HAVN Life Sciences Inc.

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended April 30, 2022

This Management's Discussion and Analysis ("MD&A") of the financial condition and results of operations of HAVN Life Sciences Inc. (the "Company"), is for the year ended April 30, 2022. It is supplemental to, and should be read in conjunction with, the Company's audited consolidated financial statements and the accompanying notes for the year ended April 30, 2022, as well as the audited financial statements and MD&A for the year ended April 30, 2021. Such financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). This MD&A has been prepared by reference to the MD&A disclosure requirements established under National Instrument 51-102 - *Continuous Disclosure Obligations* ("NI 51-102") of the Canadian Securities Administrators.

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

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

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

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

DATE

This MD&A is prepared as of August 29, 2022.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

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

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

DESCRIPTION OF BUSINESS

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

The Company was incorporated under the laws of the Business Corporations Act (British Columbia) on April 8, 2020. The Company's registered office is 2800-666 Burrard Street, Vancouver, British Columbia V6C 2Z7. On September 8, 2020, the Company's shares began trading on the Canadian Securities Exchange ("CSE") under the symbol "HAVN".

On September 4, 2020, the Company acquired all of the issued and outstanding securities of HAVN Research Inc. ("HAVN Research") in exchange for the issuance of 507,778 common shares to the HAVN Research shareholders on a pro rata basis (the "Acquisition").

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

On April 7, 2021, the Company completed the acquisition of 100% of the shares of GCO Packaging and Manufacturing Ltd. for an aggregate of 6,000,000 common shares of the Company.

On December 14, 2021, the Company incorporated a wholly owned subsidiary, 1000053494 Ontario Inc., in anticipation of completing an amalgamation agreement. The amalgamation agreement has since been terminated and the subsidiary has not undertaken any active business.

The Company has two principal business divisions: HAVN Labs and HAVN Retail.

HAVN Labs

The Company's HAVN Labs division is engaged in the development of research protocols to cover the production of Psilocybe spp. mushrooms in sterile conditions, the extraction and purification of psilocybin, psilocin, baeocystin and other compounds found in the genus, and quality control and testing necessary for safety and formulation protocols with Psilocybe spp. and/or constituents. The Company plans to develop a compound library designed to support the science of safe, quality-controlled psychoactive compounds for formulation to supply researchers with compounds for clinical trials.

The Company has made an application to Health Canada for a Dealer's Licence under the Food and Drugs Regulations (Part J) to the Food and Drugs Act (Canada) (the "Dealer's Licence") for standardized psychoactive compounds (including the compound Psilocybe spp.) to permit sale of proprietary formulations to third parties for use in research and clinical trials, and eventually for sale to healthcare practitioners once permitted by health authorities. There can be no certainty that the Company will obtain a Dealer's Licence.

On May 4, 2021, the Company entered into a contract with nutraceutical company Hypha Wellness Jamaica Psilocybin (HWJP) towards jointly researching and, subject to compliance with all applicable laws and regulations, producing standardized powdered homogenized psilocybin mushroom active pharmaceutical ingredient (API) products. The arrangement provides the Company with a mycology lab and production facility in Jamaica.

HAVN Life Retail

The Company's HAVN Retail division formulates and sells NHPs using compounds, the safety and efficacy of which have already been established and approved by Health Canada, and in respect of which Health Canada has published pre-approved data documents entitled the "Compendium of Monographs" (the "Monographs"). To this end, the Company has secured seven product licences under the *Natural Health Products Regulations* for the sale of its products (the "Product Licences"). The Product Licences are focused on four broad categories of human health and performance: immunity support, cognitive support, stress prevention, and energy support. Each of the seven initial products developed by HAVN Retail contains a foundational medicinal mushroom (Chaga, Cordyceps, Lion's Mane, Reishi, Shiitake, or Turkey Tail), together with other herbs that have been selected for each of the seven products based on an evidence-informed model following the Health Canada regulatory framework. The Company utilizes contract manufacturing services and markets its proprietary NHPs under the HAVN Life brand through a direct to consumer market model and through third party point of sale locations of NHPs.

On June 2, 2021, the Company acquired intellectual property ("IP") from Bolt Therapeutics Limited Partnership (the "IP Acquisition") consisting primarily of a formulation for non-psychedelic 2 Bromo-Lysergic Acid Diethylamide (LSD) and a provisional patent application which will allow the company to begin executing on certain milestones. On November 22, 2021, the Company filed a Patent Cooperation Treaty ("PCT") international application in connection with the IP acquired. The Company looks to substantiate a its patent application after which preclinical work can begin. To complete the IP Acquisition, the Company issued 529,801 common shares. Of the purchase price, 353,201 common shares will be subject to escrow with 1/6th of the common shares will be released every three months from closing date and 176,600 common shares (the "Milestone Shares") upon satisfaction of milestones tied to the IP. As of April 30, 2022, 25% of the milestones have been achieved and accordingly, the Company has recognized a reserve on 132,450 of the Milestone Shares for a total reserve amount of $2,662,249.

On September 28, 2021, the Company acquired IP from 926932 Canada Inc. (dba "Bennett's Choice"), consisting of patents and product licences for compositions and methods relating to the treatment of traumatic brain injury. As consideration, the Company issued 90,243 common shares and paid $200,000 in cash. The 90,243 commons shares are subject to escrow, with 1/6th of the common shares being released every six months after the closing date.

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

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

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

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

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

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

On closing of the Acquisition, the Company paid Bolt Therapeutics Limited Partnership $1,000,000 in cash issued: (i) 353,201 common shares, which common shares are subject to an escrow arrangement whereby one-sixth (1/6) of such common shares will be released from escrow every three (3) months following completion of the Acquisition; and (ii) 176,600 common shares upon the satisfaction of certain milestones in respect of the IP. The closing of the Acquisition occurred on June 2, 2021.

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

On June 3, 2021, the Company announced the launch of its first retail line of natural health products. The seven SKUs: Mind Mushroom, Bacopa Brain, Rhodiola Relief, Cordyceps Perform, Chaga Immunity, Reishi Recharge and Lion's Mane are available online at yourHAVNlife.com, on Amazon and at select Nesters Market stores across British Columbia.

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

On July 2, 2021, the Company announced the appointment of Gordon Clissold as Chief Financial Officer ("CFO"). Mr. Clissold has over 20 years of experience as an operational and financial manager, in both public and private companies, with career experience spanning technology, manufacturing, wholesale distribution and professional services. His management competencies encompass organizational leadership, strategic planning, corporate finance, financial modelling, ERP and financial systems implementation, internal control development, and due diligence for mergers and acquisitions.

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

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

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

The following highlights occurred during the second quarter ended October 31, 2021

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

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

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

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

On September 29, 2021, the Company announced that it has entered into a definitive agreement to acquire intellectual property ("IP") from 926932 Canada Inc. (dba "Bennett's Choice"). The IP consists of patents and product licenses for compositions and methods relating to the treatment of traumatic brain injury. On closing of the Acquisition, the Company paid Bennett's Choice $200,000 in cash and 90,243 in common shares which are subject to an escrow agreement whereby 1/6th of such common shares will be released from escrow every three (3) months following completion of the acquisition. The closing of the Acquisition occurred on September 28, 2021.

On October 7, 2021, the Company announced it has filed its short form base shelf prospectus (the "Final Shelf Prospectus") with the securities commissions in each of the provinces and territories of Canada and received final receipt in respect thereof. The Final Shelf Prospectus allows the Company to offer and issue up to $25,000,000 of common shares, debt securities, subscription receipts, warrants, units, or any combination of such securities during the 25-month period that the Final Shelf Prospectus remains effective.

On October 8, 2021, the Company announced that it has been granted an extension of six months, by the Registrar of Companies, to hold its first Annual General Meeting under section 182(4) of the Business Corporations Act (British Columbia). The six months extension is from October 8, 2021 to April 8, 2022.

On October 25, 2021, the Company announced the departure of Rick Brar as Vice-Chair of the board of directors of the Company and as a director of the Company.

The following highlights occurred during the third quarter ended January 31, 2022:

On November 4, 2021, the Company announced it has entered into an agreement with Sydney-based Woke Pharmaceuticals Pty Ltd. for the exclusive white label supply and distribution of its line of natural health products in Australia, New Zealand and China. Woke Pharmaceuticals will be pursuing the distribution of HAVN Life natural health products through Australian retailers, including major supermarkets and other retail outlets, as well as through various e-commerce portals such as Australia and New Zealand Amazon sites.

On November 22, 2021, the Company announced it has successfully exported naturally derived psilocybin from its facility in Jamaica into Canada. The importation of the naturally derived psilocybin into Canada was completed after the Company entered into a supply agreement with Nectar Health Sciences Laboratory Division Inc., a wholly owned subsidiary of Psilobrain Therapeutics Inc.

On December 13, 2021, the Company announced it has successfully exported naturally derived psilocybin from its facility in Jamaica into the U.S. The importation of the naturally derived psilocybin into California was completed after the Company's supply partner, Mycrodose Therapeutics Inc., was granted an import licence from the United States Drug Enforcement Administration (DEA). Mycrodose Therapeutics Inc. will be acting as a distributor for HAVN Life's naturally-derived psilocybin in the United States, allowing the Company to fulfill the various supply agreements it has in place.

On December 20, 2021, the company announced it entered into a definitive agreement to acquire all of the outstanding securities of Spore Life Sciences Inc. through an amalgamation. On February 22, 2022, the Company announced the termination of the amalgamation agreement.

On January 7, 2022, the company announced Gary Leong's appointment to the Board of Directors.

The following highlights occurred during the fourth quarter ended April 30, 2022:

On February 10, 2022, the Company announced it has entered into an exclusive U.S. distribution agreement with Mycrodose Therapeutics Inc. to facilitate the import of HAVN Life's naturally derived GMP psilocybin into the United States for authorized research purposes.

On February 22, 2022, the Company announced the termination of the Spore Life Sciences Inc. amalgamation agreement.

On February 24, 2022, the Company announced it has successfully secured a purchase order for naturally derived psilocybin from its Canadian supply partner, Revive Therapeutics Ltd. for use in clinical research studies.

On February 28, 2022, the Company announced that its portfolio of natural health products is now available through Amazon.com.

On March 4, 2022, the Company announced that it has secured a product listing agreement with Calgary Co-op for the Company's line of natural health products.

On March 14. The Company announced it closed its sale of units to U.S. institutional investors, for gross proceeds of approximately $2,000,000, on a private placement in the United Statements.

On March 15, 2022, the Company announced that is has secured a distribution deal with Jonluca Enterprises Inc. for the Company's line of natural health products.

On March 22, 2022, the Company announced it has expanded its supply partnership with Mycotopia Therapies Inc., adding a second supply agreement that covers functional mushrooms, natural health products and white label products.

On April 13, 2022, the Company announced the launch of its second natural health products – the Brain Evolve Series, consisting of 4 SKUs.

The following highlights occurred subsequent to the fourth quarter ended April 30, 2022:

On May 2, 2022, the Company announced it successfully shipped its first order of white label health products to its Australian distribution partner, Woke Pharmaceuticals Pty Ltd.

On May 11, 2022, the Company announced it entered into a supply partnership with Atman Retreat, a retreat center helping people to explore psychedelics therapeutically, in order to harness the potential of healing, transformation, and transcendental experience.

On May 16, 2022, the Company announced a partnership with TheraPsil – a non-profit coalition made up of healthcare professionals, patients, community members and advocates dedicated to helping Canadians in medical need access legal psilocybin-assisted psychotherapy and GMP-quality psilocybin. Under the partnership, TheraPsil will support prescribing healthcare professionals in requesting psilocybin from HAVN Life through the Special Access Program ("SAP").

On June 7, 2022, the Company announced it entered into a supply partnership with Green Stripe Naturals Ltd. (GSN) through its subsidiary Green Peak Growers Ltd., a licenced cannabis producer in Jamaica. GSN will distribute the Company's product for sale at licensed dispensaries, as psilocybin containing mushrooms are legal for sale and consumption within the country.

On June 14, 2022, the Company announced the departure of Victor Neufeld and Dennis Staudt, respectively, as Directors of the Company, effective immediately. Tim Moore, CEO, was appointed Chairman of the Board, and Gordon Clissold, CFO, was appointed as a Director.

On June 28, 2022, the Company announced it entered into a supply partnership with MPB Group Inc., a comprehensive outpatient mental health clinic with locations in Columbia and Laurel, Maryland that is helping individuals navigate the path to healing. MPB Group Inc. is partnered with Healing Escapes Foundation retreats, a non-profit organization focused on creating immersive, holistic mental health retreats for couples and adults in Jamaica. The Company will supply psilocybin for using during Healing Escapes Foundation retreat programs.

On July 21, 2022, the Company announced a financing arrangement with Alpha Blue Ocean whereby the Company will issue up to $10.6 million principal amount of Convertible Debentures, which will include one initial tranche in the aggregate principal amount of $500,000 followed by 19 subsequent tranches in the aggregate principal amount of $500,000 each over a period of 36 months (net cash to the Company for each tranches other than the first tranche to be $450,000).

On July 28, 2022, the Company announced its participation in Project Solace, launching in Canada. Project solace is a collaboration between TheraPsil and the UK's Drug Science, and will be the largest medical psilocybin and data project to date, providing a safe supply of psilocybin to patients in need.

On August 2, 2022, the Company announced it will complete a consolidation of its issued and outstanding common shares on the basis of 1 post-consolidation common share for every 30 pre-consolidation common shares. No fractional shares will be issued as a result of the Consolidation. Fractional interests of 0.5 or greater will be rounded up to the nearest whole number of Common Shares and fractional interests of less than 0.5 will be rounded down to the nearest whole number of Common Shares.

On August 18, 2022, the Company announced the close of the initial tranche of its financing commitment by Alpha Blue Ocean, issuing $1,100,000 principal amount of senior unsecured convertible debenture and 190,839 Common Share purchase warrants of the Company, for net proceeds of approximately $420,000.

OVERALL PERFORMANCE

During the year ended April 30, 2022, the Company has earned revenues of $276,473 (2021 - $nil) from operations with the first sales of its NHP line having commenced in June 2021. The Company continues its efforts towards completing a laboratory to execute research and development activities on the quality-controlled extraction of standardized psychoactive compounds derived from fungi.

The net assets of the Company decreased from $13,199,908 as at April 30, 2021 to $3,140,917 as at April 30, 2022, representing a decrease of $10,058,991. The assets at April 30, 2022, consist primarily of cash of $1,055,658 (April 30, 2021 - $9,401,676), accounts receivable of $319,291 (April 30, 2021 - $210,225), prepaid expenses and deposits of $221,252 (April 30, 2021 - $998,119), inventory of $1,149,073 (April 30, 2021 - $nil), deposit of $23,698 (April 30, 2021 - $18,030), capital assets of $356,375 (April 30, 2021 - $681,274), and intangible assets of $934,031 (April 30, 2021 - $2,930,953) decreased by the impairment of GCO exclusive supply agreement and Bolt PCT application IP.

(in Canadian dollars, except where noted)

Liabilities as of April 30, 2022, consists of accounts payable and accrued liabilities of $529,107 (April 30, 2021 - $584,037), current portion of lease liability of $79,166 (April 30, 2021 - $130,946), and non-current portion of lease liability of $310,188 (April 30, 2021 - $325,386).

SELECTED ANNUAL INFORMATION

The following information sets out the Company's audited selected annual information for the year ended April 30, 2022, and April 30, 2021:

	Year Ended April 30, 2022	**Period Ended April 30, 2021**
	($)	**($)**
Operating Expenses	(9,900,159)	(30,353,138)
Net Income (Loss)	(22,443, 548)	(30,380,633)
Basic and Diluted Earnings (Loss) Per Share	(5.25)	(15.51)

	As at April 30, 2022	**As at April 30, 2021**
	($)	**($)**
Cash	1,055,658	9,401,676
Amounts receivable	319,291	210,225
Prepaid expenses and deposits	221,252	998,119
Inventory	1,149,073	-
Deposit	23,698	18,030
Capital assets	356,375	681,274
Intangible assets	934,031	2,930,953
Total Assets	4,059,378	14,240,277

DISCUSSION OF OPERATIONS

The following highlights the key operating expenditures during the year ended April 30, 2022, compared to the year ended April 30, 2021.

During the year ended April 30, 2022, the Company incurred a net and comprehensive loss of $22,443,548 (2021 - $30,380,633). The comprehensive loss for the periods consists primarily of the following:

- Revenues of $276,473 (2021 - $nil), pursuant to the first launch of NHP products, which are expected to continue to increase substantially during each of the next several fiscal quarters.

- Amortization expense of $575,621 (2021 - $4,604,536) consists primarily of the non-cash intangible asset amortization on the Company's Exclusive Supply Rights acquired through the acquisition of GCO and amortization of the Company's equipment used in manufacturing of its NHP, as well as non-cash intangible asset amortization on IP acquired through the acquisition of Bennett's Choice.

- Asset impairment of $11,793,142 (2021 - $nil) is in respect of the exclusive Manufacturing and Supply Agreement (the "Rights Assignment"), equipment acquired in the Company's April 7, 2021 acquisition of GCO Packaging and Manufacturing Ltd., and leasehold improvements related to the research lab lease and the Bolt Therapeutics IP. Since the inception of the GCO Rights Assignment, COVID-19 has significantly impacted the customer's office beverage supply business, resulting in no revenue from the Rights Assignment being recognized to date. On February 25, 2022, the Company signed a mutual release agreement relinquishing any future rights under the Rights Assignment. Consequently, the Company has recorded an impairment of $2,726,467 to reduce the carrying value of the intangible asset to nil. On February 25, 2022, the Company disposed of manufacturing equipment, acquired in the GCO acquisition, receiving cash proceeds of $28,000. The Company recorded an impairment loss of $156,839. Subsequent to April 30, 2022, the Company decided not to complete the improvements project at its leased research lab. Consequently, the Company recorded an impairment of $110,303 on the leasehold improvements as at April 30, 2022, reducing the carrying value of the leasehold improvements to $nil. The intangible Bolt PCT application asset is at the application stage and is not generating cash flows. Management made the determination that indicators of impairment exist and therefore the value of the asset is required to be valued at the higher of an asset's fair value less cost of disposal and its value in use. No basis exists to calculate a fair value for the asset and therefore it has been impaired to a nominal book value of $1. The Company recorded an impairment as at April 30, 2022 of $8,799,533. Should a basis for valuation arise in the future, IAS 36 allows the asset value to be increased accordingly.

- Loan impairment of $780,000 (2021 - $nil) consists of impairment recorded on the $750,000 promissory note receivable from Spore Life Sciences Inc. ("Spore") and $30,000 of accrued interest on the note. In June 2022, it was determined that Spore was in default of the terms of the loan and accordingly HAVN issued a Demand for Payment and filed a Notice of Intention to Enforce Security. No payment has been forthcoming and no assets have been identified to enforce payment.

- Consulting fees and employee payroll of $1,371,787 (2021 - $1,135,933) consists primarily of fees paid to third party service providers and employee payroll. The Company issued 6,667 common shares pursuant to consulting services rendered measured at a fair value of $30,000.

- Investor relations and marketing expense of $1,802,981 (2021 - $5,162,033) consists of strategic marketing, advertising, public relations and corporate branding programs executed pursuant to investor relation agreements with a focus on North American and German markets. The company issued 23,333 common shares pursuant to investor relations services rendered at a fair value of $105,000.

- Management and directors' fees of $1,641,804 (2021 - $2,131,908) consisting of fees paid to the Company's executive officers and directors for salaries, terminations, and bonuses.

- Research and development expense of $655,804 (2021 - $332,571) consists primarily of clinical studies and psilocybin research performed in conjunction with its contract with Hypha Wellness.

- Professional fees of $987,580 (2021 – 946,263) consists primarily of accounting and legal fees.

- Share-based payments of $1,786,958 (2021 - $15,146,917) consists of the non-cash fair value as measured by the Black-Scholes option pricing model pursuant to the vesting of options, RSRs and performance warrants granted in the current and prior year.

(in Canadian dollars, except where noted)

SUMMARY OF QUARTERLY RESULTS

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

	4th Quarter Ended April 30, 2022 $	**3rd Quarter Ended January 31, 2022 $**	**2nd Quarter Ended October 31, 2021 $**	**1st Quarter Ended July 31, 2021 $**
Revenue	216,379	23,025	27,702	9,367
Operating expenses	(1,756,036)	(2,018,821)	(3,155,092)	(2,970,210)
Loss	(11,366,517)	(2,188,479)	(5,917,362)	(2,971,190)
Loss per share, basic and diluted	(2.38)	(0.52)	(1.42)	(0.75)
	4th Quarter Ended April 30, 2021 $	**3rd Quarter Ended January 31, 2021 $**	**2nd Quarter Ended October 31, 2020 $**	**1st Quarter Ended July 31, 2020 $**
Revenue	Nil	Nil	Nil	Nil
Operating expenses	(10,972,767)	(13,156,753)	(5,399,675)	(823,943)
Loss	(10,998,772)	(13,160,261)	(5,404,315)	(817,285)
Loss per share, basic and diluted	(3.47)	(5.14)	(3.35)	(2.10)

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

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

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

- For the second quarter ended October 31, 2020, the Company received acceptance of its final prospectus and listed its shares on the CSE, closed the acquisition of HAVN Research for 507,778 shares, granted executive, consulting and employee options and RSRs recognizing fair value of $2,128,464 and received subscriptions of $655,400 pursuant to warrant exercises.

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

- For the fourth quarter ended April 30, 2021, the Company closed the acquisition of GCO, recognized additional $530,826 in finders' warrant expense pursuant to the vesting of performance warrants, recognized $3,353,179 pursuant to employee performance warrants vesting and recognized $969,283 pursuant to the vesting of R SRs and options. The Company also recognized amortization expense of $2,727,501 primarily to the completion of research and development activities related to the Section 56 exemption rights which were completed.

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

(in Canadian dollars, except where noted)

Company began earning revenues from the first sales of its NHP products in late June, totaling $9,367 for the period.

- For the second quarter ended October 31, 2021, the Company recognized $2,726,467 in asset impairment related to the exclusive Manufacturing and Supply Agreement with Garden to Cup Organics Ltd. The Company also recognized share-based payment expense of $754,380 and $421,332 in consulting fees and payroll. Revenue of $27,702 from sales of NHP products and rental income was recognized for the period.

- For the third quarter ended January 31, 2022, the Company recognized share based payment expense of $375,207, $338,999 in management and directors' fees and $156,839 in asset impairment related to intangible and equipment assets acquired in the April 7, 2021 GCO acquisition. Revenue of $23,025 from sales of NHP products and rental income was recognized for the period. Several service contracts were reduced or terminated during the past two quarters, reducing overall expenditure levels.

- For the fourth quarter ended April 30, 2022, the Company completed a private placement for gross proceeds of $1,999,755. The Company recognized an impairment on the note receivable and accrued interest of $780,000. The Company recognized an impairment on the leasehold improvements and Bolt Therapeutics IP of $110,303 and $8,799,533, respectively. The Company recognized investor relations and marketing expense of $435,462 and management and directors' fees of $301,500. Revenues of $216,379 from sales of NHP products and rental income were recognized for the period.

FOURTH QUARTER YEAR OVER YEAR

For the three months ending April 30, 2022, the Company's focus was on increasing revenue from its natural health products. Revenues were $216,379 for the three months ended April 30, 2022 (April 30, 2021 - $nil) representing an increase of $216,379. The increase in revenues is primarily attributed to the Company's first white label order to its distribution partner, Woke Pharmaceuticals. During the three months ended April 30, 2022, the Company focused on reducing or terminating service contracts to reduce its expenditures. Operating expenditures were $1,127,270 for the three months ended April 30, 2022 (April 30, 2021 - $10,972,767) representing a decrease of $12,100,037 over the comparative period and consisted primarily of:

	For the three months ended April 30, 2022	**For the three months ended April 30, 2021**
Amortization	$ 165,265	$ 2,727,501
Consulting fees and employee payroll	$ 398,652	$ 494,737
Investor relations and marketing	$ 435,462	$ 2,016,377
Management and directors' fees	$ 301,500	$ 749,741
Professional fees	$ 148,811	$ 300,193
Research and development	$ 130,583	$ 101,827
Share-based payments	$ 176,564	$ 4,322,462

LIQUIDITY AND CAPITAL RESOURCES

The Company had cash of $1,055,658 as at April 30, 2022 (April 30, 2021 - $9,401,676) and working capital of $2,137,001 as at April 30, 2022 (April 30, 2021 - $9,895,037).

(in Canadian dollars, except where noted)

Financing activities

During the year ended April 30, 2022, the company generated cash of $1,559,784 (2021 - $18,603,385) in financing activities.

On March 3, 2022, the Company completed a private placement for total proceeds of $1,999,755. Pursuant to the private placement, the Company issued:

i. 684,571 common shares at a price of $2.61 per common share for gross proceeds of $1,786,730.
ii. 81,713 pre-funded warrants at a price of $2.61 for gross proceeds of $213,025. Each pre-funded warrant entitles the holder to purchase one common share at an exercise price of $0.003 per warrant for five years: and
iii. 766,284 common share purchase warrants. Each warrant entitles the holder to purchase one common share at an exercise price of $3.75 per warrant for five years.

In connection with completing the private placement, the Company paid agent commissions, closing and legal costs of $334,685 and issued 61,303 agent warrants measured at fair value of $67,613. Each agent warrant entitles the holder to purchase one common share at an exercise price of $3.75 per warrant for five years.

On March 25, 2022, 81,713 common shares were issued for gross proceeds of $245 upon the exercise of the 81,713 aforementioned pre-funded warrants.

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

Operating Activities

The Company used cash of $7,875,060 (2021 - $10,421,995) in operating activities during the year ended April 30, 2022.

Investing Activities

The Company used cash of $2,030,742 (2021 - $396,699) in investing activities during the year ended April 30, 2022. The uses of cash were primarily pursuant to capital asset purchases, the acquisitions of Bolt Therapeutics and Bennett's Choice IP, and the issuance of a note receivable.

OFF-BALANCE SHEET ARRANGEMENTS

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

TRANSACTIONS WITH RELATED PARTIES

Key management personnel are the officers and directors of the Company. Management and directors' fees and share-based payments for the year ended April 30, 2022, is summarized as follows:

	April 30, 2022	April 30, 2021
Management and directors' fees	$ 1,641,804	$ 2,131,908
Share-based payments (fair value)	1,558,164	8,213,444
	$ 3,199,968	**$ 10,345,352**

(in Canadian dollars, except where noted)

As at April 30, 2022, $141,400 (April 30, 2021 - $49,285) is owed to certain officers and directors of the Company.

During the year April 30, 2022, the Company recorded:

Equity incentives granted and fees paid to the following for services rendered:	**Equity incentive ***	**Equity incentive (amount) ***	**Fair value**	**Fees paid**
Tim Moore, the CEO and Director pursuant to officer services provided	Options, Performance warrants	33,333	46,765	240,000
A company controlled by Jenna Pozar, the Chief Operations Officer pursuant to officer services provided		-	-	153,000
Gordon Clissold, the CFO pursuant to CFO services provided	Options	5,000	25,576	149,305
A company controlled by Eli Dusenbury, the former CFO pursuant to CFO services provided		-	-	168,750
Ivan Casselman, the Chief Psychedelics Officer pursuant to officer services provided	RSRs	13,333	415,634	165,000
Alex Samuelsson, the Chief Research Officer pursuant to officer services provided		-	29,763	124,500
Vic Neufeld, a Director and Chair of the Company pursuant to director services provided	RSRs	16,667	314,344	211,665
Ricky Brar, a former Director and Vice-Chair of the Company pursuant to director services provided	RSRs	6,667	266,183	126,250
Dennis Staudt, a Director of the Company pursuant to director services provided	RSRs	10,000	53,561	121,667
A company controlled by Tim Laidler, a Director of the Company pursuant to director services provided	RSRs, Performance Warrants	40,000	278,915	121,667
A company controlled by Gary Leong, a Director of the Company pursuant to director services provided	Options, RSRs, Performance Warrants	18,667	127,423	60,000
			$ 1,558,164	**$ 1,641,804**

PROPOSED TRANSACTIONS

On October 4, 2021, the Company filed its final short form base shelf prospectus, to offer and issue the following securities: (i) common shares of the Company ("Common Shares"); (ii) debt securities of the Company ("Debt Securities"); (iii) subscription receipts ("Subscription Receipts") exchangeable for Common Shares and/or other securities of the Company; (iv) warrants exercisable to acquire Common Shares and/or other securities of the Company ("Warrants"); and (v) securities comprised of more than one of Common Shares, Debt Securities, Subscription Receipts and/or Warrants offered together as a unit ("Units"), or any combination thereof having an offer price of up to $25,000,000 in aggregate at any time during the 25-month period that the short form base shelf prospectus remains valid.

SUBSEQUENT EVENTS

- On May 26, 2022, 33,333 stock options were granted to the Chief Financial Officer and 100,000 stock options were granted to the Chief Executive Officer. The options have an exercise price of $1.80, vest upon achievement of performance milestones, and expire on May 26, 2027.

- On June 10, 2022, the Chairman of the Board and a director of the board stepped down. 7,167 RSRs in their names, which were due to vest in July 2022, were accelerated and vested on June 10, 2022. 13,958 RSRs were forfeited.

- On June 14, 2022, the 766,284 common share purchase warrants and 61,303 agent warrants that were granted in the March 3, 2022 private placement were repriced from an exercise price of $3.75 to $2.70.

- On June 30, 2022, 16,030 RSRs were converted into common shares.

- On August 3, 2022, the Company completed a consolidation of its issued and outstanding common shares on the basis of 1 post-consolidation common share for every 30 pre-consolidation common shares. No fractional shares were issued as a result of the consolidation. Fractional interests of 0.5 or greater were rounded up to the nearest whole number of common shares and fractional interests of less than 0.5 were rounded down to the nearest whole number of common shares.

- On August 19, 2022, an additional 16,667 agent warrants were granted related to the March 3, 2022 private placement. Each warrant entitles the holder to purchase one common share at an exercise price of $2.70 per warrant for five years.

- The Company entered into a subscription agreement (the "Subscription Agreement") that provides for the issuance of convertible debentures (each, a "Convertible Debenture") and common share purchase warrants (each, a "Warrant").

  In August 2022, in connection with the Subscription Agreement, the Company received the first tranche for the aggregate principal amount of $1,100,000. The proceeds of the first tranche were offset by certain transactional expenses, including payment by the Company to the subscriber of a commitment fee of $600,000, after which the Company received proceeds of approximately $420,000. The commitment fee of $600,000 was then settled by way of the issuance of 489,130 common shares of the Company.

  In connection with the completion of the first tranche, the Company issued 190,839 common share purchase warrants with an exercise price of $1.31, and expiring on August 11, 2027.

- In August 2022, the Company issued 190,214 common shares to settle debt owing to certain third-party creditors.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

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

(i) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL.

For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The Company classifies its financial instruments as follows:

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

(ii) Measurement

Financial assets and liabilities at amortized cost

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

Financial assets and liabilities at FVTPL

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

(iii) Impairment of financial assets at amortized cost.

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

(iv) Derecognition

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

(in Canadian dollars, except where noted)

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

During the year ended April 30, 2022 and 2021, the Company incurred the following significant expenses:

	2022	2021
Advertising and promotion	$ 206,220	$ 333,503
Amortization	$ 575,621	$ 4,604,536
Asset impairment	$ 11,793,142	$ -
Loan impairment	$ 780,000	$ -
Consulting fees and employee payroll	$ 1,371,787	$ 1,135,933
Investor relations and marketing	$ 1,802,981	$ 5,162,033
Management and directors' fees	$ 1,641,804	$ 2,131,908
Office and miscellaneous	$ 466,756	$ 226,167
Professional fees	$ 987,580	$ 946,263
Rent	$ 237,934	$ 121,235
Research and development	$ 655,804	$ 332,571
Share-based payments	$ 1,786,958	$ 9,139,473
Finders' performance warrants	$ -	$ 6,007,444

Advertising and promotion consist of product marketing and branding activities related to the Company's NHP. Amortization consists of depreciation of the Company's intangible exclusive supply rights and its equipment, intangible intellectual property ("IP") from the Bennett's Choice acquisition and intangible IP from the BOLT acquisition. Both IP assets were purchased in the current year. Consulting fees relate to strategic services provided for which a full-time role is not required and are expected to continue until such time the Company's operational levels warrant full-time employee services for those roles. In the year ended April 30, 2022, consulting fees and payroll included $30,000 in shares issued for consulting services rendered and investor relations and marketing included $105,000 in shares issued for investor relations services rendered. In the comparative period, consulting fees and employee payroll included $342,963 in shares issued for consulting services rendered, investor relations and marketing included $432,918 in shares issued for investor relations services rendered, and research and development included $28,874 in services rendered. Investor relations fees consist of the Company's strategic marketing, promotion and branding activities. Management and directors' fees consist of all officer and director compensation.

Office and miscellaneous consist of insurance expenses, computer and internet related expenses, and office supplies. Professional fees include legal and audit fees. Rent consists of rent for GCO production facility and a virtual office in downtown Vancouver. Research and development expense consists of activities incurred pursuant to third party clinical studies and psychedelic research performed in Jamaica. Share-based payments consist of non-cash fair value of options and restricted share rewards. The asset impairment relates to the exclusive manufacturing and supply rights. On February 25, 2022, the Company signed a mutual release agreement relinquishing any future rights under the Rights Assignment and consequently. The Company recorded an impairment of $2,726,467 to reduce the carrying value of the intangible asset to $nil. On February 25, 2022, the Company disposed of manufacturing equipment, acquired in the April 7, 2021 GCO acquisition, receiving cash proceeds of $28,000. The Company recorded an impairment loss of $156,839. Subsequent to year end, the Company decided to not complete the improvements project at its research lab lease. Consequently, the Company recorded an impairment of $110,303 on the leasehold improvements as at April 30, 2022 for leasehold improvements, reducing the carrying value of the leasehold improvements to $nil.

(in Canadian dollars, except where noted)

Adjusted EBITDA

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

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

Adjusted EBITDA for the year ended April 30, 2022 and 2021 is as follows:

	Three months ended		**Year ended**	
	April 30, 2022	**April 30, 2021**	**April 30, 2022**	**April 30, 2021**
LOSS AND COMPREHENSIVE LOSS	$(11,366,517)	$(10,998,772)	$(22,443,548)	$(30,380,633)
Amortization	165,265	2,727,501	575,621	4,604,536
Asset impairment	8,909,836	-	11,793,142	-
Loan impairment	780,000	-	780,000	-
Shares issued for services rendered	105,000	11,550	135,000	804,755
Share-based payments	176,564	4,322,462	1,786,958	9,139,473
Finders' performance warrants	-	530,826	-	6,007,444
Foreign exchange loss	3,499	8,510	25,796	10,000
Interest expense	15,220	17,495	64,144	17,495
Interest income	(30,000)	-	(30,000)	-
ADJUSTED EBITDA	**$(1,241,133)**	**$(3,380,428)**	**$ (7,312,887)**	**$(9,796,930)**

DISCLOSURE OF OUTSTANDING SHARE DATA

Common Shares

The Company's common shares are listed on the CSE under the symbol 'HAVN.' The Company's authorized share capital consists of an unlimited number common shares without par value. As at August 29, 2022 the Company had the following shares and equity instruments outstanding:

i) *Common shares*: **5,788,997** (April 30, 2022 – 5,093,623) common shares issued and outstanding.
ii) *Share Purchase Warrants*: **1,393,356** (April 30, 2022 – 1,185,850) share purchase warrants outstanding.
iii) *Finders' Options*: **21,496** (April 30, 2022 – 21,496) finders' options outstanding.
iv) *Performance Warrants*: **134,445** (April 30, 2022 – 134,445), performance warrants outstanding.
v) *Restricted Share Rewards*: **35,347** (April 30, 2022 – 65,335), RSRs outstanding.
vi) *Options*: 383,466 (April 30, 2022 – 250,133), options outstanding, summarized as follows:

(in Canadian dollars, except where noted)

Expiry date	Options outstanding	Options exercisable		Exercise Price
Options				
June 4, 2025	16,667	16,667		7.50
September 4, 2022	44,167	42,500		7.50
September 4, 2022	6,667	6,667		15.00
September 10, 2025	69,167	69,167		19.50
October 4, 2025	58,333	50,000		23.70
January 15, 2026	8,333	8,333		25.50
September 24, 2026	20,133	10,500		9.60
September 25, 2026	5,000	1,667		9.60
December 22, 2026	13,333	-		5.10
February 2, 2027	8,333	1,042		4.80
May 26, 2022	133,333	133,333		1.80
Balance, August 29, 2022	**383,466**	**339,876**	**$**	**15.30**

RISK FACTORS

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

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

Risks Related to the Company's Business

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

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

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

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

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

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

History of losses

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

Reliance on management

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

Insurance and uninsured risks

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

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

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

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

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

Dependence on suppliers and skilled labour

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

Difficulty to forecast

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

Management of growth

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

Internal controls

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

Liquidity

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

Litigation

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

Privacy

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

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

BOARD APPROVAL

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