HAVN Life Sciences Inc.

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the three and six months ended October 31, 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 three and six months ended October 31, 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, 2022. 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 January 26, 2023.

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 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. The current and comparative references to the common shares, weighted average number of common shares, loss per share, acquisitions, stock options and warrants have been restated to give effect to this Share Consolidation.

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 200,000 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.

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 eleven 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 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.

<u>The following highlights occurred during the second quarter ended October 31, 2021</u>

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 first quarter ended July 31, 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.

The following highlights occurred during the second quarter ended October 31, 2022

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.

On October 14, 2022, the Issuer announced by way of news release the departure of Mr. Gary Leong and Mr. Gordon Clissold as directors on the Board of the Issuer, effective immediately. Mr. Clissold is also departing as CFO of the Issuer. With Mr. Clissold's departure, Mr. Tim Moore, Chairman and CEO, assumes the role of Interim CFO. At this time Mr. Alexzander Samuelsson and Dr. Ivan Casselman were named to the Board.

On October 27, 2022, the Issuer announced by way of news release it has secured a product listing with Canada's largest grocery retailer, Loblaws Company Ltd (LCL) for the Issuer's line of natural health products. Havn Life previously had secured distribution in all 23 Ontario locations of Loblaws' Fortinos banner in July 2022.

OVERALL PERFORMANCE

During the three and six months ended October 31, 2022, the Company has earned revenues of $314,747 and $382,657 (2021 - $27,702 and $37,069) 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 $4,059,378 as at April 30, 2022 to $1,612,399 as at October 31, 2022, representing a decrease of $2,446,979. The assets at October 31, 2022, consist primarily of cash of $8,631 (April 30, 2022 - $1,055,658), accounts receivable of $513,906 (April 30, 2022 - $319,291), prepaid expenses and deposits of $41,291 (April 30, 2022 - $221,252), inventory of $1,046,924 (April 30, 2022 - $1,149,073), deposit of $nil (April 30, 2022 - $23,698), capital assets of $1,647 (April 30, 2022 - $356,375), and intangible assets of $nil (April 30, 2022 - $934,031) decreased by the impairment of GCO exclusive supply agreement and Bolt PCT application IP.

Liabilities as of October 31, 2022, consists of accounts payable and accrued liabilities of $363,754 (April 30, 2022 - $529,107), current portion of lease liability of $nil (April 30, 2022 - $79,166), non-current portion of lease liability of $nil (April 30, 2022 - $310,188), and long term debt of $310,000 (April 30, 2022 - $nil).

DISCUSSION OF OPERATIONS

The following highlights the key operating expenditures during the period ended October 31, 2022, compared to the period ended October 31, 2021.

During the three and six months ended October 31, 2022, the Company incurred a net and comprehensive loss of $2,478,660 and 3,652,861 (2021 - $5,917,632 and $8,888,552). The comprehensive loss for the periods consists primarily of the following:

(in Canadian dollars, except where noted)

- Revenues of $314,747 and $382,657 (2021 - $27,702 and 37,069), largely derived from the national distribution of the NHP products by Loblaws, as announced on October 27, 2022.

- Amortization expense of $105 and $22,101 (2021 - $147,503 and 278,321) consists primarily of the non-cash intangible asset amortization on the Company's non-cash intangible asset amortization on IP acquired through the acquisition of Bennett's Choice.

- Asset impairment of $912,139 and 911,828 (2021 - $2,726,466) consists primarily on the write down of Bennett's Choice IP.

- Consulting fees and employee payroll of $123,460 and $311,520 (2021 - $421,332 and $708,455) consists primarily of fees paid to third party service providers and employee payroll.

- Investor relations and marketing expense of $84,309 and $213,549 (2021 - $160,542 and $1,165,137) 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 $237,276 and $519,498 (2021 - $561,888 and $1,001,305) consisting of fees paid to the Company's executive officers and directors for salaries, terminations, and bonuses.

- Research and development expense of $169,256 and $313,601 (2021 - $138,338 and $391,293) consists primarily of clinical studies and psilocybin research performed in conjunction with its contract with Hypha Wellness.

- Professional fees of $76,604 and $219,340 (2021 – $526,499 and $576,985) consists primarily of accounting and legal fees.

- Share-based payments of $63,360 and $162,250 (2021 - $754,380 and $1,235,187) 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.

SUMMARY OF QUARTERLY RESULTS

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

	2nd Quarter Ended October 31, 2022 $	**1st Quarter Ended July 31, 2022 $**	**4th Quarter Ended April 30, 2022 $**	**3rd Quarter Ended January 31, 2022 $**
Revenue	314,747	67,910	216,379	23,025
Operating expenses	(1,251,470)	(1,171,091)	(1,756,036)	(2,018,821)
Loss	(2,478,660)	(1,174,206)	(11,366,517)	(2,188,479)
Loss per share, basic and diluted	(0.41)	(0.23)	(2.38)	(0.52)
	2nd Quarter Ended October 31, 2021 $	**1st Quarter Ended July 31, 2021 $**	**4th Quarter Ended April 30, 2021 $**	**3rd Quarter Ended January 31, 2021 $**
Revenue	27,702	9,367	Nil	Nil
Operating expenses	(3,155,092)	(2,970,210)	(10,972,767)	(13,156,753)
Loss	(5,917,362)	(2,971,190)	(10,998,772)	(13,160,261)
Loss per share, basic and diluted	(1.42)	(0.75)	(3.47)	(5.14)

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 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 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.

(in Canadian dollars, except where noted)

SECOND QUARTER YEAR OVER YEAR

For the three months ending October 31, 2022, the Company's focus was on increasing revenue from its natural health products. Revenues were $314,747 for the three months ended October 31, 2022 (2021 - $27,702) representing an increase of $287,045. Operating expenditures were $1,251,470 for the three months ended October 31, 2022 (2021 - $3,143,367) representing a decrease of $1,891,897 over the comparative period and consisted primarily of:

	For the three months ended October 31, 2022	**For the three months ended October, 2021**
Amortization	$ 105	$ 147,503
Consulting fees and employee payroll	$ 123,460	$ 421,332
Investor relations and marketing	$ 84,309	$ 160,542
Management and directors' fees	$ 237,276	$ 561,888
Professional fees	$ 76,604	$ 526,499
Research and development	$ 169,256	$ 138,338
Share-based payments	$ 63,360	$ 754,380

LIQUIDITY AND CAPITAL RESOURCES

The Company had cash of $8,631 as at October 31, 2022 (April 30, 2022 - $1,055,658) and working capital of $1,246,998 as at October 31, 2022 (April 30, 2022 - $2,137,001).

Financing activities

During the six months ended October 31, 2022, the company generated cash of $401,521 (2021 - $1,559,784) in financing activities. This directly relates to funds received from the convertible debenture agreement entered into on July 21, 2022 with Global Tech Opportunities 17. Further details are provided in note 16 of the October 31, 2022 condensed interim consolidated financial statements.

Operating Activities

The Company used cash of $1,448,548 (2021 - $4,979,548) in operating activities during the six months ended October 31, 2022.

Investing Activities

The Company used cash of $nil (2021 - $2,041,786) in investing activities during the six months ended October 31, 2022.

OFF-BALANCE SHEET ARRANGEMENTS

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

(in Canadian dollars, except where noted)

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 six months ended October 31, 2022, is summarized as follows:

	October 31, 2022	October 31, 2021
Management and directors' fees	$ 519,498	$ 1,001,305
Share-based payments (fair value)	162,250	1,091,955
	$ 681,748	**$ 2,093,260**

As at October 31, 2022, $nil (April 30, 2022 - $141,400) is owed to certain officers and directors of the Company.

During the six months ended October 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
Tim Moore, the CEO and Director pursuant to officer services provided	Options, Performance warrants	133,333	6,000	104,103
A company controlled by Jenna Pozar, the Chief Operations Officer pursuant to officer services provided		-	-	69,881
Gordon Clissold, the CFO pursuant to CFO services provided	Options	5,000	6,213	92,500
Ivan Casselman, the Chief Psychedelics Officer pursuant to officer services provided		-	-	92,917
Alex Samuelsson, the Chief Research Officer pursuant to officer services provided	RSRs	-	-	65,601
Vic Neufeld, a Director and Chair of the Company pursuant to director services provided	Options, RSRs	50,000	28,173	78,625
Dennis Staudt, a Director of the Company pursuant to director services provided	Options, RSRs	8,333	9,895	37,764
A company controlled by Tim Laidler, a Director of the Company pursuant to director services provided	RSRs	11,667	19,822	21,667
A company controlled by Gary Leong, a Director of the Company pursuant to director services provided	RSRs	8,333	18,613	25,000
			$ 88,626	**$ 588,058**

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 November 2, 2022, $50,000 of the secured convertible debenture issued on August 18, 2022 was converted into 833,333 common shares of the Issuer at a price of $0.12 per share. The conversion of debentures into shares reduced the balance owed to the senior convertible debenture holder from $700,000 to $650,00 and increased shareholder equity accordingly.

- November 2, 2022, $50,000 of the secured convertible debenture issued on August 18, 2022 was converted into 555,555 common shares of the Issuer at a price of $0.09 per share. The conversion of debentures into shares reduced the balance owed to the senior convertible debenture holder from $650,000 to $600,000 and increased shareholder equity accordingly.

- November 21, 2022 the Company issued 2,702,211 common shares, in exchange for consulting services rendered. The fair value of shares issued for services rendered totaled $297,243.20.

- November 23, 2022, 400,000 stock options were granted to the Chief Executive Officer and 300,000 stock options were granted to other officers and directors. The options have an exercise price of $0.08, and expire on November 24, 2027.

- November 24, 2022, $50,000 of the secured convertible debenture issued on August 18, 2022 was converted into 714,285 common shares of the Issuer at a price of $0.07 per share. The conversion of debentures into shares reduced the balance owed to the senior convertible debenture holder from $600,000 to $550,000 and increased shareholder equity accordingly.

- December 13 , 2022, $50,000 of the secured convertible debenture issued on August 18, 2022 was converted into 625,000 common shares of the Issuer at a price of $0.07 per share. The conversion of debentures into shares reduced the balance owed to the senior convertible debenture holder from $550,000 to $500,000 and increased shareholder equity accordingly.

- December 29, 2022, $50,000 of the secured convertible debenture issued on August 18, 2022 was converted into 833,333 common shares of the Issuer at a price of $0.06 per share. The conversion of debentures into shares reduced the balance owed to the senior convertible debenture holder from $500,000 to $450,000 and increased shareholder equity accordingly.

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)

Adjusted EBITDA

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

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

Adjusted EBITDA for the three and six months ended October 31, 2022 and 2021 is as follows:

	Three months ended		**Six months ended**	
	October 31, 2022	**October 31, 2021**	**October 31, 2022**	**October 31, 2021**
LOSS AND COMPREHENSIVE LOSS	$(2,478,660)	$(5,917,362)	$(3,652,861)	$(8,888,552)
Amortization	105	147,503	22,101	278,321
Asset impairment	912,139	2,726,466	911,828	2,726,466
Lease impairment	-	-	21,597	-
Shares issued for services rendered	-	-	-	-
Share-based payments	63,360	754,380	162,250	1,235,187
Finders' performance warrants	-	-	-	-
Foreign exchange loss	(1,908)	31,213	1,914	19,314
Interest expense	(1)	16,315	31	33,232
Interest income	-	-	-	-
ADJUSTED EBITDA	**$(1,504,965)**	**$(2,241,484)**	**$(2,533,140)**	**$(4,596,032)**

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 October 31, 2022 the Company had the following shares and equity instruments outstanding:

i) *Common shares***: 8,474,893** (April 30, 2022 – 5,093,623) common shares issued and outstanding.
ii) *Share Purchase Warrants*: **2,658,334** (April 30, 2022 – 1,124,547) 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*: **28,665** (April 30, 2022 – 65,335), RSRs outstanding.
vi) *Options*: **324,300** (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 10, 2025	69,167	69,167		19.50
October 4, 2025	50,333	50,000		23.70
January 15, 2026	8,333	8,333		25.50
September 24, 2026	20,133	15,317		9.60
September 25, 2026	5,000	3,333		9.60
December 22, 2026	13,333	-		5.10
February 2, 2027	8,333	3,125		4.80
May 26, 2022	133,333	133,333		1.80
Balance, October 31, 2022	**324,300**	**299,275**	**$**	**10.67**

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.