limited, in certain provincial and territorial securities legislation, to the price at which the Offered Debenture and the Offered Warrants are offered to the public under the Debenture Offering and to the price at which the Debt Shares are offered to the public under the Debt Settlement. This means that, under the securities legislation of certain provinces and territories, if the purchaser pays additional amounts upon exercise of the Offered Warrants, 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 adviser.