HAVN Life Sciences Inc.

Condensed Interim Consolidated Financial Statements

For the three months ended July 31, 2022

(Unaudited - Expressed in Canadian Dollars)

MANAGEMENT'S COMMENTS ON
UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS AND BASIS OF ACCOUNTING

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the unaudited condensed interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of HAVN Life Sciences Inc. (the "Company") have been prepared by and are the responsibility of the Company's management. The unaudited condensed interim consolidated financial statements are prepared in accordance with International Financial Reporting Standards and reflect management's best estimates and judgment based on information currently available.

The Company's independent auditor has not performed a review of these unaudited condensed interim consolidated financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of unaudited condensed interim consolidated financial statements by an entity's audit.

LIQUIDATION BASIS OF ACCOUNTING

Under International Accounting Standard 1 (IAS 1) Conceptual Framework, paragraph 4.1, financial statements are normally prepared assuming the entity is a going concern and will continue in operation for the foreseeable future.

IAS 1 requires management to assess an entity's ability to continue as a going concern. If management concludes that the entity is not a going concern, the financial statements should not be prepared on a going concern basis, in which case IAS 1.25 requires a series of disclosures around the basis used for accounting.

On September 20, 2022, the Company's Board of Directors announced it has determined that the Company is no longer a going concern. For the three months ended July 31, 2022, these condensed interim consolidated financial statements are accordingly presented on a liquidation basis.

For a reporting entity that has adopted the liquidation basis of accounting, the financial statements consist of a statement of net assets in liquidation and a statement of changes in net assets in liquidation.

HAVN Life Sciences Inc.
Condensed Interim Consolidated Statements Net Assets in Liquidation and Financial Position
(Unaudited - Expressed in Canadian dollars)

As at	Notes	Net Assets in Liquidation July 31, 2022	Going Concern April 30, 2022
ASSETS			
Current Assets			
Cash		$ 112,418	$ 1,055,658
Accounts receivable	4	64,701	319,291
Prepaid expenses and deposits		23,698	221,252
Inventory	5	-	1,149,073
Total Current Assets		200,817	2,745,274
Non-Current Assets			
Deposit		-	23,698
Capital assets	7	-	356,375
Intangible assets	8	-	934,034
Total Non-Current Assets		-	1,314,104
TOTAL ASSETS		$ 200,817	$ 4,059,378
LIABILITIES			
Current Liabilities			
Accounts payable and accrued liabilities	6	$ 535,122	$ 529,107
Current portion of lease liability	10	561,844	79,166
Total Current Liabilities		1,096,966	608,273
Non-Current Liability			
Lease liability	10	-	310,188
TOTAL LIABILITIES		1,096,966	918,461
SHAREHOLDERS' EQUITY			
Share capital	11	-	49,152,884
Contributed surplus		-	575,132
Share-based payment reserve	11	-	6,277,658
Deficit		-	(52,864,757)
Net deficit in liquidation	13	(896,149)	-
Total equity		(896,149)	3,140,917
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		$ 200,817	$ 4,059,378

Nature of operations – Note 1
Subsequent events – Note 16

Approved on behalf of the Board of Directors:

"Tim Moore", Director *"Tim Laidler",* Director

HAVN Life Sciences Inc.
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(Unaudited - Expressed in Canadian dollars)

		For the three months ended July	
	Notes	Net Assets in Liquidation 2022	Going Concern 2021
REVENUES		$ 67,910	$ 9,367
COST OF GOODS SOLD	5	45,881	5,330
GROSS PROFIT		22,029	4,037
OPERATING EXPENSES			
Advertising and promotion		39,111	189,488
Amortization	7,9	45,576	130,818
Consulting fees and payroll		188,061	287,123
Investor relations and marketing		121,166	1,004,595
Management and directors' fees	12	282,222	439,417
Office and miscellaneous		98,368	68,481
Professional fees		141,677	50,486
Rent		4,821	51,059
Research and development		144,345	252,955
Share-based payments	11,12	(114,008)	480,807
Transfer agent and filing fees		15,679	7,064
Travel		6,699	7,917
		973,717	2,970,210
LOSS FROM OPERATIONS		(951,688)	(2,966,173)
OTHER ITEMS			
Remeasurement of net assets	13	2,933,143	-
Foreign exchange loss		3,822	(11,899)
Interest expense	10	14,405	16,916
		2,951,370	5,017
LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD		$ (3,903,058)	$ (2,971,190)
Weighted average number of common shares outstanding – basic and diluted		4,327,988	3,938,930
Loss per share, basic and diluted		$ (0.90)	$ (0.75)

These financial statements have not been reviewed by the Company's auditor

HAVN Life Sciences Inc.
Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
For the Three Months ended July 31, 2022
(Unaudited - Expressed in Canadian dollars)

	Share Capital		Contributed surplus			Share-Based Payment Reserve		
	Number	Amount	Special warrants	Finders' warrants / options	Subscriptions Received	Options, RSRs and Performance Warrants	Deficit	Total Equity
		$	$	$	$	$	$	$
April 30, 2021	**3,587,971**	**36,996,908**	**-**	**507,519**	**-**	**6,116,690**	**(30,421,209)**	**13,199,908**
Shares issued pursuant to acquisition of Bolt Therapeutics IP	529,801	10,649,007	-	-	-	-	-	10,649,007
Reserve on 5,298,008 common shares pursuant to acquisition of Bolt Therapeutics IP	-	(3,549,665)	-	-	-	-	-	(3,549,665)
Fair value of cashless option exercises	6,380	89,781	-	-	-	(89,781)	-	-
Fair value of RSRs exercised	5,000	37,500	-	-	-	(37,500)	-	-
Fair value of options granted and expected to vest	-	-	-	-	-	455,714	-	455,714
Fair value of RSRs granted and expected to vest	-	-	-	-	-	25,093	-	25,093
Net loss for the period	-	-	-	-	-	-	(2,971,190)	(2,971,190)
July 31, 2021	**4,129,152**	**44,223,531**	**-**	**507,519**	**-**	**6,470,216**	**(33,392,399)**	**17,808,867**

HAVN Life Sciences Inc.
Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
For the Three Months ended July 31, 2022
(Unaudited - Expressed in Canadian dollars)

	Share Capital		Contributed Surplus	Share-Based Payment Reserve		
	Number	**Amount**	**Finders' warrants / options**	**Options, RSRs, and Performance Warrants**	**Deficit**	**Total Equity**
		$	**$**	**$**	**$**	**$**
April 30, 2022	**5,093,623**	**49,152,884**	**575,132**	**6,277,658**	**(52,864,757)**	**3,140,917**
Share issuance costs						
Cash	-	(20,000)	-	-	-	(20,000)
Finders' warrants		(3,291)	3,291	-	-	-
Fair value of RSRs exercised	16,030	134,437	-	(134,437)	-	-
Fair value of options granted and expected to vest	-	-	-	(106,754)	-	(106,754)
Fair value of RSRs granted and expected to vest	-	-	-	(7,254)	-	(7,254)
Net loss for the period	-	-	-	-	(969,915)	(969,915)
July 31, 2022	**5,109,653**	**49,264,030**	**578,423**	**6,029,213**	**(53,834,672)**	**2,036,994**

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

HAVN Life Sciences Inc.

Condensed Interim Consolidated Statements of Changes in Net Assets in Liquidation and of Cash Flows

(Unaudited - Expressed in Canadian dollars)

	For the three months ended July 31	
	Net Assets in Liquidation 2022	**Going Concern 2021**
Cash (used in) provided by:		
OPERATING ACTIVITIES		
Loss for the period	$(3,903,058)	$ (2,971,190)
Items not involving cash:		
Amortization	45,577	130,818
Share-based payments	(114,008)	480,807
Interest/accretion expense	14,374	16,916
Remeasurement of assets and liabilities	2,933,143	
Net changes in non-cash working capital items:		
Accounts receivable	55,424	(63,996)
Prepaid expenses and deposits and inventory	72,030	(10,161)
Accounts payable and accrued liabilities	6,015	(85,718)
Cash used in operating activities	(890,503)	(2,502,524)
INVESTING ACTIVITIES:		
Leasehold improvements	-	(85,389)
Cash paid to acquire Bolt Therapeutics IP	-	(1,000,000)
Cash used in investing activities	-	(1,085,389)
FINANCING ACTIVITIES:		
Repayment of lease liability	(32,737)	(32,737)
Debenture issuance costs	(20,000)	-
Cash provided by (used in) financing activities	(52,737)	(32,737)
Net increase (decrease) in cash	(943,240)	(3,620,650)
Cash, beginning of the period	1,055,658	9,401,676
Cash, end of the period	$ 112,418	$ 5,781,026

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

1. NATURE OF OPERATIONS

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

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

The continuing operations of the Company are dependent on funding provided by investors and realizing profits from products being commercialized. These condensed interim consolidated financial statements are prepared on a liquidation basis and the current period reflects adjustments to the carrying value and presentation of assets and liabilities as a result of the Company being unable to continue as a going concern. Comparative periods are presented on a going concern basis and are therefore not comparable to liquidation values.

These condensed interim financial statements were approved by the Board of Directors on September 28, 2022.

2. BASIS OF PRESENTATION

2.1. Statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

2.2. Basis of presentation

These condensed interim consolidated financial statements have been prepared on a liquidation basis of accounting. Accordingly, the financial statements consist of a statement of net assets in liquidation and a statement of changes in net assets in liquidation. Additional financial information relating to the three months ended July 31, 2022 is presented for information purposes only and should not be relied upon as an indicator of future performance.

2. BASIS OF PRESENTATION (CONTINUED)

2.3. Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned Canadian subsidiaries: HAVN Research Inc. ("HAVN Research"), GCO Packaging and Manufacturing Ltd. ("GCO"), and 1000053494 Ontario Inc. ("1000053494"), whose functional currencies are the Canadian dollar. The accounts of HAVN Research and GCO have been included from September 4, 2020, and April 7, 2021, respectively (the dates of acquisition) and 1000053494 from its date of incorporation on December 14, 2021. Intercompany balances and transactions are eliminated in preparing the consolidated financial statements.

2.4. Significant judgments, estimates, and assumptions

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

Critical Accounting Judgments

Going Concern

The assumption that the Company will be able to continue as a going concern is subject to critical judgments by management with respect to assumptions surrounding the short and long-term operating budget, expected profitability, investing and financing activities, and management's strategic planning. On September 20, 2022 management and the Company's Board of Directors determined that the Company is no longer a going concern.

Business combinations/Asset acquisitions

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

The Company historically measured all assets acquired and liabilities assumed at their acquisition-date fair values. These financial statements are prepared on a liquidation basis which requires assets and liabilities to be measured at their liquidation values.

2. BASIS OF PRESENTATION (CONTINUED)

2.4. Significant judgments, estimates, and assumptions (continued)

Critical Accounting Estimates

Financial Instruments

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

Inventory

The Company estimates the net realizable value of inventory taking into account the most reliable evidence available at each reporting date. Inventory has been revalued to nil as representing its estimated liquidation value.

Income taxes

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

Share-based payments

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

Valuation of equity consideration granted

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

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

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

2. BASIS OF PRESENTATION (CONTINUED)

2.4. Significant judgments, estimates, and assumptions (continued)

Critical Accounting Estimates (continued)

Valuation of equity consideration granted (continued)

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

The recoverable value of intangible assets is determined using discounted cash flow models, which incorporate assumptions about future events including future cash flows, growth rates, and discount rates. Under the liquidation basis of accounting intangible assets have been impaired to a nil value.

Functional currency

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

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

Transactions and balances

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

Leases

The application of IFRS 16 Leases requires assumptions and estimates in order to determine the value of the right-of-use assets and the lease liabilities. Judgment must be applied to assess whether or not a contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Judgment must also be applied as to whether renewal options are reasonably certain of being exercised and whether periods covered by an option to terminate are reasonably certain of not being exercised. Significant estimates are required to be made when determining the implicit and incremental rates of borrowing, as applicable.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting principles utilized herein are inconsistent with those applicable to the annual audited financial statements as the Company is no longer a going concern. These interim condensed financial statements are prepared on a liquidation basis and lack certain disclosures that are ordinarily only reported in those annual statements. Accordingly, these consolidated statements should be read in conjunction with the Company's last annual financial statements as at and for the period ended April 30, 2021 and filed on SEDAR.com.

3.1 Liquidation basis of accounting

The measurement of assets and liabilities under the liquidation basis of accounting reflects the resources available to satisfy the obligations of the reporting entity as well as the expected settlement of those obligations. Historical reporting of results requires presentation of the resources that a liquidating reporting entity possesses and how those resources compare to its obligations. This presentation is based upon the expectations of management as the liquidation process evolves. The financial statement requirements in this circumstance is to present a statement of net assets in liquidation and a statement of changes in net assets in liquidation.

3.2 Revenue recognition accounts receivable and allowance for doubtful accounts

The Company's revenue consists of natural health product sales.

The Company recognizes revenues when a contract has been entered into and performance obligations are known, the price has been determined, control of the goods passes to the customer and the significant risks and benefits of ownership are transferred and performance obligations have been satisfied. Revenue is measured based on the price specified, net of trade discounts, and estimated returns at the time of sale. Historical experience is used to estimate allowances for returns. Accounts receivable consist of amounts due from customers and are recorded upon the sale of the product to customers. Credit terms are extended to customers in the normal course of business and no collateral is required. The Company estimates an allowance for doubtful accounts based on historical losses, the existing economic conditions, and the financial stability of its customers. Accounts receivables are written off when deemed uncollectible. Recoveries of accounts receivable previously written off are recorded when collected.

The Company derives revenues from:

- Sale of its Natural Health products ("NHP") in Canada through both commercial retail channels and directly to consumers; and
- Sale of its dried, ground, psychedelic mushrooms to retreats in Jamaica.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.2 Revenue recognition accounts receivable and allowance for doubtful accounts (continued)

Revenue is recognized upon transfer of control of the promised goods or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. Performance obligations are satisfied, and revenue is recognized, either overtime or at a point in time. Sale of the Company's NHP is recognized when the Company transfers ownership of the goods to the customer upon delivery.

3.3 Intangible assets

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

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

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

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.3 Intangible assets (continued)

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

3.4 Impairment of tangible and intangible assets

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

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

3.5 Inventory

Inventory consists of raw materials and finished goods NHP, both valued at the lower of cost and net realizable value. Cost is determined using the weighted average method, which under the circumstances, management believes will provide for the most practical basis for the measurement of periodic income. Management periodically reviews inventory for slow-moving or obsolete items and considers realizability based on the Company's marketing strategies and sales forecasts to determine if an allowance is necessary. If the net realizable value is below cost, then an allowance is created to adjust the carrying amount of inventory.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.5 Share based payments

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

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

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

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

3.6 Research and Development

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

3.7 Changes in Significant Accounting Policies

Accounting standard is anticipated to be effective

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

(Unaudited - Expressed in Canadian dollars)

4. ACCOUNTS RECEIVABLE

The Company's amounts receivable balance consists of:

	Liquidation July 31, 2022	Going concern April 30, 2022
Accounts receivable	$ 42,551	$ 151,248
GST receivable	22,150	168,043
TOTAL	**$ 64,701**	**$ 319,291**

Under liquidation accounting accounts receivable have been recorded at amounts which have been collected subsequent to the balance sheet date. All other amounts have been reduced to nil.

5. INVENTORY

As at July 31, 2022, the Company's inventory balance consisted of raw materials and NHP finished goods.

	Liquidation July 31, 2022	Going concern April 30, 2022
Raw Materials	$ -	$ 701,534
Finished Goods	-	447,539
TOTAL	**$ -**	**$ 1,149,073**

During the three months ended July 31, 2022, the Company expensed $45,881 (2021 - $1,873) of inventory included in the cost of goods sold. For liquidation accounting the balance of inventory has been reduced to nil as representing the estimated liquidation value.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

As at July 31, 2022, accounts payable and accrued liabilities consists of:

	July 31, 2022	April 30, 2022
Trade accounts payable	$ 420,116	$ 335,367
Owed to directors and officers	58,417	127,500
Payroll liabilities	56,589	66,240
TOTAL	**$ 535,122**	**$ 529,107**

(Unaudited - Expressed in Canadian dollars)

7. CAPITAL ASSETS

The carrying value of the Company's capital assets at July 31, 2022, is as follows:

Cost		**Equipment**	**Leasehold Improvements**	**Right-of-Use Assets**	**Total**
Balance, April 30, 2021	**$**	**199,826**	**32,613**	**471,574**	**704,013**
Additions		2,103	100,971	-	103,074
Balance, April 30, 2022	**$**	**201,929**	**133,584**	**471,574**	**807,087**
Additions		-	-	-	-
Balance, July 31, 2022	**$**	**201,929**	**133,584**	**471,574**	**807,087**
Accumulated Amortization					
Balance, April 30, 2021	**$**	**-**	**-**	**22,739**	**22,739**
Additions		15,232	23,281	94,318	132,831
Impairment		156,839	110,303	-	267,142
Sale of GCO equipment		28,000	-	-	28,000
Balance, April 30, 2022	**$**	**200,071**	**133,584**	**117,057**	**450,712**
Additions		105	-	23,581	23,686
Adjust to liquidation value		1,753	-	330,936	332,689
Balance, July 31, 2022	**$**	**201,929**	**133,584**	**471,574**	**807,087**
Net, April 30, 2021	**$**	**199,826**	**32,613**	**448,835**	**681,274**
Net, April 30, 2022	**$**	**1,858**	**-**	**354,517**	**356,375**
Net, July 31, 2022	**$**	**-**	**-**	**-**	**-**

(Unaudited - Expressed in Canadian dollars)

8. INTANGIBLE ASSETS

The carrying value of the Company's intangible assets at July 31, 2022, is as follows:

Cost		**Section 56 Exemption**		**Exclusive Supply Rights**		**Bolt IP**		**Bennett's Choice IP***		**Total**
Balance, April 30, 2021	**$**	**4,547,716**	**$**	**2,965,034**	**$**	**-**	**$**	**-**	**$**	**7,512,750**
Additions		-	$	-		8,986,758		985,110		9,971,868
Balance, April 30, 2022	**$**	**4,547,716**	**$**	**2,965,034**	**$**	**8,986,758**	**$**	**985,110**	**$**	**17,484,618**
Additions		-	$	-		-		-		-
Balance, July 31, 2022	**$**	**4,547,716**	**$**	**2,965,034**	**$**	**8,986,758**	**$**	**985,110**	**$**	**17,484,618**
Accumulated Amortization										
Balance, April 30, 2021	**$**	**4,547,716**	**$**	**34,081**	**$**	**-**	**$**	**-**	**$**	**4,581,797**
Additions		-		204,486		187,224		51,080		442,790
Impairment		-		2,726,467		8,799,533		-		11,526,000
Balance, April 30, 2022	**$**	**4,547,716**	**$**	**2,965,034**	**$**	**8,986,757**	**$**	**51,080**	**$**	**16,550,587**
Additions		-		-		-		21,891		21,891
Adjust to liquidation value						1		912,139		912,140
Balance, July 31, 2022	**$**	**4,547,716**	**$**	**2,965,034**	**$**	**8,986,757**	**$**	**985,110**	**$**	**16,572,478**
Net, April 30, 2021	**$**	**-**	**$**	**2,930,953**	**$**	**-**	**$**	**-**	**$**	**2,930,953**
Net, April 30, 2022	**$**	**-**	**$**	**-**	**$**	**1**	**$**	**934,030**	**$**	**934,031**
Net, July 31, 2022	**$**	**-**	**$**	**-**	**$**	**-**	**$**	**-**	**$**	**-**

* The acquired IP consists of patents and product licences for compositions and methods relating to the treatment of traumatic brain injury and was being amortized over the remaining 135 months of the patent.

9. NOTE RECEIVABLE

On October 28, 2021, the Company advanced a secured convertible note receivable ("note") to Spore Life Sciences Inc. ("Spore") in the amount of $750,000 and maturing on December 31, 2022 ("maturity date"). Commencing January 1, 2022, the note bears interest at a rate equal to 12% per annum until the full and final repayment of the note. Interest is calculated monthly in arrears and is due upon the earlier of the maturity date, the date of any prepayment, or repayment in full of the principal. Amounts of principal and interest that are past due shall bear interest at a rate of 14% per annum, payable on demand.

As at July 31, 2022, the Company has accrued $30,000 in interest income related to the note receivable.

The Company has the right, from January 1, 2022, until the maturity date, to convert all or any portion of the outstanding principal amount into Common shares of Spore, together with any accrued and unpaid interest owing.

If Spore, or any of its subsidiaries, completes any financings, including, equity or debt financings, after January 1, 2022, and prior to the maturity date, Spore shall, within five (5) business days following completion of such financing, be required to prepay the principal outstanding together with interest thereon in an amount equal to 30% of the net cash proceeds received by the Spore or any of its subsidiaries from such financing.

Security on the note consists of:

1) General Security Agreement encompassing

   (i) a security interest over all present and after-acquired property, assets, and undertaking of Spore of every kind and nature whatsoever, including all accounts, goods (including inventory, equipment, and motor vehicles, but excluding consumer goods), intangibles, intellectual property, chattel paper, documents of title, instruments, securities and all other investment property (including the pledged securities), money, and any other contractual rights or rights to the payment of money;

   (ii) all proceeds and products of each of the foregoing, including any and all proceeds of any insurance, indemnity, compensation for loss or damage, warranty or guarantee payable to Spore from time to time with respect to any of the foregoing;

   (iii) all books and records relating to the foregoing, including in any form or medium;

   (iv) all supporting obligations relating to the foregoing; and

   (v) all additions, accessions to, substitutions and replacements for, and rents, profits, and products of, each of the foregoing.

(Unaudited - Expressed in Canadian dollars)

9. NOTE RECEIVABLE (continued)

2) An unconditional and irrevocable corporate guarantee from Spore's subsidiary company, Spore Life Sciences US Inc.

Note receivable and accrued interest impairment

The Company determined that Spore had committed an event of default under the terms of the note and, effective June 1, 2022, issued formal demand for full payment. No repayment has been forthcoming, casting doubt on the collectability of the note and accrued interest. The Company has therefore recorded an impairment of the note receivable in the amount of $780,000 as at April 30, 2022.

Note receivable	$	750,000
Accrued interest		30,000
Allowance for loan loss		(780,000)
Note receivable, net	**$**	-

10. LEASE LIABILITY

The Company has one lease, related to its research lab, with monthly payments of $12,842 (increasing every two years by approximately 5%), before GST, and an initial term of 5 years. The incremental borrowing rate applied to lease liability was 15%. The lease was in default on September 1, 2022.

The carrying value of the lease obligation is as follows:

Balance, April 30, 2022	**$**	**389,354**
Interest/accretion expense		14,374
Repayments		(32,737)
Balance, July 31, 2022	**$**	370,991
Less: Current portion		(133,288)
Lease liability, long-term	**$**	237,703

Included in rent expense for the three months ended July 31, 2022, is $4,821 (2021 - $51,059) for short-term rental agreements and operating cost adjustments not qualifying as leases under IFRS 16. On a liquidation basis the Company's remaining lease payments have been calculated as follows:

Rental Period	$ Rent	$ Op cost	$ Monthly	Months	$ Total
Aug 1, 2022 - Jan 31, 2023	8,196	4,646	12,842	6	77,052
Feb 1, 2023 - Jan 31, 2025	8,664	4,646	13,310	24	319,448
Feb 1, 2025 - Jan 31, 2026	9,133	4,646	13,779	12	165,344
				42	**561,844**

(Unaudited - Expressed in Canadian dollars)

11. EQUITY

11.1 Authorized Share Capital

Unlimited number of common shares without par value.

11.2 Shares Issued

There are 5,109,653 common shares issued and outstanding as at July 31, 2022, of which 667,970 are held in escrow. Shares issued during the three months ended July 31, 2022, were as follows:

	Description	Number of shares	Amount
			$
Balance, April 30, 2022		**5,093,623**	**49,152,884**
June 30, 2022	RSRs exercised	16,030	134,437
	Share issuance costs		(23,291)
Balance, July 31, 2022		**5,109,653**	49,264,030

i. 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. This increased the share issuance costs of the transaction by $3,291.
ii. On June 15, 2022, the Company paid $20,000 in legal fees in connection to a financing commitment (Note 16)
iii. On June 30, 2022, 16,030 RSRs were converted into common shares.

During the three months ended July 31, 2022, the Company issued common shares pursuant to options, RSRs, warrants and performance warrants exercised, as follows:

	Description	Number of shares issued	Options/ RSRs/ warrants exercised	Exercise price	Fair value reclassified to share capital	Proceeds
June 30, 2022	RSRS exercised	16,030	16,030	N/A	$ 134,437	$ Nil
		16,030	**16,030**		**$ 134,437**	**$ Nil**

(Unaudited - Expressed in Canadian dollars)

11. EQUITY (continued)

11.3 Warrants

At July 31, 2022, the following warrants were outstanding:

	Warrants		Exercise Price
April 30, 2021	**358,263**		**40.20**
Issued in March 2022	766,284		3.75
Issued in March 2022	81,713		0.003
Exercised in March 2022	(81,713)		0.003
April 30, 2022 and July 31, 2022	**1,124,547**	**$**	**15.36**

Expiry date	Warrants		Exercise Price
Warrants			
January 7, 2024	358,263	$	40.20
March 3, 2027	766,284		3.75
Balance, July 31, 2022	**1,124,547**	**$**	**15.36**

At July 31, 2022, the following finders' warrants were outstanding:

	Finders' warrants		Exercise Price
April 30, 2021	-	$	-
Issued in March 2022	61,303		3.75
April 30, 2022 and July 31, 2022	**61,303**	**$**	**3.75**

At July 31, 2022, the following performance warrants were outstanding:

	Performance warrants	Exercise Price
April 30, 2021	**301,389**	1.50
Exercised	(16,944)	1.50
Forfeited	(150,000)	1.50
Outstanding, April 30, 2022 and July 31, 2022	**134,445**	**1.50**

(Unaudited - Expressed in Canadian dollars)

11. EQUITY (continued)

11.3 Warrants (continued)

Expiry date	Performance warrants outstanding	Performance warrants exercisable		Exercise Price
Performance Warrants				
September 4, 2023	134,445	124,445	$	1.50
Balance, July 31, 2022	**134,445**	**124,445**	**$**	**1.50**

At July 31, 2022, the weighted-average remaining life of the outstanding performance warrants was 1.10 years.

11.4 Options

During the three months ended July 31, 2022, the Company option transactions were as follows:

	Options		Weighted Average Exercise Price
April 30, 2021	**214,167**	$	16.80
Granted	46,799		7.38
Exercised	(10,833)		9.35
Outstanding, April 30, 2022	250,133	$	15.37
Granted	133,333		1.80
Forfeited	(8,333)		23.70
Outstanding, July 31, 2022	**383,466**	$	10.36

(Unaudited - Expressed in Canadian dollars)

11. EQUITY (continued)

11.4 Options (continued)

The Company's options as at July 31, 2022, are as follows:

Expiry date	Options outstanding	Options exercisable		Exercise Price
Options				
June 4, 2025	16,667	16,667		7.50
September 4, 2022	44,167	43,333		7.50
September 4, 2022	6,667	6,667		15.00
September 10, 2025	69,167	69,167		19.50
October 4, 2025	50,000	50,000		23.70
January 15, 2026	8,333	8,333		25.50
September 24, 2026	20,133	12,600		9.45
September 25, 2026	5,000	3,333		9.45
December 22, 2026	13,333	-		5.10
February 2, 2027	8,333	2,083		4.80
May 26, 2027	133,333	-		1.80
Balance, July 31, 2022	**375,133**	**212,183**	**$**	**10.36**

At July 31, 2022, the weighted-average remaining life of the outstanding options was 3.46 years.

The fair value of options granted during the three months ended July 31, 2022 was determined using the following Black-Scholes Option Pricing Model assumptions:

		July 31, 2022
Share price	$	1.65
Exercise price	$	1.80
Expected life		5 years
Volatility		120%
Risk-free interest rate		2.62%

During the three months ended July 31, 2022, the Company recognized ($106,754) (2021 - $455,714) in share-based payment expense in connection with the options granted.

At July 31, 2022, the following finders' units were outstanding:

	Finders' units		Exercise Price
April 30, 2021	-	**$**	**-**
Issued in January 2021	21,496		32.10
April 30, 2022 and July 31, 2022	**21,496**	**$**	**32.10**

(Unaudited - Expressed in Canadian dollars)

11. EQUITY (continued)

11.4 Options (continued)

The Company's finders' units as at July 31, 2022, are as follows:

Expiry date	Finders' units outstanding	Finders' units exercisable		Exercise Price
Options				
January 7, 2024	21,496	21,496		32.10
Balance, July 31, 2022	**21,496**	**21,496**	**$**	**32.10**

11.5 Restricted Share Rewards ("RSRs")

At July 31, 2022, the following RSRs were outstanding:

	RSRs
April 30, 2021	**71,001**
Granted	60,334
Exercised	(66,000)
Outstanding, April 30, 2022	**65,335**
Exercised	(16,030)
Forfeited	(13,958)
Outstanding, July 31, 2022	**35,347**

The Company's RSRs at July 31, 2022, are as follows:

Grant date	RSRs outstanding	RSRs exercisable
RSRs		
September 10, 2020	6,667	6,667
October 11, 2020	1,667	1,458
September 24, 2021	13,333	13,333
January 1, 2022	10,013	5,007
January 5, 2022	3,667	917
Balance, July 31, 2022	**35,347**	**27,382**

During the three months ended July 31, 2022, the Company recognized ($7,254) (2021 - $25,093) in share-based payment expense in connection with the RSRs granted.

(Unaudited - Expressed in Canadian dollars)

11. EQUITY (continued)

11.6 Equity Incentive Plan

On June 4, 2020, the Company established its equity incentive plan. The equity incentive plan provides for the grant to eligible directors and employees (including officers) of stock options and restricted share rights. The equity incentive plan also provides for the grant to eligible directors of deferred share rights which the directors are entitled to redeem for 90 days following retirement or termination from the Board. The aggregate number of common shares that may be subject to issuance under the equity incentive plan, together with any other securities-based compensation arrangements of the Corporation, shall not exceed 20% of the Corporation's issued and outstanding share capital from time to time.

12. RELATED PARTY TRANSACTIONS AND BALANCES

Key management personnel are the officers and directors of the Company. Management and directors' fees and share-based payments for the three months ended July 31, 2022, is summarized as follows:

	July 31, 2022	July 31, 2021
Management and directors' fees	$ 282,222	$ 439,417
Share-based payments (fair value)	(127,450)	489,431
	$ 154,772	**$ 928,848**

(Unaudited - Expressed in Canadian dollars)

12. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

As at July 31, 2022, $58,417 (April 30, 2021 - $127,500) is owed to certain officers and directors of the Company.

During the three months ended July 31, 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**
The CEO and Director pursuant to officer services provided	Options	100,000	$ -	$ 66,833
A company controlled by the Chief Operations Officer pursuant to officer services provided		-	-	39,000
The CFO pursuant to CFO services provided	Options	33,333	4,400	46,250
The Chief Psychedelics Officer pursuant to officer services provided	-	-	-	45,000
The Chief Research Officer pursuant to officer services provided		-	-	30,000
A former Director and Chair of the Company pursuant to director services provided	RSRs	-	(146,930)	16,125
A former Director of the Company pursuant to director services provided	RSRs	-	(11,827)	7,764
A company controlled by a Director of the Company pursuant to director services provided	RSRs	-	13,176	16,250
A company controlled by a Director of the Company, pursuant to director services provided	RSRs	-	13,731	15,000
			$ 127,450	**$ 282,222**

* The fair value recognized during the three months ended July 31, 2022, relates to the vesting of equity incentives previously granted.

(Unaudited - Expressed in Canadian dollars)

13. REMEASUREMENT OF NET ASSETS

The measurement of assets and liabilities under the liquidation basis of accounting reflects the resources available to satisfy the obligations of the reporting entity as well as the expected settlement of those obligations. Historical reporting of results becomes a presentation of the resources that a liquidating reporting entity possesses compared against its obligations. This presentation is based upon the expectations of management as the liquidation process evolves. The table below summarizes the adjustments made to convert the financial statements for the three-month period ended July 31, 2022 from a going concern basis to a liquidation basis of accounting.

	Original Balance Sheet Amount	Liquidation Value Adjustment	Liquidation Value
ASSETS			
Cash	112,418	-	112,418
Accounts receivable	263,867	(199,166)	64,701
Prepaid expenses and deposits	142,585	(118,887)	23,698
Inventory	1,155,710	(1,155,710)	-
Deposit-long term	23,698	(23,698)	-
Capital assets	332,689	(332,689)	-
Intangible assets	912,140	(912,140)	-
ASSETS	**2,943,107**	**(2,742,290)**	**200,817**
LIABILITIES			
Accounts payable and accrued liabilities	535,122	-	535,122
Lease Liability	370,991	190,853	561,844
LIABILITIES	**906,113**	**190,853**	**1,096,966**
SHAREHOLDERS' EQUITY			
Share capital	49,264,030	(49,264,030)	-
Contributed surplus	578,423	(578,423)	-
Share-based payment reserve	6,029,213	(6,029,213)	-
Deficit	(53,834,672)	53,834,672	-
Net deficit in liquidation	-	(896,149)	(896,149)
REMEASUREMENT OF NET ASSETS	**2,036,994**	**(2,933,143)**	**(896,149)**
LIABILITIES AND NET DEFICIT IN LIQUIDATION	**2,943,107**	**(2,742,290)**	**200,817**

14. MANAGEMENT OF CAPITAL

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

The Company's objective when managing capital is to maintain corporate and administrative functions necessary to support the Company's operations and corporate functions, and to seek out and acquire new projects of merit. The Board of Directors has determined that it can no longer maintain those functions.

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

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

15. RISK MANAGEMENT

15.1 Financial Risk Management

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

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

b. **Credit Risk**
Credit risk is the risk that a counterparty will be unable to pay any amounts owed to the Company. The Company is not exposed to any credit risk at this time.

c. **Liquidity Risk**
Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due. As at July 31, 2022, the Company's working capital deficit is $896,149. The Company has sought additional financing through debt and equity offerings, but there can be no assurance that such financing will be available on terms acceptable to the Company or at all. Any equity offering will result in dilution to the ownership interests of the Company's shareholders and may result in dilution to the value of such interests. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at July 31, 2022, the Company had cash of $112,418 and total liabilities of $1,096,966.

15. RISK MANAGEMENT (CONTINUED)

15.1 Financial Risk Management (continued)

c. Liquidity Risk (continued)

Contractual undiscounted cash flow requirements for financial liabilities as at July 31, 2022, are as follows:

i. Accounts payable and accrued liabilities are due within 90 days; and
ii. See Note 11 for payments due over the lease term

d. Market Risk

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

15.2 Fair Values

The financial instruments of the Company consist of cash, amounts receivable exclusive of sales taxes, note receivable, accounts payable and accrued liabilities, and lease liabilities. With the exception of cash, which is measured at FVTPL, all financial instruments held by the Company are measured at amortized cost. The fair values of these financial instruments approximate their carrying value due to their short-term maturities.

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

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

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

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

Cash is classified at Level 1.

16. SUBSEQUENT EVENTS

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 18, 2022, the Company completed the first tranche of a financing commitment from Alpha Blue Ocean, pursuant to a July 21, 2022 Subscription Agreement. The Company issued a $1.1 million principal amount senior unsecured convertible debenture, and 189,393 common share purchase warrants, receiving net proceeds of $420,000, after deducting certain transactional expenses and a $600,000 debenture commitment fee. Each warrant entitled the holder to purchase one additional common share at a price of $1.32 per warrant for a period of 60 months from the date of issuance. The debenture commitment fee and an additional 489,130 compensation shares were issued as consideration for the subscriber purchasing the convertible debenture and warrants. The subscriber is required to return the compensation shares if certain future conditions are met.

On August 18, 2022, 16,669 agent warrants were issued to certain designees of H.C. Wainwright & Co. LLC in connection with the March 3, 2022 private placement. Each new warrant entitled the holder to acquire one common share at an exercise price of $2.70 per common shares for a term of 60 months from the date of issuance.

On August 18, 2022 the Company issued 190,214 common shares at a price of $1.15 per debt share to settle an aggregate amount of indebtedness in the amount of $218,747owing to certain third-party trade creditors of the Company.

On September 2, 2022 the Company received notification of default from lawyers representing the landlord for the Company's proposed research lab facility in Vancouver. The Company has advised the landlord that it is unable to make further payments under the lease agreement.

On September 13, 2022, $100,000 of the secured convertible debenture issued on August 18, 2022 was converted into 416,666 common shares of the Company at a price of $0.24 per share. The conversion of debentures into shares reduced the balance owed to the senior convertible debenture holder from $1.1 million to $1 million and increased shareholder equity accordingly.

On September 20, 2022 the Company released a corporate update announcing that its Board of Directors has determined that the Company is no longer a going concern, as it is unable to meet its financial obligations as they come due.

On September 22, 2022 a former employee filed a Notice of Claim in the Provincial Court of British Columbia (Small Claims), naming the Company and two of its officers as defendants, claiming damages in the amount of $34,448 arising from termination of the Claimant's employment on July 22, 2022.

On September 26, 2022, $100,000 of the secured convertible debenture issued on August 18, 2022 was converted into 1,000,000 common shares of the Company at a price of $0.10 per share. The conversion of debentures into shares reduced the balance owed to the senior convertible debenture holder from $1.0 million to $900,000 and increased shareholder equity accordingly.