A copy of this amended and restated preliminary prospectus has been filed with the securities regulatory authorities in British Columbia and Alberta but has not yet become final. Information contained in this amended and restated preliminary prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the prospectus is obtained from the securities regulatory authority.

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

This amended and restated preliminary prospectus does not constitute an offer to sell or the solicitation of an offer to buy any securities.

This non-offering amended and restated preliminary prospectus does not constitute a public offering of securities.

AMENDED AND RESTATED NON-OFFERING PRELIMINARY PROSPECTUS

(AMENDING AND RESTATING THE NON-OFFERING PRELIMINARY PROSPECTUS DATED FEBRUARY 23, 2021)

NON-OFFERING PROSPECTUS **May 20, 2021**

LEXSTON LIFE SCIENCES CORP.

SUITE 1150, 789 WEST PENDER STREET
VANCOUVER, BC V6C 1H2

This amended and restated non-offering preliminary Prospectus ("**Prospectus**") is being filed with the British Columbia and Alberta Securities Commissions for the purpose of allowing Lexston Life Sciences Corp. (the "**Corporation**" or **"Lexston"**) to become eligible for listing pursuant to Section 1.2 of Policy 2 Qualifications for Listing of the Canadian Securities Exchange (the "**CSE**") and to become a reporting issuer in these jurisdictions. The Corporation plans to list its common shares ("**Common Shares**" or "**Shares**") on the CSE.

Since no securities are being offered pursuant to this Prospectus, no proceeds will be raised, and all expenses incurred in connection with the preparation and filing of this Prospectus will be paid by the Corporation.

There is currently no market in Canada through which the securities of the Corporation may be sold and purchasers may not be able to resell securities. This may affect the pricing of the securities of the Corporation in the secondary market, the transparency and availability of trading prices, the liquidity of the securities of the Corporation, and the extent of issuer regulation. Investors should carefully consider the risk factors described under "Risk Factors".

As at the date of this Prospectus, the Corporation does not have any of its securities listed or quoted on any stock exchange. The Corporation intends to apply to list its Common Shares on the CSE. Listing will be subject to the Corporation fulfilling all of the listing requirements of the CSE, including without limitation, meeting all minimum listing requirements.

An investment in securities of the Corporation is speculative and involves a high degree of risk. In reviewing this Prospectus, you should carefully consider the matters described under the heading "Risk Factors". No underwriters or selling agents have been involved in the preparation of this Prospectus or performed any review or independent due diligence of the contents of this Prospectus.

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any securities.

In Canada, the federal government regulates drug substances deemed to be high risk under the Controlled Drugs and Substances Act, SC 1996, c 19 (the "Act"). The Act classifies regulated drug substances into five schedules, with Schedule I containing the highest risk substances. Certain psychedelic substances, including psilocybin and psilocin, are classified as Schedule III drugs. The Act prohibits the possession of a Schedule III drug absent authorization under the Act or a related regulation (either via a license or an authorized exemption). To date, Health Canada has not approved f or sale any prescription drug product that contains psilocybin or psilocin as the active ingredient.

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CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This Prospectus contains forward-looking statements or forward-looking information (collectively "**forward-looking statements**") based on current expectations, estimates, forecasts, projections, beliefs and assumptions made by management of the Corporation about the industry in which it operates (or expects to operate). Such statements include, in particular, statements about the Corporation's plans, strategies and prospects under the sections entitled "*Prospectus Summary*", "*Description of the Business*", "*Use of Available Funds",* "*Selected Financial Information and Management's Discussion and Analysis*" and "*Risk Factors*". Forward-looking statements are not guarantees of future performance and involve assumptions and risks and uncertainties that are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed, implied or forecasted in such forward-looking statements. The Corporation does not intend, and disclaims any obligation, to update any forward-looking statements after it files this Prospectus, whether as a result of new information, future events or otherwise, except as required by securities laws. These forward-looking statements are made as of the date of this Prospectus.

In some cases, forward-looking statements can be identified by words or phrases such as "may", "might", "will", "expect", "anticipate", "estimate", "intend", "plan", "indicate", "seek", "believe", "predict" or "likely", or the negative of these terms, or other similar expressions (or variations of such words) are intended to identify forward-looking statements. The Corporation has based these forward-looking statements on its current expectations and projections about future events and financial trends that it believes might affect its financial condition, results of operations, business strategy and financial needs. These forward-looking statements include, among other things, statements relating to:

- the intention to complete the Listing of the Common Shares on the CSE and the completion and timing of the Listing;
- the Corporation's expectations regarding its revenue, expenses and operations;
- the Corporation's anticipated cash needs and its needs for additional financing;
- the Corporation's intention to grow the business and its operations;
- expectations with respect to future production costs and capacity;
- the grant and impact of any license or supplemental license to conduct activities with pharmaceutical products or any amendments thereof;
- the Corporation's competitive position and the regulatory environment in which the Corporation expects to operate;
- the Corporation's expectation that available funds will be sufficient to cover its expenses over the next twelve months;
- the Corporation's expected business objectives and milestones, including costs of the foregoing, for the next twelve months;
- the costs associated this Prospectus, the Listing and the Acquisition Transaction;
- the Corporation's ability to obtain additional funds through the sale of equity or debt commitments;
- the timing, progress and timely completion of various stages of the regulatory approval process;
- projections for development plans and progress of products and technologies, including with respect to timely and successful completion of studies and trials and availability of results from such studies and trials;
- expectations regarding product safety and efficacy;
- expectations regarding acceptance of products and technologies by the market;
- expectations about clinical and regulatory milestones being achieved;
- the intentions of the Board with respect to executive compensation plans and corporate governance plans described herein;
- the composition of the Board and management; and
- the impact (including anticipated benefits) of the Acquisition Transaction on the business and operations, financial condition, access to capital and overall strategy of the Corporation.

Certain of the forward-looking statements and other information contained in this Prospectus concerning our industry and the markets in which we will operate, including our general expectations and market position, market opportunities and market share, is based on estimates prepared by the Corporation using data from publicly available governmental sources, as well as from market research and industry analysis, and on assumptions based on data and knowledge of this industry which the Corporation believes to be reasonable. While the Corporation is not aware of any misstatement regarding any industry or government data presented herein, the pharmaceutical industry involves risks and uncertainties that are subject to change based on various factors and the Corporation has not independently verified such third-party information.

Forward-looking statements are based on certain assumptions and analyses made by the Corporation in light of the experience and perception of historical trends, current conditions and expected future developments and other factors it believes are appropriate and are subject to risks and uncertainties. In making the forward looking statements included in this Prospectus, the Corporation has made various material assumptions, including but not limited to: (i) obtaining the necessary regulatory approvals; (ii) that regulatory requirements will be maintained; (iii) general business, economic and political conditions; (iv) the Corporation's ability to successfully execute its plans and intentions, including, without limitation, obtaining a Final Receipt and Listing the Common Shares on the CSE; (v) the availability of financing on reasonable terms; (vi) the Corporation's ability to attract and retain skilled staff; (vii) market competition; (viii) the products and technology offered by the Corporation's competitors; (ix) that good relationships with service providers and other third parties will be established and maintained; (x) continued growth of the pharmaceutical industry; and (xi) positive public opinion with respect to the pharmaceutical industry. Although the Corporation believes that the assumptions underlying these statements are reasonable, they may prove to be incorrect, and the Corporation cannot assure that actual results will be consistent with these forward-looking statements. Further, the aforementioned assumptions may be affected by the negative disruptive effect of the COVID-19 (as defined below) pandemic, which has resulted in a widespread health crisis that has already affected the economies and financial markets of many countries around the world. The international response to the spread of COVID-19 has led to significant restrictions on travel; temporary business closures; quarantines; global stock market and financial market volatility; a general reduction in consumer activity; operating, supply chain and project development delays and disruptions; and declining trade and market sentiment, all of which have and could further affect commodity prices, interest rates, credit ratings and credit risk. The continuing and additional business interruptions, expenses and delays relating to COVID-19, could have a material adverse impact on the Corporation's proposed operations, financial condition and the market for its securities; however, as at the date of this Prospectus, such cannot be reasonably estimated.

Whether actual results, performance or achievements will conform to the Corporation's expectations and predictions is subject to a number of known and unknown risks, uncertainties, assumptions and other factors, including those listed under "*Risk Factors*", which include:

- forward-looking statements may prove to be inaccurate;
- the Corporation has very limited operating history;
- the Corporation has negative cash flow since incorporation;
- uncertainty about the Corporation's ability to continue as a going concern;
- the Corporation actual financial position and results of operations may differ materially from the expectations of management;
- the Corporation expects to incur future losses and may never become profitable;
- there is no assurance that the Corporation will turn a profit or generate revenues;
- the Corporation expects to incur significant ongoing costs and obligations;
- potential undisclosed liabilities associated with the Acquisition Transaction;
- failure to successfully integrate acquired businesses, products and other assets into the Corporation (including, without limitation, pursuant to the Acquisition Transaction), or if integrated, failure to further the Corporation's business strategy may result in the Corporation's inability to realize any benefit from such acquisition;
- the pharmaceutical industry is a relatively new market and new industry that may not succeed in the long term;
- the Corporation's prospects depend on the consumer perception of fungus-based products and brand awareness;
- the Corporation's prospects depend on the success of its products/compounds which are not yet in development;
- the Corporation may rely on third parties to plan and conduct preclinical and clinical trials;

- the Corporation expects to rely on contract manufacturers over whom it will have limited control;
- the Corporation will require commercial scale and quality manufactured product to be available for pivotal or registration clinical trials;
- clinical trials of the Corporation's product/compound candidates may fail to demonstrate safety and efficacy to the satisfaction of regulatory authorities or not otherwise produce positive results;
- there could be delays in clinical testing;
- the Corporation may not be able to file appropriate clinical trial or regulatory approval applications;
- if the Corporation (or a third party conducting clinical trials) has difficulty enrolling patients in clinical trials, the completion of the trials may be delayed or cancelled;
- the expansion of the use of psychedelics in the medical industry may require new clinical research into effective medical therapies;
- negative results from clinical trials or studies of others and adverse safety events involving the targets of the Corporation's products/compounds may have an adverse impact on the Corporation's future commercialization efforts;
- the Corporation may be subject to product recalls for product defects self-imposed or imposed by regulators;
- the Corporation does not carry product liability insurance;
- dependence on a single Facility and limited key personnel;
- unfavourable publicity and consumer perception;
- in certain circumstances, the Corporation's reputation could be damaged;
- regulatory approval processes are lengthy, expensive and inherently unpredictable, and the Corporation may not be able to obtain all necessary licenses and permits in a timely manner, which could, among other things, delay or prevent the Corporation from becoming profitable;
- the Corporation will be subject to government regulation, as well as subject to changes (including uncertainty regarding any such changes) in laws, regulations and guidelines, which could adversely affect the Corporation's future business, financial condition and results of operations, and the enforcement of relevant laws is a significant risk, with any violations of laws and regulations potentially resulting in serious repercussions;
- regulatory scrutiny of the Corporation's industry may negatively impact its ability to raise additional capital;
- the Corporation may not achieve its publicly announced milestones according to schedule, or at all;
- the Corporation will face competition from other companies (including other natural health product, biotechnology, cannabis testing and pharmaceutical companies), where it will conduct business that may have a higher capitalization, more experienced management or may be more mature as a business;
- there are factors which may prevent the Corporation from the realization of growth targets;
- the Corporation may not be able to effectively manage its growth and operations, which could materially and adversely affect its business;
- the Corporation may be unable to adequately protect its proprietary and intellectual property rights;
- the Corporation may be forced to litigate to defend its intellectual property rights, or to defend against claims by third parties against the Corporation relating to intellectual property rights;
- if the Corporation loses its licenses from third-party owners, it may be unable to continue a substantial part of its business;
- the Corporation may require additional third-party licenses to effectively develop and manufacture its key products/compounds and is currently unable to predict the availability or cost of such licenses;

- changes in patent law and its interpretation could diminish the value of patents in general, thereby impairing the Corporation's ability to protect its product/compound candidates;
- the Corporation may become subject to litigation, which may have a material adverse effect on the Corporation's reputation, business, results from operations and financial condition;
- the Corporation's reliance on third parties requires the Corporation to share its trade secrets, which increases the possibility that a competitor will discover them;
- the Corporation's operations are subject to environmental regulation in the jurisdiction in which it operates;
- if the Corporation is unable to attract and retain key personnel, it may not be able to compete effectively in the pharmaceutical market;
- the size of the Corporation's target market is difficult to quantify, and investors will be reliant on their own estimates on the accuracy of market data;
- the Corporation could be liable for fraudulent or illegal activity by its employees, contractors and consultants resulting in significant financial losses to claims against the Corporation;
- reliance on information technology systems and risks of cyberattacks;
- the Corporation's officers and directors may be engaged in a range of business activities resulting in conflicts of interest;
- the Corporation's officers, directors and insiders are expected to control a large percentage of the Corporation's issued and outstanding Common Shares and such officers, directors and insiders may have the ability to control matters affecting the Corporation and its business;
- need for additional financing and issuance of additional securities;
- the Corporation will continue to sell securities for cash to fund operations, capital expansion, mergers and acquisitions that will dilute the current shareholders;
- discretion and uncertainty in use of proceeds and available funds;
- if there is a material weakness in our internal controls over financial reporting, investors could lose confidence in the reliability of our financial statements, which could result in a decrease in the value of our securities;
- coronavirus ("**COVID-19**");
- risk of high bonding and insurance costs;
- the Corporation may face significant competition from other facilities;
- the Corporation will be reliant on information technology systems, and may be subject to damaging cyberattacks;
- the Corporation may be subject to breaches of security at its facilities, or in respect of electronic documents and data storage, and may face risks related to breaches of applicable privacy laws;
- there are constraints on marketing products;
- the market price for Common Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond our control;
- there is no established market for the Corporation's securities;
- the Corporation does not anticipate paying cash dividends;
- the Corporation will be subject to additional regulatory burden resulting from its public listing on the CSE;
- future sales of Common Shares by existing shareholders could reduce the market price of the Corporation shares;

- the Corporation may be subject to currency fluctuations; and
- other factors discussed under "*Risk Factors*".

The factors identified above are not intended to represent a complete list of the risks and factors that could affect the Corporation. Some of the important risks and factors that could affect forward-looking statements are discussed in the section entitled "*Risk Factors*" in this Prospectus. Although the Corporation has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

These forward-looking statements are based on the beliefs of the Corporation's management as well as on assumptions, which such management believes to be reasonable based on information currently available at the time such statements were made. Although the Corporation believes its expectations are based upon reasonable assumptions and have attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended.

Forward-looking statements contained in this Prospectus are made as of the date of this Prospectus and, accordingly, are subject to change after such date. Except as otherwise indicated by the Corporation, these statements do not reflect the potential impact of any non-recurring or other special items or of any disposition, monetization, merger, acquisition, other business combination or other transaction that may be announced or that may occur after the date hereof. The Corporation does not intend or undertake to publicly update any forward-looking statements that are included in this Prospectus, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws.

All of the forward-looking statements contained in this Prospectus are expressly qualified by the foregoing cautionary statements. Readers should read this entire Prospectus and consult their own professional advisors to assess the income tax, legal, risk factors and other aspects of an investment in the Corporation.

MARKET AND INDUSTRY DATA

This Prospectus includes market and industry data that has been obtained from third party sources, including industry publications. The Corporation believes that the industry data is accurate and that its estimates and assumptions are reasonable, but there is no assurance as to the accuracy or completeness of this data. Third party sources generally state that the information contained therein has been obtained from sources believed to be reliable, but there is no assurance as to the accuracy or completeness of included information. Although the data is believed to be reliable, the Corporation has not independently verified any of the data from third party sources referred to in this Prospectus or ascertained the underlying economic assumptions relied upon by such sources.

Unless otherwise indicated, information contained in this Prospectus concerning the Corporation's industry and the markets in which it operates, including general expectations and market position, market opportunities and market share, is based on information from independent industry organizations, other third-party sources (including industry publications, surveys and forecasts) and management studies and estimates.

The Corporation's estimates are derived from publicly available information released by independent industry analysts and third-party sources as well as data from the Corporation's internal research, and knowledge of the pharmaceutical market and economy, and include assumptions made by the Corporation which management believes to be reasonable based on their knowledge of the Corporation's industry and markets. The Corporation's internal research and assumptions have not been verified by any independent source, and it has not independently verified any third-party information. While the Corporation believes the market position, market opportunity and market share information included in this Prospectus is generally reliable, such information is inherently imprecise. In addition, projections, assumptions and estimates of the Corporation's future performance and the future performance of the industry and markets in which it operates are necessarily subject to a high degree of uncertainty and risk due to variety of factors, including those described under the heading "*Forward-Looking Statements*" and "*Risk Factors*".

GENERAL MATTERS

Unless otherwise noted or the context indicates otherwise "we", "us", "our", the "Corporation" or "Lexston" refer to Lexston Life Sciences Corp. Certain terms used herein are defined in the "*Glossary of Terms*".

Unless otherwise indicated, references to $ are to Canadian dollars and USD$ are to U.S. dollars.

The Corporation is not offering to sell securities under this Prospectus. Readers should rely only on the information contained in this Prospectus. The Corporation has not authorized any other person to provide you with additional or different information. If anyone provides you with additional or different information or inconsistent information, including information or statements in media articles about the Corporation, you should not rely on it. The Corporation is not making an offer to sell or seeking offers to buy the Corporation's shares or other securities. Any graphs, tables or other information demonstrating our historical performance or of any other entity contained in this Prospectus are intended only to illustrate past performance and are not necessarily indicative of our or such entity's future performance. The information contained in this Prospectus is accurate only as of the date of this Prospectus or any other date specified herein, regardless of the time of delivery of this Prospectus. Our business, financial condition, results of operations and prospects may have changed since the date of this Prospectus or any other date specified herein in respect of such information.

FINANCIAL STATEMENT PRESENTATION IN THIS PROSPECTUS

All financial information herein has been presented in Canadian dollars in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretation Committee. ("**IFRS**").

The following financial statements of Lexston have been prepared in accordance with IFRS and are included in this Prospectus (see "*Schedule A – Lexston Life Sciences Corp. Financial Statements and MD&A*" and "*Schedule B – Egret Bioscience Ltd. Financial Statements and MD&A*"):

Schedule A – Corporation Financial Statements and MD&A

1. Audited financial statements of the Corporation from the date of incorporation on January 3, 2020 to May 31, 2020;
2. Unaudited interim financial statements of the Corporation for the period ending February 28, 2021;
3. MD&A of the Corporation from the date of incorporation on January 3, 2020 to May 31, 2020; and
4. MD&A of the Corporation for the period ending February 28, 2021.

Schedule B – Egret Bioscience Ltd. Financial Statements and MD&A

1. Audited financial statements of Egret Bioscience Ltd. from the date of incorporation on July 1, 2020 to November 30, 2020.
2. MD&A of Egret Bioscience from the date of incorporation on July 1, 2020 to November 30, 2020.

GLOSSARY OF TERMS

The following is a glossary of certain defined terms used throughout this Prospectus. This is not an exhaustive list of defined terms used in this Prospectus and additional terms are defined throughout. Terms and abbreviations used in the financial statements of Lexston and Egret Bioscience are defined separately, and the terms and abbreviations defined below are not used therein, except where otherwise indicated. Words importing the singular, where the context requires, include the plural and vice versa, and words importing any gender include all genders.

"**$**" means Canadian dollars.

"**Acquisition Transaction**" means the acquisition of Egret Bioscience Ltd. on February 4, 2021 by the Corporation pursuant to the Share Exchange Agreement.

"**Acquisition Transaction Shares**" means the 23,000,000 common shares of Egret Bioscience Ltd. issued to the former Egret Bioscience Shareholders upon closing of the Acquisition Transaction.

"**Affiliate**" means a company that is affiliated with another company as described below:

A company is an "**Affiliate**" of another company if:

a) one of them is the subsidiary of the other; or
b) each of them is controlled by the same Person;

A company is "**controlled**" by a Person if:

(a) voting securities of the company are held, other than by way of security only, by or for the benefit of that Person; and
(b) the voting securities, if voted, entitle the Person to elect a majority of the directors of the company;

A Person beneficially owns securities that are beneficially owned by:

(a) a company controlled by that Person, or

(b) an Affiliate of that Person, or

(c) an Affiliate of any company controlled by that Person.

"**Applicable Securities Law**" means applicable securities legislation, securities regulation and securities rules, as amended, and the policies, notices, instruments and blanket orders having the force of law, in force from time to time.

"**Assets**" means the whole of the undertaking, property and assets of Egret Bioscience currently used in, and materially necessary for the conduct of the Business, including, without limitation, the Intellectual Property, the SubLease and business operations at the Facility.

"**Associate**" means when used to indicate a relationship with a person or company, means:

(a) an issuer of which the person or company beneficially owns or controls, directly or indirectly, voting securities entitling him to more than 10% of the voting rights attached to outstanding securities of the issuer;

(b) any partner of the person or company;

(c) any trust or estate in which the person or company has a substantial beneficial interest or in respect of which a person or company serves as trustee or in a similar capacity;

(d) in the case of a person, a relative of that person, including:

- that person's spouse or child; or
- any relative of the person or of his spouse who has the same residence as that person; but

(e) where the Exchange determines that two persons shall, or shall not, be deemed to be associates with respect to a Member firm, Member corporation or holding company of a Member corporation, then such determination shall be determinative of their relationships in the application of Rule D with respect to that Member firm, Member corporation or holding company.

"**Audit Committee**" means the audit committee of Lexston.

"**Audit Committee Charter**" means the Audit Committee's Charter, attached hereto as Schedule C.

"**BCBCA**" means the *Business Corporations Act* (British Columbia).

"**Business**" means the business of Egret Bioscience, being the research and development of pharmaceutical products.

"**Board**" or "**Board of Directors**" means the board of directors of Lexston

"**Business Day**" means a day other than Saturday, Sunday or a statutory holiday in Vancouver, British Columbia, Canada.

"**CDSA**" means the *Controlled Drugs and Substances Act* (Canada).

"**CEO**" means Chief Executive Officer.

"**CFO**" means Chief Financial Officer.

"**Common Shares**" means the common shares in the capital of Egret Bioscience Ltd.

"**Corporation**" or "**Lexston Life Sciences** " means Lexston Life Sciences Corp., a company existing under the BCBCA.

"**company**" means, unless specifically indicated otherwise, a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual.

"**CSE**" or the "**Exchange**" means the Canadian Securities Exchange operated by the CNSX Markets Inc.

"**Dealer's License**" means a Dealer License under the *Food and Drugs Regulations* (Part J) to the *Food and Drugs Act* (Canada).

"**DSUs**" means the deferred share units issuable pursuant to the Stock Option Plan.

"**Escrow Agreement**" means the escrow agreement to be entered into among the Corporation, the Transfer Agent and certain shareholders, pursuant to which **21,300,000** Common Shares are expected to be held in escrow.

"**Escrow Shares**" means the 21,300,000 Shares that are expected to be held in escrow pursuant to the Escrow Agreement.

"**Equipment**" means laboratory equipment, including autoclaves, incubators, laminar fume hoods and mycology containers.

"**Facility**" means the offices and labs at 1B – 1385 Stevens Road, West Kelowna, British Columbia (see "*Description of the Business – Facility*").

"**Final Receipt**" means the receipt issued by the Principal Regulator, evidencing that a receipt has been, or has been deemed to be, issued for the Prospectus in British Columbia.

"**Lexston Life Sciences Corp. Financial Statements**" means the audited financial statements of Lexston for the period from January 3, 2020 (date of Incorporation) to May 31, 2020, together with the notes thereto and the auditors' report thereon, as applicable and the interim financial report for the period ending February 28, 2021, attached hereto at Schedule A.

"**Lexston Life Sciences Corp MD&A**" means the management's discussion and analysis of Lexston for the period from January 3, 2020 (date of Incorporation) to May 31, 2020, and for the interim period ending on February 28, 2021 attached hereto at Schedule A.

"**Egret Bioscience**" or **"Egret"** means Egret Bioscience Ltd., a company existing under the BCBCA.

"**Egret Bioscience Financial Statements**" means the audited financial statements of Egret Bioscience for the period from July 1, 2020 (date of incorporation) to November 30, 2020, together with the notes thereto and the auditors' report thereon, as applicable, attached hereto at Schedule B.

"**Egret Bioscience Shareholders**" means Kyle Remenda, Philippe Henry and other shareholders of Egret.

"**Egret Bioscience Shares**" means the 23,000,000 common shares issued and outstanding of Egret Bioscience and owned by Lexston.

"**IFRS**" means the International Financial Reporting Standards as issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretation Committee.

"**Insider**" means:

(a) a director or senior officer of the Corporation;

(b) a director or senior officer of the Corporation that is an Insider or subsidiary of the Corporation,

(c) a Person that beneficially owns or controls, directly or indirectly, voting shares carrying more than 10% of the voting rights attached to all outstanding voting shares of the Corporation; or

(d) the Corporation itself if it holds any of its own securities.

"**Licenses**" mean licenses Dr. Philippe Henry and Egret Bioscience has applied, or will apply for, with Health Canada, including the Research License.

"**Listing**" means the listing of the Common Shares for trading on the CSE.

"**MD&A**" means management discussion and analysis.

"**Named Executive Officer**" or "**NEO**" means:

(a) the CEO, or comparable position;
(b) the CFO, or comparable position;
(c) each of the issuer's three most highly compensated executive officers, other than the CEO and CFO, who were serving as executive officers at the end of the most recently completed financial year and whose total salary and bonus, individually, exceeds $150,000 per year; or
(d) any additional individuals for whom disclosure would have been provided under (c) except that the individual was not serving as an officer of the issuer at the end of the most recently completed financial year.

"**NI 41-101**" means National Instrument 41-101 – *General Prospectus Requirements*, of the Canadian Securities Administrators.

"**NI 52-110**" means National Instrument 52-110 – *Audit Committees*, of the Canadian Securities Administrators.

"**NI 58-101**" means National Instrument 58-101 – *Disclosure of Corporate Governance Practices*, of the Canadian Securities Administrators.

"**Options**" means the options issuable pursuant to the Stock Option Plan.

"**Person**" unless specifically indicated otherwise, means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual.

"**Prospectus**" means this prospectus of Lexston, prepared in accordance with the NI 41-101, and any amendments thereto.

"**Principal Regulator**" means the British Columbia Securities Commission.

"**Promoter**" means (a) a person or company who, acting alone or in conjunction with one or more other persons, companies or a combination thereof, directly or indirectly, takes the initiative in founding, organizing or substantially reorganizing the business of an issuer, or (b) a person or company who, in connection with the founding, organizing or substantial reorganizing of the business of an issuer, directly or indirectly, receives in consideration of services or property, or both services and property, 10% or more of any class of securities of the issuer or 10% or more of the proceeds from the sale of any class of securities of a particular issue, but a person or company who receives such securities or proceeds either solely as underwriting commissions or solely in consideration of property shall not be deemed a promoter within the meaning of this definition if such person or company does not otherwise take part in founding, organizing, or substantially reorganizing the business.

"**Qualification Date**" means the date on which the Final Receipt has been issued.

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval maintained by the Canadian Securities Administrators.

"**Share Exchange Agreement**" has the meaning set forth under the heading "*Description of the Business – Acquisition Transaction*".

"**Shareholders**" means the holders of Common Shares.

"**Stock Option Plan**" means the Lexston's Stock Option Plan dated for reference January 15, 2021 (see "*Options to Purchase Securities*").

"**Sublease**" means the sublease agreement between Egret Capital and ESP Engineered Site Products (2019) Ltd. for its offices and laboratory facility.

"**Transfer Agent**" means the transfer agent and registrar of the Corporation, Odyssey Trust Company.

"**Unit Offering**" has the meaning set forth under the heading "*Corporate Structure – History – Lexston*".

"**Warrants**" means that each Warrant will entitle the Purchaser to purchase one Share at the price of $0.15 for a period of three years from the date of the issuance of the Warrants, subject to the following acceleration clause: if the Shares are listed on a Canadian stock exchange and trade at the price of $0.40 or higher for ten consecutive business days, the Warrants will expire within 30 days from the 10th business day during which the Shares traded at the price of $0.40 or higher.

SUMMARY OF PROSPECTUS

The following is a summary of the principal features of this Prospectus and should be read together with the more detailed information and financial data and statements contained elsewhere in this Prospectus. Capitalized used but not defined in this Summary of Prospectus have the meanings ascribed thereto in the Glossary of Terms.

Principal Business of the Corporation

Lexston Capital Corp. was incorporated on January 3, 2020 under the BCBCA. The name was changed to Lexston Life Sciences Corp. on January 18, 2021. The registered and records office is located at 1150 – 789 Pender Street West, Vancouver, British Columbia V6C 1H2. The head office is located at 929 Mainland Street, Vancouver, British Columbia V6B 1S3.

The Corporation has been active in establishing strategic relationships towards executing the goal of acquiring assets and businesses in the pharmaceutical industry (through the Acquisition Transaction). See "*Description of the Business*".

Egret Bioscience
Egret Bioscience is a wholly owned subsidiary of the Corporation. It is based in Kelowna and provides contract-based research for the detection and screening of pathogens, analytical testing services for mid-stream cannabinoid potency and stability testing. Egret has also optimized nodal tissue culture methods and protocols for cannabis, consisting of a proprietary medium and tissue culture tubes and boxes for the micropropagation of clean cannabis stock.

Acquisition Transaction

Lexston entered into a Share Exchange Agreement dated September 25, 2020 with Egret Bioscience and the Egret Bioscience Shareholders. Pursuant to that agreement, on February 4, 2021, Lexston acquired all of the issued and outstanding securities of Egret Bioscience in exchange for 23,000,000 Shares of Lexston. Egret Bioscience's business became the core business of the Corporation.

The Board of Directors and management of the Corporation consists of the following:

Jagdip Bal	Director, President and CEO
Harinder Bains	Director
Dr. Philippe Henry	Director and Chief Science Officer
Jatinder Manhas	Director
Dimitrios Mitrakos	Corporate Secretary and Chief Financial Officer

Dr. Phillipe Henry has been the sole director and the CEO of Egret Bioscience since its incorporation. Egret Bioscience does not have any other directors or officers.

The Offering

No securities are being offered pursuant to this Prospectus. This Prospectus is being filed with the British Columbia and Alberta Securities Commission for the purpose of allowing the Corporation to become a reporting issuer in these jurisdictions. Since no securities are being offered pursuant to this Prospectus, no proceeds will be raised, and all expenses incurred in connection with the preparation and filing of this Prospectus will be paid by the Corporation. This Prospectus will also qualify for distribution any previously issued Common Shares and the Common Shares issuable upon conversion of the Warrants.

The Listing

The Corporation applied to list its Common Shares on the CSE. Listing will be subject to the Corporation fulfilling all of the listing requirements of the CSE.

Summary of Financial Information

Funds Available

The Corporation intends to use, the available funds as follows:

Item	Funds Allocated
Funds Available	
Working Capital of the Corporation at the date of this Prospectus	$1,050,000

Total Available Funds	$1,050,000
Principal Purposes for the Available Funds	
Cost associated with achieving business objectives and milestones[(1)]	$176,000
General and administrative costs for 12 months[(2)]	$558,000
Investor relations	$75,000
Marketing plan	$25,000
Expenses related to the Prospectus and the Acquisition Transaction[(3)]	$100,000
Travel and marketing	$25,000
Unallocated working capital	$91,000
Total	$1,050,000

Notes:

(1) see "*Business Objectives and Milestones"*

(2) General and administrative costs are broken down as follows: (i) wages and salaries ($450,000), (ii) professional fees ($40,000), (iii) public company maintenance fees ($20,000), and (iv) rent ($48,000).

(3) Estimated costs include costs of: (i) legal counsel to the Corporation; (ii) the auditors with respect to the preparation and audit of the audited financials for the Corporation and Egret Bioscience, and preparation and review of the interim financial statements and management's discussion and analysis; (iv) securities commission and SEDAR filing fees; and (v) other similar incidental costs relating to the foregoing.

While the Corporation currently intends to use the available funds for the purposes set out herein, it will have discretion in the actual application of the available funds and may elect to use the net proceeds differently than as described herein, if the Corporation believes it is in the best interests to do so. See *"Use of Available Funds – Funds Available"*.

Lexston Life Sciences Corp.

The following table sets forth the selected financial information for the period from January 3, 2020 (date of incorporation) to May 31, 2020 and has been derived from the Lexston Life Sciences Corp. Financial Statements, prepared in accordance with IFRS and attached in Schedule A to this Prospectus. The selected financial information should be read in conjunction with the Lexston Life Sciences Corp.'s MD&A and the Lexston Life Sciences Corp. Financial Statements contained elsewhere in this Prospectus.

	For the three-month period ended February 28, 2021 **$**	**For the period from January 3, 2020 (date of incorporation) to May 31, 2020** **(audited)** **$**
Statement of Operations Data		
Total revenues	40,275	Nil
Cost of goods sold	26,282	–
Total expenses	255,831	6,483
Loss and comprehensive loss	(594,352)	(6,483)
Net loss per share (basic and diluted)	(0.02)	(0.00)
Balance Sheet Data		
Current assets	1,211,571	170,952
Current and total assets	1,309,313	170,952
Current and total liabilities	47,384	1,960
Working capital	1,164,187	168,892

Egret Bioscience Ltd.

The following table sets forth the selected financial information for the period from July 1, 2020 (date of incorporation) to November 30, 2020 and has been derived from the Egret Bioscience Ltd. Financial Statements and accompanying notes thereto, prepared in accordance with IFRS and attached as Schedule B to this Prospectus. The selected financial information should be read in conjunction with the Egret Bioscience MD&A and the Egret Bioscience Financial Statements contained elsewhere in this Prospectus.

	For the period from July 1, 2020 (date of incorporation) to November 30, 2020 (audited) $
Statement of Operations Data	
Total revenues	38,595
Cost of goods sold	24,529
Total expenses	86,905
Net loss and comprehensive loss	(72,839)
Net loss per share (basic and diluted)	(0.01)
Balance Sheet Data	
Current assets	525,142
Current and total assets	526,742
Current and total liabilities	557,566
Working capital deficiency	(32,424)

Risk Factors

An investment in the Corporation involves a substantial degree of risk and should be regarded as highly speculative due to the nature of the business of the Corporation. The risks, uncertainties and other factors, many of which are beyond the control of the Corporation, that could influence actual results include, but are not limited to: forward-looking statements may prove to be inaccurate; the Corporation has very limited operating history; the Corporation has negative cash flow; uncertainty about the Corporation's ability to continue as a going concern; the Corporation actual financial position and results of operations may differ materially from the expectations of management; the Corporation expects to incur future losses and may never become profitable; there is no assurance that the Corporation will turn a profit or generate revenues; the Corporation expects to incur significant ongoing costs and obligations; failure to realize the anticipated benefits of the Acquisition Transaction; potential undisclosed liabilities associated with the Acquisition Transaction; failure to successfully integrate acquired businesses, its products and other assets into the Corporation, or if integrated, failure to further the Corporation's business strategy, may result in the Corporation's inability to realize any benefit from such acquisition; the pharmaceutical industry is a relatively new market and new industry that may not succeed in the long term; the Corporation's prospects depend on the consumer perception of fungus-based products and brand awareness; the Corporation's prospects depend on the success of its products/compounds which are not yet in development; the Corporation will rely on third parties to plan and conduct preclinical and clinical trials; the Corporation expects to rely on contract manufacturers over whom it will have limited control; the Corporation will require commercial scale and quality manufactured product to be available for pivotal or registration clinical trials; clinical trials of the Corporation's product/compound candidates may fail to demonstrate safety and efficacy to the satisfaction of regulatory authorities or not otherwise produce positive results; there could be delays in clinical testing; the Corporation may not be able to file appropriate clinical trial or regulatory approval applications; if the Corporation (or a third party conducting clinical trials) has difficulty enrolling patients in clinical trials, the completion of the trials may be delayed or cancelled; the expansion of the use of psychedelics in the medical industry may require new clinical research into effective medical therapies; negative results from clinical trials or studies of others and adverse safety events involving the targets of the Corporation's products/compounds may have an adverse impact on the Corporation's future commercialization efforts; the Corporation may be subject to product recalls for product defects self-imposed or imposed by regulators; the Corporation does not carry product liability insurance; dependence on a single Facility; unfavourable publicity and consumer perception; in certain circumstances, the Corporation's reputation could be damaged; regulatory approval processes are lengthy, expensive and inherently unpredictable, and the Corporation may not be able to obtain all necessary licenses and permits in a timely manner, which could, among other things, delay or prevent the Corporation from becoming profitable; the Corporation will be subject to government regulation, as well as subject to changes (including uncertainty regarding any such changes) in laws, regulations and guidelines, which could adversely affect the Corporation's future business, financial condition and results of operations, and the enforcement of relevant

laws is a significant risk, with any violations of laws and regulations potentially resulting in serious repercussions; regulatory scrutiny of the Corporation's industry may negatively impact its ability to raise additional capital; the Corporation may not achieve its publicly announced milestones according to schedule, or at all; the Corporation will face competition from other companies (including other natural health product, biotechnology, lab testing and pharmaceutical companies), where it will conduct business that may have a higher capitalization, more experienced management or may be more mature as a business; there are factors which may prevent the Corporation from the realization of growth targets; the Corporation may not be able to effectively manage its growth and operations, which could materially and adversely affect its business; the Corporation may be unable to adequately protect its proprietary and intellectual property rights; the Corporation may be forced to litigate to defend its intellectual property rights, or to defend against claims by third parties against the Corporation relating to intellectual property rights; if the Corporation loses its licenses from third-party owners, it may be unable to continue a substantial part of its business; the Corporation may require additional third-party licenses to effectively develop and manufacture its key products/compounds and is currently unable to predict the availability or cost of such licenses; changes in patent law and its interpretation could diminish the value of patents in general, thereby impairing the Corporation's ability to protect its product/compound candidates; the Corporation may become subject to litigation, which may have a material adverse effect on the Corporation's reputation, business, results from operations and financial condition; the Corporation's reliance on third parties requires the Corporation to share its trade secrets, which increases the possibility that a competitor will discover them; the Corporation's operations are subject to environmental regulation in the jurisdiction in which it operates; if the Corporation is unable to attract and retain key personnel, it may not be able to compete effectively in the pharmaceutical market; the size of the Corporation's target market is difficult to quantify, and investors will be reliant on their own estimates on the accuracy of market data; the Corporation could be liable for fraudulent or illegal activity by its employees, contractors and consultants resulting in significant financial losses to claims against the Corporation; reliance on information technology systems and risks of cyberattacks; the Corporation's officers and directors may be engaged in a range of business activities resulting in conflicts of interest; the Corporation's officers and directors are expected to control a large percentage of the Corporation's issued and outstanding Common Shares and such officers and directors may have the ability to control matters affecting the Corporation and its business; need for additional financing and issuance of additional securities; the Corporation will continue to sell securities for cash to fund operations, capital expansion, mergers and acquisitions that will dilute the current shareholders; discretion and uncertainty in use of proceeds and available funds; if there is a material weakness in our internal controls over financial reporting, investors could lose confidence in the reliability of our financial statements, which could result in a decrease in the value of our securities; novel coronavirus (COVID-19); risk of high bonding and insurance costs; the Corporation may face significant competition from other facilities; the Corporation will be reliant on information technology systems, and may be subject to damaging cyberattacks; the Corporation may be subject to breaches of security at its facilities, or in respect of electronic documents and data storage, and may face risks related to breaches of applicable privacy laws; there are constraints on marketing products; the market price for Common Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond our control; there is no established market for the Corporation's securities; the Corporation does not anticipate paying cash dividends; the Corporation will be subject to additional regulatory burden resulting from its public listing on the CSE; future sales of Common Shares by existing shareholders could reduce the market price of the Corporation shares; the Corporation may be subject to currency fluctuations; and other factors discussed under "*Risk Factors*".

For a detailed description of certain risk factors relating to the Common Shares which should be carefully considered before making an investment decision. See "*Risk Factors*" for further details.

Interpretation

In this Prospectus, unless otherwise specified, all dollar amounts are expressed in Canadian dollars and all references to "stock", "Common Shares" or "shares" refer to shares of common share in the capital of the Corporation.

As used in this Prospectus, the terms "we", "us", "its" and "Corporation" mean Lexston Life Sciences Corp., unless the context clearly requires otherwise.

The Corporation's financial statements are stated in Canadian dollars (CA$) and are prepared in accordance with IFRS.

CORPORATE STRUCTURE

Name and Incorporation of Lexston Life Sciences Corp.

The Corporation was incorporated on January 3, 2020 under the laws of the Province of British Columbia under the name, "Lexston Capital Corp.". The name was changed on January 18, 2021 to "Lexston Life Sciences Corp."

The Corporation's head office is located at 929 Mainland Street, Vancouver, BC V6B 1S3 and the registered and records office is located at 1150 – 789 West Pender Street, Vancouver, BC V6C 1H2.

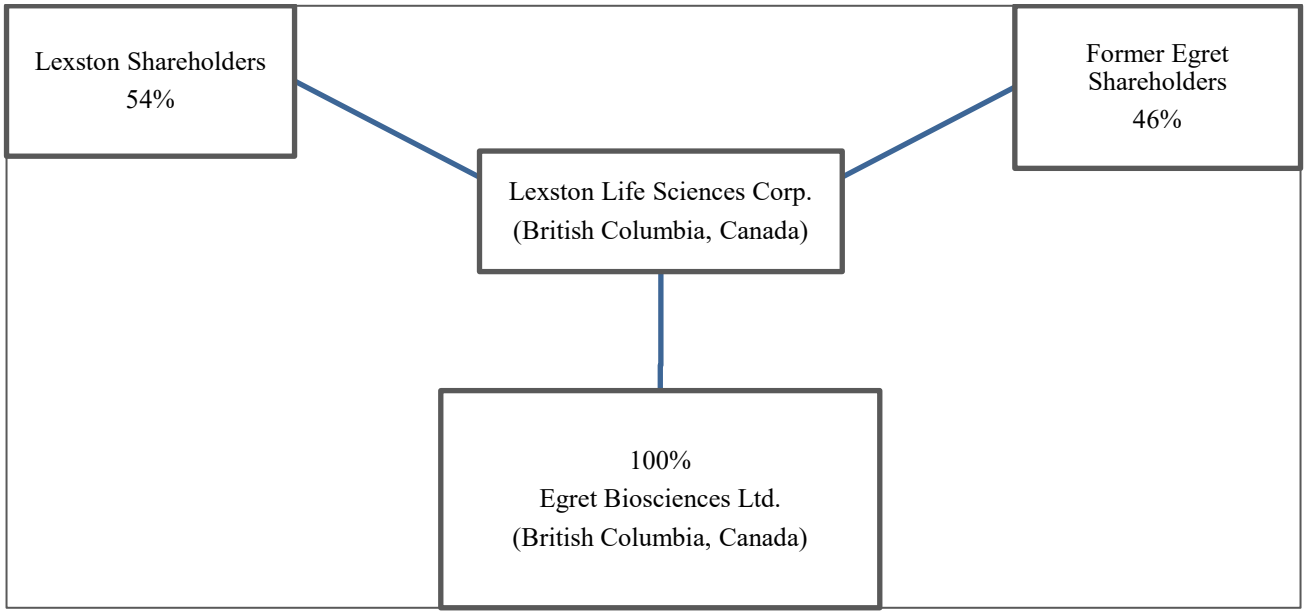
Name and Incorporation of Egret Bioscience Ltd.

Egret Bioscience Ltd. was incorporated on July 1, 2020 under the laws of the Province of British Columbia under the name, "Egret Bioscience Ltd." Its head office and registered and records office is located at 1B – 1385 Stevens Road, West Kelowna, British Columbia V1Z 2S9.

Intercorporate Relationships and Subsidiaries

Egret Bioscience is the wholly owned subsidiary of the Corporation.

Below is a chart depicting the organizational structure of the Corporation.



BUSINESS OF THE CORPORATION

Corporation History

The Corporation has been active in establishing strategic relationships towards executing the goal of acquiring assets and businesses in the pharmaceutical industry. Through the Acquisition Transaction the Corporation acquired Egret Bioscience, which is the core business of the Corporation.

Financings

(a) On January 10, 2020, the Corporation issued 4,500,000 founders shares at $0.005 for proceeds of $22,500, which included 1,500,000 founders shares to the Chief Executive Officer of the Company for proceeds of $7,500.

(b) On May 14, 2020, the Company issued 3,625,000 common shares at $0.02 per share for total proceeds of $72,500, which included 1,800,000 common shares to directors and officers of the Company for proceeds of $36,000.

(c) On June 25, 2020, the Company issued 7,139,932 units at $0.075 (each, "**Unit**") for total proceeds of $535,495. Each Unit consists of one common share of the Company and one share purchase warrant (each, "**Share Purchase Warrant**") which entitles the holder to purchase one additional common share of the Company at $0.15 per share for a period of three years from the date of issuance subject to the following acceleration clause: if the common shares of the Company are listed on a Canadian Stock Exchange and trade at a price of $0.40 per share or higher for ten consecutive business days, the Share Purchase Warrants will expire within 30 days from the date when the acceleration clause was achieved ("**First Tranche of the Unit Offering**").

(d) On July 14, 2020, the Company issued 8,996,664 units at $0.075 (each, "**Unit**") for total proceeds of $674,750. Each Unit consists of one common share of the Company and one share purchase warrant (each, "**Share Purchase Warrant**") which entitles the holder to purchase one additional common share of the Company at $0.15 per share for a period of three years from the date of issuance subject to the following acceleration clause: if the common shares of the Company are listed on a Canadian Stock Exchange and trade at a price of $0.40 per share or higher for ten consecutive business days, the Share Purchase Warrants will expire within 30 days from the date when the acceleration clause was achieved ("**Second Tranche of the Unit Offering**").

(e) On October 16, 2020, the Company issued 2,706,664 units at $0.075 (each, "**Unit**") for total proceeds of $203,000. Each Unit consists of one common share of the Company and one share purchase warrant (each, "**Share Purchase Warrant**") which entitles the holder to purchase one additional common share of the Company at $0.15 per share for a period of three years from the date of issuance subject to the following acceleration clause: if the common shares of the Company are listed on a Canadian Stock Exchange and trade at a price of $0.40 per share or higher for ten consecutive business days, the Share Purchase Warrants will expire within 30 days from the date when the acceleration clause was achieved ("**Third Tranche of the Unit Offering**").

Acquisition Transaction

Lexston entered into a Share Exchange Agreement dated September 25, 2020 and amended October 20, 2020, December 2, 2020, December 28, 2020 and January 6, 2021 with Egret Bioscience and the Egret Bioscience Shareholders (the "**Share Exchange Agreement**"), whereby pursuant to the Acquisition Transaction, Egret Bioscience Shareholders will receive the Acquisition Transaction Shares, on a pro rata basis.

On February 4, 2021, pursuant to the Share Exchange Agreement, Lexston issued to Egret Bioscience Shareholders, pro rata to their respective holdings of Egret Bioscience Shares, 23,000,000 Shares in exchange for all of the issued and outstanding Egret Bioscience Shares.

Certain of the Acquisition Transaction Shares will be subject to escrow pursuant terms of the Share Exchange Agreement. See "*Escrowed Securities and Securities Subject to Contractual Restrictions on Transfer*".

See "*Executive Compensation - Employment, Consulting and Management Agreements*" and "*Termination and Change of Control Benefits".*

After the Acquisition Transaction, the Egret Bioscience shareholders no longer have any direct ownership interest in Egret Bioscience but own approximately 46% of the issued and outstanding Common Shares on a non-diluted basis. See "*Consolidated Capitalization*".

Egret Bioscience History

Egret Bioscience was incorporated on July 1, 2020. The underpinnings of its business plans and path to potential commercialization of its planned research efforts stretch back a number of years through the collective academic research, research and analytical testing and experience of its founder and scientific team. Below is a brief biographical description of each relevant member of the scientific team, highlighting such individual's credentials, as well as their role with Lexston and Egret Bioscience. Egret Bioscience has been carrying out the Business, as further described under "*Business of the Corporation Post-Acquisition Transaction."*

Scientific Team

The scientific team of Egret Bioscience includes the following persons.

Dr. Philippe Henry, Director, Chief Scientific Officer of Lexston; Director and Chief Executive Officer of Egret Bioscience
Dr. Philippe Henry is a former professor of evolutionary genetics, and has led numerous scientific initiatives in the cannabis industry. Dr. Henry is an expert in predictive chemo typing, and holds specific interest in bringing transparency, consistency and traceability to the forefront of the psychotropic industry. Dr. Henry holds both a Bachelor of Science degree specializing in Biology, and a Master of Science degree specializing in Biology, Evolution & Conservation, from the University of Lausanne, Switzerland. Dr. Henry completed his Ph.D. in Biology at the University of British Columbia, Okanagan campus.

Dr. Surender Khatodia, Scientific Advisor
Dr. Surender Khatodia has extensive experience as a plant scientist, and has over 10 years of research and development experience implementing plant biotechnology and molecular biology for project management and teaching. Dr. Khatodia has previously worked on genome editing with CRISPR/Cas9, biochemical analytics, transgenic crops, and tissue culture of medicinal plants. He completed his post-doctoral fellowship at the University of Saskatchewan with a focus on plant sciences. He has also provided consultation services for cannabis tissue culture and genetic testing. Dr. Khatodia holds a Master's degree in Biotechnology with Honors from the Panjab University in Chandigarh, India and a Ph.D. in Biotechnology and Molecular Biology with first class honors from the CCS Haryana Agricultural University in Hisar, India.

Oliver Hall, Lab Manager
Mr. Oliver Hall has over five years of lab and research experience in the Medical Genetics space. He has worked with earlier versions of CRISPR gene editing software, hydrocarbon analytics and management, as well as specializing in cannabis tissue culture in recent years. Mr. Hall holds a Bachelor of Science degree with Honors in Medical Genetics from the University of Leicester in the United Kingdom.

Business of the Corporation

The business of the Corporation mainly consists of the business of Egret Bioscience.

The Company is an integrated Canadian cannabis research and development company focused on extraction and associated analytical testing. Egret provides cannabis research and analytical testing services to help licensed producers adopt best practices in cultivation, propagation, traceability, processing, and extraction of naturally derived compounds.

Principal Products and Services

The Company's primary services include the following:

1. Contract Research: Egret provides contract-based research for the detection and screening of the pathogens.
2. Analytical Testing: The Company provides analytical testing services for mid-stream cannabinoid potency and stability testing.
3. Retail Tissue Culture: Egret has optimized nodal tissue culture methods and protocols for cannabis, consisting of a proprietary medium and tissue culture tubes and boxes for the micropropagation of clean cannabis stock.

Research Contracts

Egret has two major research contracts for the detection and screening of the pathogenic Hop Latent Viroid (Hlvd) using RT-qPCR technology and a custom kit developed by Egret. Hlvd is currently ravaging commercial cannabis cultivators in British Columbia with infected plants showing reduced yields of up to 80 to 90%. The Company anticipates offering this service to other licensed producers as demand increases. These could also lead to tissue culture (TC) contracts, as TC is the method of choice to remediate virus infected elite varieties.

An additional research contract for the development of callus and meristem-based propagation and storage is anticipated to start in May 2021.

Analytical Testing

Egret has two contracts in development for mid-stream cannabinoid potency testing and stability testing using the newly acquired HPLC system. Work began in January 2021; however, the lab will not be at capacity until July 2021, when Egret anticipates increasing revenues by adding a number of other accounts for cannabinoid potency testing.

Strategic Initiatives

Egret intends to expand its service portfolio and is currently pursuing various initiatives to develop additional market offerings ("Additional Services") which include the following:

(1) Micro Near Infrared Spectroscopy ("NIR"): Egret intends to acquire and develop technology for a handheld device for cannabinoid potency testing. This technology is planned to be deployed with several interested parties, and revenues may include hardware sales and monthly subscription services. Expected customers include cannabis producers, distributors and sellers, law enforcement agencies and organizations engaged in the research and development of cannabis products. Egret also plans to license the algorithms for the detection and quantification of other narcotics. Egret also plan to leverage its Section 56 exemption to develop NIR algorithm for the rapid detection of psychedelic substances. Egret has prepared a provisional patent application to be submitted to the USPTO.

(2) Bioreactor Technology: Egret Bioscience is in advanced negotiations for licensing a novel plant cell bioreactor process for the mass scale multiplication of cannabinoids. This eliminates the need to grow plants on industrial scale for pharma-grade botanically derived cannabinoids and psychedelics.

(3) Crispr Technology: Egret Bioscience intends to pursue a pilot project for targeted genetic modification that will render a high tetrahydrocannabinol ("THC") expressing cannabis plant into a cannabidiol ("CBD") or cannabigerol ("CBG") expressing plant. This proof-of-concept research is expected to serve as the future platform that Egret Bioscience plans to license to large scale licensed producers for targeted genetic modifications of their crop with extensions beyond cannabinoid expression to pathogen resistance, yield, and other economical traits of interest. The methods will also be submitted as provisional application to the USPTO. These methods will also be extended to the production of bioactive molecules in botanically derived psychedelics.

Subject to the applicable laws, Egret Bioscience plans to diversify into the emerging market of psychedelics for the treatment of addiction, mental illness and psychological disorders by obtaining a dealer's license under Section J of the *Food and Drug Act*, as well as research, clinical and compassionate of psylocibin, psylocin, baecistin, nor-baecistin and other psycedellic substances through exemptions under Section 56 of the *Controlled Drugs and Substances Act* ("CDSA") of Canada. Currently, psilocybin and psilocin are illegal to possess, obtain or produce without a prescription or license as they are classified under Schedule III of CDSA.

Egret's Good Manufacturing Practices ("GMP") controlled growth chambers and Plant Cell Bioreactors (PCBR) have been optimized for the standardized production of botanically derived cannabis compounds at scale. We anticipate the validation of these technologies for the cultivation of psychedelic species of plants and mushrooms through a Section J dealer's license (application to be filed in August 2021).

We intend to amend our cannabis research license to include processing, and to work with strategic partners to run pre-clinical and clinical tests on botanically derived cannabis and psychedelic formulations.

Egret Bioscience notes that in order to conduct any scientific research, including pre-clinical and clinical trials, using psychoactive compounds listed as controlled substances under the CDSA, an exemption under Section 56 of the CDSA ("**Section 56 Exemption**") is required. This exemption allows the holder to possess and use the controlled substance without being subject to the restrictions set out in the CDSA. Egret Bioscience is applying for a Section 56 Exemption from Health Canada in the Spring of 2021. Egret Bioscience further notes that in order to conduct clinical trials using Natural Health Products ("**NHP**"), authorization must be sought from Health Canada under Part IV of the *Natural Health Product Regulations*, once a determination is made to conduct clinical trials of NHPs as part of its Clinical Study Plan (or otherwise). Egret Bioscience believes that its work in obtaining its Section 56 Exemption as well as a Section J dealer's licence, and the data that will be generated from conducting studies thereunder, will help build the foundation for its NHP license application see "*Licenses*".

Facility

Egret Bioscience sub-leases the Facility under a Sublease agreement dated September 30, 2020 with ESP Engineered Site Products (2019) Ltd. Egret Bioscience currently pays $2,000 (plus tax) per month in rent under the Sublease.

Technical Specifications

The Facility has the following characteristics that make it an advantageous location for the Business:

- The Facility is located in West Kelowna, British Columbia and comprises of 1260 square feet of space.
- All security requirements for the Facility will conform to Health Canada's Directive on Physical Security Requirements for Controlled Substances. The Facility will comply with category B "Researchers and Analytical Firms - no distribution".
- The Facility provides Egret Bioscience with opportunity for expansion.

Licenses

The Table below summarizes the existing and additional licenses Egret Bioscience intends to obtain for its operation at the Facility to support to support the Company's research and development (the "**Licenses**"):

Description of type and purpose of License	Jurisdiction and applicable governmental authority	Anticipated timeline to apply for and obtain License[(1)]	Description of application process
Research LIC-X6YITLBRV0-2019-5 held by Philippe Henry to possess and produce cannabis for the purpose of research	Government of Canada through Health Canada	Received	Egret prepared and submitted application to Health Canada.
Analytical testing LIC-X716QUTWJH-2020-1 held by Egret Bioscience to possess, transfer, test and destroy cannabis for the purpose of analytical testing	Government of Canada through Health Canada	Received	Egret prepared and submitted application to Health Canada.
Section 56 exemption for scientific purposes to possess, test, modify controlled substances (Psilocybin and DMT)	Government of Canada through Health Canada	Applied for	Egret submitted the application to Health Canada in March, 2021.
Dealer's license under section J of the Food and Drug Act	Government of Canada through Health Canada	In preparation	Egret/Lexton plans to prepare and submit the application to Health Canada by August 31, 2021.

Notes:
(1) Although Egret Bioscience does not currently anticipate that the COVID-19 pandemic will cause material delays in the timelines set out above, due to the evolving nature of COVID-19 and its impacts, these timelines may require adjustment in the future. (see "*Use of Available Funds – Business Objectives and Milestones*").

See "*Risk Factors — Government Regulation*" and "*Risk Factors – Novel Coronavirus (COVID-19)*".

Competitive Conditions

Controlled Psychoactive Product Market

The market for psychoactive compounds is nascent, given the illegality of most such compounds since the 1960's. As a result, there currently are few legal sources of psychoactive compounds for use in medical research. The FDA's recent granting of Breakthrough Therapy designations to the Usona Institute for psilocybin for the treatment of major depressive disorder and to COMPASS Pathways for psilocybin for the treatment-resistant depression, appears to have increased interest and the number of clinical studies of psilocybin and other psychedelic compounds.

When complete, the Facility is expected to permit the extraction, formulation and pilot scale manufacturing of controlled psychoactive compounds in a single location. Egret Bioscience intends to seek GMP certification for the Facility and to seek a license from Health Canada for the production of a library of psychoactive compounds that will be made available to third parties for use in clinical trials. There can be no guarantee that such a permit will be granted.

Regulated Natural Health Product Market

The market for NHP is already established for compounds derived from fungi. Egret Bioscience intends to develop NHP products to serve an emerging niche segment of consumers seeking NHPs that provide the benefit of psychoactive compounds that are not currently considered controlled substances.

Competitor Comparison

The Corporation will be competing with a range of different entities. The Corporation's proposed development of psychoactive compounds for use in medical research will compete with other more advanced entities that are developing or supplying psychoactive compounds for use in medical research, including clinical trials. The Corporation's proposed development of NHPs will compete with other entities manufacturing and selling NHP using psychoactive compounds or other compounds that may be targeted towards similar indications and conditions as the Corporations NHPs.

Examples of some entities currently operating in businesses similar to the business of the Corporation include::

Competitor	Description of Business	Operations Location	Exchange
Mind Medicine Inc. (MindMed)	Neuro-pharmaceutical drug development platform advancing medicines based on psychedelic substances through rigorous science and clinical trials.	Toronto, ON	NEO: MMED
Numinus Wellness Inc.	Integrative health through the provision of health-related therapies and respective research and development; analytics, testing and research of various controlled substances through its Health Canada licensed laboratory.	Vancouver, BC	TSXV: NUMI
Psygen Inc.	Mental health care company dedicated to accelerating patient access to evidence-based innovation in mental health.	London, UK	Not Listed
Usona Institute	The Usona Institute is a not for profit medical research institution dedicated to supporting and conducting research into the therapeutic effects of psychedelic compounds. Usona supplies psychedelic compounds to certain third parties for clinical research.	Madison, Wisconsin	Not Listed
Fungi Perfecti, LLC	Company specializing in using mushrooms to improve the health of the planet and its people.	Olympia, WA	Not Listed
Four Sigmatic	Company specialized in superfoods, functional mushrooms and adaptogenic herbs.	Los Angeles, CA	Not Listed

Employees, Specialized Skills and Knowledge

As of the date of this Prospectus, the Corporation has no employees (See "*Executive Compensation – Employment, Consulting and Management Agreements*"). The operations of the Corporation are otherwise managed by its directors, officers and consultants. See "*Executive Compensation - Employment, Consulting and Management Agreements*" and "*Termination and Change of Control Benefits".*

As of the date of this Prospectus, Egret Bioscience has a staff of eight, comprising 3 consultants and 5 full-time employees. Egret Bioscience has the qualified personnel required to operate the Facility and to develop research protocols and formulate drug compounds. The academic qualifications of Egret Bioscience's employees and consultants include biochemistry, phytochemistry, chemistry, microbiology and ethnobotany at graduate and doctorate levels, and many consultants have published in peer reviewed journals. In addition to Egret Bioscience's cultivation, extraction and formulation expertise, they also have regulatory, security and production expertise as well.

Propriety Protection

As of the date of this Prospectus, the Corporation will rely on the trade secrets and proprietary knowledge comprising the Intellectual Property of Egret Bioscience.

Economic Dependence

Egret Bioscience is not economically dependent on any customers or suppliers. Its short-term Business will be dependent on its Research and Laboratory and its Section 56 Exemption for its Egret Bioscience business division and a product license for the NHP products in its Egret Retail business division. Its long-term Business will be dependent on being granted a Dealer's License for its Egret Bioscience business division and maintaining a product license for the NHP products in its Egret Bioscience business division.

Cycles

The Corporation believes that the market for psychoactive compounds will not suffer from cyclical or seasonal sales variances.

Foreign Operations

Egret Bioscience currently has no foreign operations and is not dependent on any relationships with foreign suppliers, customers or partners. If and when Egret Bioscience determines to supply its NHP products to consumers and its psychoactive compounds to researchers in foreign jurisdictions, Egret Bioscience will be subject to applicable local laws and regulations, including specific laws and regulations relating to the import of dietary supplements in the case of NHP products and controlled substances in the case of psychoactive compounds.

Environmental Protection

Egret Bioscience's laboratory operations at the Facility will be subject to environmental protection laws and regulations that prescribe methods for storing and disposing of chemicals and controlled compounds, as the operations will involve spores, silica gels, dried mushroom powder, solvents for extraction and chromatographic separations in solvent systems which present potential and low-grade hazard to human health. Prior to commencing its laboratory operations, Egret Bioscience will establish internal policies to comply with all such environmental laws and regulations.

Bankruptcy and Similar Procedures

The Corporation or its subsidiary have not been involved in any bankruptcy, receivership or similar proceedings or any voluntary bankruptcy, receivership or similar proceedings since incorporation or completed during or proposed for the current financial year.

REGULATORY OVERVIEW

The Corporation's business will be engaged in the use of psychoactive compounds or materials that contain psychoactive compounds, namely the transportation, testing, storage and sale of such compounds and product, and as such, will be subject to various regulatory authorities.

Certain psychoactive compounds, such as psilocybin, are considered controlled substances under the CDSA. Specifically, Psilocin (3–[2–(dimethylamino)ethyl]–4–hydroxyindole) and any salt thereof and Psilocybin (3–[2– (dimethylamino)ethyl]–4–phosphoryloxyindole) and any salt thereof, are listed under Schedule III of the CDSA. The possession, sale or distribution of controlled substances is prohibited unless specifically permitted by the government. Penalties for contravention of the CDSA related to Schedule I substances are the most punitive, with Schedule II being less punitive that Schedule I, Schedule III being less punitive than Schedule I and II and so forth. A party may seek government approval for a Section 56 Exemption to allow for the possession, transport or production of a controlled substance for medical or scientific purposes.

Products that contain a controlled substance such as psilocybin cannot be made, transported or sold without proper authorization from the government. A party can apply for Dealer's License under the *Food and Drug Regulations* (Part J). In order to qualify as a licensed dealer, a party must meet all regulatory requirements mandated by the regulations including having compliant facilities, compliant materials and staff that meet the qualifications under the regulations of a senior person in charge and a qualified person in charge. Assuming compliance with all relevant laws (Controlled Drugs and Substances Act, Food and Drugs Regulations) and subject to any restrictions placed on the license by Health Canada, an entity with a Dealer's License may produce, assemble, sell, provide, transport, send, deliver, import or export a restricted drug (as listed in Part J in the Food and Drugs Regulations – which includes psilocybin and psilocin) (see s. J.01.009 (1) of the Food and Drug Regulations).

NHPs are regulated by Health Canada under the Natural Health Products Regulations. Under these regulations an NHP can include an extract or isolate of a substance from an organism such as a fungus if the primary molecular structure of the extract or isolate is identical to that which it had prior to its extraction or isolation. In order to manufacture an NHP in Canada a party must obtain a Site License in accordance with Part 2 of the Natural Health Products Regulations. In order to sell an NHP in Canada a party must obtain a product license in accordance with Part 1 of the Natural Health Products Regulations. Once approved the regulations require detailed record keeping and recall protocols in the event of adverse events.

Drug products in Canada are regulated by Health Canada under the Food and Drugs Act and Food and Drugs Regulations. Health Canada regulates, among other things, research and development activities and the testing, approval, manufacture, quality control, safety, effectiveness, labeling, storage, record keeping, advertising and promotion of any product candidates or commercial products.

For a drug product to be approved in Canada, it must provide sufficient evidence of safety, efficacy and chemical quality based on preclinical investigation and Phase I, II and III clinical trials using approved and compliant manufacturing and clinical sites. Upon satisfying Health Canada of compliance with regulatory compliance, a Notice of Compliance will be issued, and a Drug Identification Number will be assigned to that product. The regulatory approval process is generally lengthy and expensive, with no guarantee of a positive result. Once approved, Health Canada continues to monitor the product and license holders have obligations related to reporting to Health Canada, keeping records and ensuring continued safety and efficacy of the product.

Failure to comply with any of the above applicable regulations, regulatory authorities or other requirements may result in civil or criminal penalties, recall or seizure of products, injunctive relief including partial or total suspension of production, or withdrawal of a product from the market.

USE OF AVAILABLE FUNDS

No Proceeds Raised

No proceeds will be raised, as no securities are being sold pursuant to this Prospectus.

Business Objectives and Milestones

The Corporation's primary business objectives and milestones over the next 12 months are the following:

Objectives	Estimated Timeline	Estimated Cost
Expand and Upgrade Lab Facilities	Phase 1 – March 2021 Phase 2 – November 2021	$150,000 (Completed) $176,000

Construct Lab Facilities

The Corporation is expanding and upgrading its dedicated lab facility for its contract research, analytical testing and retail tissue culture tubes and boxes for the micropropagation of clean cannabis stock. The cost of the Phase 1 lab build out was $150,000 and was completed during the first quarter of 2021. Phase 1 is designed to maintain compliance with the requirements to operate under the Section 56 Exemption. The Corporation also plans to complete a Phase 2 lab build out designed to satisfy the requirements necessary for a Dealer's License, which it aims to complete by the fourth quarter of 2021. The phase 2 lab build out is anticipated to cost $176,000.

The Corporation also recognizes that it may, from time to time, be required to comply with regulatory bodies. The Corporation will ensure that it understands the requirements of each market in which it operates and will maintain and develop protocols to address compliance. Finally, the Corporation endeavours to develop and maintain the appropriate financial processes to provide transparency to its shareholders.

While the Corporation, through Egret Bioscience, intends to pursue these milestones, there may be circumstances where, for valid business reasons or due to factors beyond the control of the Corporation (e.g., the COVID-19 pandemic), a re-allocation of efforts may be necessary or advisable. Although Egret Bioscience does not currently anticipate that the COVID-19 pandemic will cause material delays in the timelines or due to the evolving nature of COVID-19 and its impacts, these timelines and estimates may require adjustment in the future.

Summary Financial Information

Lexston Life Sciences Corp.

The following table sets forth the selected financial information for the period from January 3, 2020 (date of incorporation) to May 31, 2020 and has been derived from the Lexston Life Sciences Corp. Financial Statements, prepared in accordance with IFRS and attached in Schedule A to this Prospectus. The selected financial information should be read in conjunction with the Lexston Life Sciences Corp.'s MD&A and the Lexston Life Sciences Corp. Financial Statements contained elsewhere in this Prospectus.

	For the period from January 3, 2020 (date of incorporation) to May 31, 2020 (audited) $
Statement of Operations Data	
Total revenues	Nil
Total expenses	6,483
Loss and comprehensive loss	(6,483)
Net loss per share (basic and diluted)	(0.00)
Balance Sheet Data	
Current and total assets	170,952
Current and total liabilities	1,960

The following table sets forth the selected financial information for the three-month period ended February 28, 2021 and has been derived from the Lexston Life Sciences Corp. condensed consolidated interim financial statements, prepared in accordance with IFRS and attached in Schedule A to this Prospectus. The selected interim financial information should be read in conjunction with the Lexston Life Sciences Corp.'s MD&A and the Lexston Life Sciences Corp. condensed interim financial statements contained elsewhere in this Prospectus.

	For three-month period ended February 28, 2021 (unaudited) $
Statement of Operations Data	
Total revenues	40,275
Total expenses	26,282
Loss and comprehensive loss	(594,352)
Net loss per share (basic and diluted)	(0.02)
Balance Sheet Data	
Current and total assets	1,211,571
Current and total liabilities	47,384

Egret Bioscience Ltd.

The following table sets forth the selected financial information for the period from July 1, 2020 (date of incorporation) to November 30, 2020 and has been derived from the Egret Bioscience Ltd. Financial Statements and accompanying notes thereto, prepared in accordance with IFRS and attached in Schedule B to this Prospectus. The selected financial information should be read in conjunction with the Egret Bioscience MD&A and the Egret Bioscience Financial Statements contained elsewhere in this Prospectus.

	For the period from July 1, 2020 (date of incorporation) to November 30, 2020 (audited) $
Statement of Operations Data	
Total revenues	38,595
Cost of Sales	24,529
Gross Profit	14,066
Total expenses	86,905
Net loss and comprehensive loss	(72,839)
Net loss per share (basic and diluted)	(0.01)
Balance Sheet Data	
Current and total assets	526,742
Current and total liabilities	557,566

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis for Lexston Life Sciences Corp. is attached to this Prospectus in Schedule A. Lexston's MD&A provides an analysis of Lexston's financial results for the period from January 3, 2020 (date of incorporation) to May 31, 2020, and for the most recently completed quarter ended February 28, 2021, which should be read in conjunction with the condensed interim consolidated financial statements of Lexston for the corresponding periods, and the notes thereto respectively.

The Management's Discussion and Analysis for Egret Bioscience Ltd. is attached to this Prospectus in Schedule B. Egret's MD&A provides an analysis of Egret's financial results for the period from July 1, 2020 (date of incorporation) to November 30, 2020, which should be read in conjunction with the financial statements of Egret for the corresponding periods, and the notes thereto respectively.

Certain information included in Lexston's and Egret's Management's Discussion and Analysis is forward-looking and based upon assumptions and anticipated results that are subject to uncertainties. Should one or more of these uncertainties materialize

or should the underlying assumptions prove incorrect, actual results may vary significantly from those expected. See "*Caution Regarding Forward-Looking Statements*" for further details.

Working Capital
Working Capital of the Corporation at the date of this Prospectus is $1,050,000

Funds Available
The Corporation has used, or intends to use, the available funds as follows:

Item	Funds Allocated
Funds Available	
Working Capital of the Corporation at the date of this Prospectus	$1,050,000
Total Available Funds	$1,050,000
Principal Purposes for the Available Funds	
Cost associated with achieving Phase 1 and 2 business objectives and milestones[(1)]	$176,000
General and administrative costs for 12 months[(2)]	$558,000
Investor relations	$75,000
Marketing plan	$25,000
Expenses related to the Prospectus and the Acquisition Transaction[(3)]	$100,000
Travel and marketing	$25,000
Unallocated working capital	$91,000
Total	$1,050,000

Notes:

(1) See "*Business Objective and Milestones*".

(2) General and administrative costs are broken down as follows: (i) wages and salaries ($450,000), (ii) professional fees ($40,000), (iii) public company maintenance fees ($20,000), and (iv) rent ($48,000).

(3) Estimated costs include costs of: (i) legal counsel to the Corporation; (ii) the auditors with respect to the preparation and audit of the audited financials for the Corporation and Egret Bioscience, and preparation and review of the interim financial statements and pro-forma financial statements and management's discussion and analysis; (iv) securities commission and SEDAR filing fees; and (v) other similar incidental costs relating to the foregoing.

Use of Available Funds
The Corporation's primary business objectives and milestones over the next 12 months are the following:

Objectives	Estimated Timeline	Estimated Cost
Expand and Upgrade Lab Facilities	Phase 1 – March 2021 Phase 2 – November 2021	$150,000 Completed $176,000

The Corporation has a negative operating cash flow for the period ended November 30, 2020. The Corporation has allocated a certain percentage of the proceeds from the working capital to fund negative cash flow from its most recently completed financial period. To the extent that the Corporation has negative operating cash flow in future periods, it may need to allocate a portion of its cash reserves to fund such negative cash flow. The Corporation may also be required to raise additional funds through the issuance of equity or debt securities. There can be no assurance that the Corporation will be able to generate a positive cash flow from its operations, that additional capital or other types of financing will be available when needed or that these financings will be on terms favourable to the corporation (see "*Risk Factors – Negative cash flows and going concern*").

The Corporation intends to spend the funds available to it as stated in this Prospectus. There may be circumstances however, where, for sound business reasons, a reallocation of funds may be necessary. Due to the uncertain nature of the industry in which the Corporation will operate, projects may be frequently reviewed and reassessed. Accordingly, while it is currently intended by management that the available funds will be expended as set forth above, actual expenditures may in fact differ from these amounts and allocations (see "*Risk Factors*").

DIVIDEND POLICY

The Corporation has not declared dividends on any of its shares in the past and does not intend to pay any in the foreseeable future. Any future determination to pay dividends will be at the discretion of the Board of Directors and will depend on the financial condition, business environment, operating results, capital requirements, any contractual restrictions on the payment of dividends and any other factors that the Board of Directors deems relevant.

FINANCIAL STATEMENTS, MANAGEMENT'S DISCUSSION AND ANALYSIS AND SELECTED FINANCIAL INFORMATION

Attached to and forming a part of this Prospectus are the audited financial statements of the Corporation for the period from January 3, 2020 (date of incorporation) and ended May 31, 2020 and the unaudited interim financial statements of the Corporation for the nine months ended February 28, 2021 (included in Schedule "A").

Management's Discussion and Analysis of Financial Results for the Corporation for the period from January 3, 2020 (date of incorporation) and ended May 31, 2020 and Management's Discussion and Analysis of Financial Results for the nine-month period ended February 28, 2021 is included in Schedule "A".

The following selected financial information is subject to the detailed information contained in the financial statements of the Corporation and related notes thereto. The following selected financial information is derived from the unaudited interim financial statements for the nine months ended February 28, 2021 and the audited financial statements for the period ended May 31, 2020.

	For the period ended February 28, 2021 $	**For the period ended May 31, 2020 $**
Total assets	1,309,313	170,952
Working capital surplus	1, 164,187	168,992
Non-current liabilities and debt	Nil	Nil
Total Liabilities	47,384	1,960
Loss for the period	594,352	6,483
Number of Common Shares	49,968,260	8,125,000

DESCRIPTION OF SECURITIES

The Corporation is authorized to issue an unlimited number of Common Shares without nominal or par value of which, as at the date hereof, 49,968,260 Common Shares are issued and outstanding as fully paid and non-assessable Common Shares in the capital of the Corporation.

Common Shares

Holders of Common Shares are entitled to vote at all meetings of shareholders of the Corporation, to receive dividends if, as and when declared by the directors and to participate equally in any distribution of property or assets upon the liquidation, winding-up or other dissolution of the Corporation. There are no special rights or restrictions attached to the Common Shares of the Corporation.

Warrants

On June 25, July 14 and October 16, 2020, the Corporation closed a Private Placement and issued 18,843,260 Units of the Corporation, at a price of $0.075 per unit consisting of one share and one share purchase warrant for gross proceeds of $1,413,245. There are 18,843,260 Warrants issued on June 25, July 14 and October 16, 2020 pursuant to the Private Placement. Each Warrant entitles the holder to purchase one Share at the price of $0.15 for a period of three years from the date of the issuance of the Warrants, subject to the following acceleration clause: if the Shares are listed on a Canadian stock exchange and trade at the price of $0.40 or higher for ten consecutive business days, the Warrants will expire within 30 days from the 10th business day during which the Shares traded at the price of $0.40 or higher.

Options

The Corporation has 2,000,000 stock options issued, each exercisable at a price of $0.10 and expiring on January 18, 2026.

CONSOLIDATED CAPITALIZATION

The following table summarizes the Corporation's capitalization on May 31, 2020 and as of the date of this Prospectus and is qualified in its entirety by the Corporation's unaudited interim financial statements for the nine-month period ended February 28, 2021:

Description	Outstanding as at May 31, 2020	Outstanding as at the date of this Prospectus
Common Shares	8,125,000(1-2)	49,968,260(1-6)
Warrants	Nil	18,843,260(3-5)
Incentive Stock Options	Nil	2,000,000(7)
Total:	8,125,000	70,811,520

Notes:

(1) On January 10, 2020, the Company issued 4,500,000 founders shares at $0.005 for proceeds of $22,500, which included 1,500,000 founders shares to the Chief Executive Officer of the Company for proceeds of $7,500.

(2) On May 14, 2020, the Company issued 3,625,000 common shares at $0.02 per share for total proceeds of $72,500, which included 1,800,000 common shares to directors and officers of the Company for proceeds of $36,000.

(3) On June 25, 2020 the Company issued 7,139,932 units of the Company for proceeds of $535,495, of which $80,475 was received prior to May 31, 2020. Each unit is comprised of one common share of the Company and one share purchase warrant of the Company which entitles the holder to purchase one additional common share of the Company at $0.15 per share for a period of three years from the date of issuance subject to the following acceleration clause: if the common shares of the Company are listed on a Canadian stock exchange and trade at a price of $0.40 per share or higher for ten consecutive business days, the share purchase warrants will expire within 30 days from the date when the acceleration clause was achieved.

(4) On July 14, 2020, the Company issued 8,996,664 units of the Company for proceeds of $674,750 where each unit is comprised of one common share of the Company and one share purchase warrant of the Company which entitles the holder to purchase one additional common share of the Company at $0.15 per share for a period of three years from the date of issuance subject to the following acceleration clause: if the common shares of the Company are listed on a Canadian stock exchange and trade at a price of $0.40 per share or higher for ten consecutive business days, the share purchase warrants will expire within 30 days from the date when the acceleration clause was achieved.

(5) On October 20, 2020, the Company issued 2,706,664 units of the Company for proceeds of $203,000 where each unit is comprised of one common share of the Company and one share purchase warrant of the Company which entitles the holder to purchase one additional common share of the Company at $0.15 per share for a period of three years from the date of issuance subject to the following acceleration clause: if the common shares of the Company are listed on a Canadian stock exchange and trade at a price of $0.40 per share or higher for ten consecutive business days, the share purchase warrants will expire within 30 days from the date when the acceleration clause was achieved.

(6) On February 4, 2021 the Company issued 23,000,000 common shares of the Company pursuant to the Share Exchange Agreement dated September 25, 2020.

(7) On January 18, 2021 the Company granted 2,000,000 incentive stock options at a price of $0.10 and expiring January 18, 2026. The options issued to related persons are subject to a vesting schedule

OPTIONS TO PURCHASE SECURITIES

The Corporation has adopted an incentive stock option plan (the "**Stock Option Plan**") pursuant to which it has issued options to purchase an aggregate of 2,000,000 Common Shares as set out in the table below (the "**Stock Options**"). The Stock Options are qualified for distribution pursuant to this Prospectus.

The Stock Option Plan provides that the Board of Directors of the Corporation may from time to time, in its discretion, and in accordance with Exchange requirements, grant to directors, officers and technical consultants to the Corporation, non-transferable options to purchase Common Shares, provided that the number of Common Shares reserved for issuance will not exceed 10% of the Corporation's issued and outstanding Common Shares, exercisable for a period of up to a maximum of ten years from the date of grant,. The number of Common Shares reserved for issuance to any individual director or officer will not exceed 5% of the issued and outstanding Common Shares and the number of Common Shares reserved for issuance to all technical consultants will not exceed 2% of the issued and outstanding Common Shares. Options may be within 90 days following cessation of the Optionee's position with the Corporation, provided that if the cessation of office, directorship or technical consulting arrangement was by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option. The Stock Option Plan is available on www.sedar.com.

The Corporation has an aggregate of 2,000,000 incentive Stock Options outstanding under the Plan, as summarized in the following table:

Group	Number of Options/ Rights[(1)]	Securities Under Options/ Rights	Grant Date	Expiry Date	Exercise Price per Common Share ($)	Market Value of Common Shares on Grant Date[(1)] ($)	Market Value of Common Shares as of Date of Prospectus[(1)] ($)
Executive officers and past executive officers of the Corporation as a group	666,667	666,667	Jan 18, 2021	Five years from date of issuance	$0.10	N/A	N/A
Directors and past directors of the Corporation as a group	444,444	444,444	Jan 18, 2021	Five years from date of issuance	$0.10	N/A	N/A
Consultants and other non-executive personnel of the Corporation as a group	888,889	888,889	Jan 18, 2021	Five years from date of issuance	$0.10	N/A	N/A
TOTAL:	**2,000,000**						

Note:
(1) The Corporation's Shares do not yet trade on any market.

PRIOR SALES

Prior Sales of the Corporation

The following table summarizes the sales of securities of the Corporation or the sale of securities by a Related Person over the twelve (12) month period prior to the date of this Prospectus:

Date	Price per Security ($)	Number and Type of Security	Reason for Issuance
January 10, 2020	$0.005	4,500,000 Common Shares	Private Placement for $22,500[(1)]
May 14, 2020	$0.02	3,625,000 Common Shares	Private Placement for $72,500[(2)]
June 25, 2020	$0.075	7,139,932 Common Shares	Private Placement for $535.495[(3)]
July 14, 2020	$0.075	8,996,664 Common Shares	Private Placement for $674,750[(4)]
October 20, 2020	$0.075	2,706,664 Common Shares	Private Placement for $203,000[(5)]
February 4, 2021	$0.075	23,000,000 Common Shares	Share Exchange Agreement valued at $1,725,000[(6)]

Notes:
(1) Issued in connection with a private placement of 4,500,000 Common Shares at $0.005 for aggregate proceeds of $22,500.
(2) Issued in connection with a private placement of 3,625,000 Common Shares at $0.02 for aggregate proceeds of $72,500.
(3) Issued in connection with a private placement of 7,139,932 Common Shares at $0.075 for aggregate proceeds of $535,495.
(4) Issued in connection with a private placement of 8,996,664 Common Shares at $0.075 for aggregate proceeds of$674.750.
(5) Issued in connection with a private placement of 2,706,664 Common Shares at $0.075 for aggregate proceeds of$203,000.
(6) Issued in connection of the Share Exchange Agreement dated September 25, 2020 independent valuation at $1,725,000

Trading Price and Volume

The securities of the Corporation are not traded or quoted on any stock exchange or other marketplace.

ESCROWED SECURITIES AND OTHER SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

None of the Corporation's issued shares are held in escrow or are subject to a contractual restriction on transfer. Pursuant to the policies of the CSE, all securities of the Corporation held by a principal will be subject to escrow restrictions in accordance with National Policy 46-201 "Escrow for Initial Public Offerings" ("**NP 46-201**"). A principal who holds securities carrying less than 1% of the voting rights attached to the Corporation's outstanding securities following the listing will not be subject to the escrow requirements under NP 46-201. Under the NP 46-201, a "principal" is defined as:

(a) a person or company who acted as a promoter of the issuer within two years before the IPO Prospectus;
(b) a director or senior officer of the issuer or any of its material operating subsidiaries at the time of the IPO Prospectus;
(c) a 20% holder – a person or company that holds securities carrying more than 20% of the voting rights attached to the issuer's outstanding securities immediately before and immediately after the issuer's IPO; or
(d) a 10% holder – a person or company that (i) holds securities carrying more than 10% of the voting rights attached to the issuer's outstanding securities immediately before and immediately after the issuer's IPO and (ii) has elected or appointed, or has the right to elect or appoint, one or more directors or senior officers of the issuer or any of its material operating subsidiaries.

To the best of the knowledge of the Corporation, the following table discloses the names and municipalities of residence of the securityholders, the number of Common Shares anticipated to be held in escrow upon completion of the listing pursuant to 46-201 and on voluntary basis, and the percentage that those numbers represent of the outstanding Common Shares.

Name and Municipality of Residence of Securityholder	Designation of Class	After Giving Effect to the Proposed Transaction	
		No. of Common Shares to be held in escrow	Percentage of Class (undiluted)
Jagdip Bal | Surrey, BC	Common Shares	1,800,000	3.60%
Clinton Sharples | Toronto, ON	Common Shares	1,500,000	3.00%
Andrew Prowse | Vancouver, BC	Common Shares	1,500,000	3.00%
Dimitrios Mitrakos | Toronto, ON	Common Shares	500,000	1.00%
Harinder Bains | Surrey, BC	Common Shares	500,000	1.00%
Jatinder J Manhas, Surrey, BC	Common Shares	500,000	1.00%
Philippe Henry | West Kelowna, BC	Common Shares	6,625,000	13.26%
Kyle Remenda | Lake Country, BC	Common Shares	6,375,000	12.76%
Surender Khatodia | Kelowna, BC	Common Shares	300,000	0.60%
Ashleigh-Ann Watts | Lake Country, BC	Common Shares	125,000	0.25%
Peter Yuzek | Kelowna, BC	Common Shares	600,000	1.20%
Graeme Staley | Kelowna, BC	Common Shares	600,000	1.20%
Cevello Management Corp. | Kelowna, BC	Common Shares	250,000	0.50%
Alison Henry | West Kelowna, BC	Common Shares	125,000	0.25%

The Corporation is expected to be an "emerging issuer" for the purposes of 46-201 and accordingly, a principal's escrowed securities in an emerging issuer will be released as follows:

- On the date the issuer's securities are listed on a Canadian exchange (the listing date) - 1/10 of the escrow securities:
- 6 months after the listing date 1/6 of the remaining escrow securities;
- 12 months after the listing date 1/5 of the remaining escrow securities;
- 18 months after the listing date 1/4 of the remaining escrow securities;
- 24 months after the listing date 1/3 of the remaining escrow securities;
- 30 months after the listing date 1/2 of the remaining escrow securities; and
- 36 months after the listing date the remaining escrow securities.

PRINCIPAL SHAREHOLDERS

To the knowledge of the directors and officers of the Corporation, as of the date of this Prospectus no person beneficially owns or exercises control or direction over Common Shares carrying more than 10% of the votes attached to Common Shares other than the following:

Name	Nature of Holdings	Number of Common Shares	Percentage of Issued and Outstanding Common Shares (undiluted)	Percentage of Issued and Outstanding Common Shares (fully diluted)
Philippe Henry	Direct	6,625,000	13.26%	9.36%
Kyle Remenda	Direct	6,375,000	12.76%	9.00%

Directors and Executive Officers

The following table sets forth certain information about the Corporation's current directors and executive officers and the current executive officers of its subsidiaries:

Name and Municipality of Residence	Position Held	Date First Elected or Appointed
Jagdip S Bal[1][2] Surrey, BC	President, Chief Executive Officer, and Director	Director and Officer since January 3, 2020
Dimitrios Mitrakos Toronto, ON	Chief Financial Officer and Corporate Secretary	Officer since January 22, 2020
Harinder Bains[1] Surrey, BC	Director	Director since January 22, 2020
Jatinder J Manhas[1] Surrey, BC	Director	Director since January 22, 2020
Dr. Philippe Henry	Director, Chief Scientific Officer of the Issuer; Director and Chief Executive Officer of Egret Bioscience	Director and Officer since February 12, 2021 and the Director and CEO of Egret Bioscience since its incorporation

Notes:
(1) Member of the Audit Committee
(2) Chairman of the Audit Committee.

All directors hold office until their successors are duly appointed or until their earlier resignation or removal. As at the date herein, as a group, the directors and executive officers of the Corporation held an aggregate of 9,925,000 Common Shares or 19.86% of the issued and outstanding Common Shares in the capital of the Corporation.

Jagdip S. ("Jag") Bal - *President, Chief Executive Officer and Director* (Age: 48)
Mr. Bal has been the President, Chief Executive Officer and a Director of the Corporation since inception on January 3, 2020. He is President of Infinity Alliance Corp. since November 2003, a private company that invests in growth companies and provides consulting services for investor relations, corporate finance, business development, mergers and acquisitions for companies listed in Canada. From November 2006 to November 2008, Mr. Bal was President and CEO of Infinity Alliance Ventures Corp. (TSXV) a capital pool company which later acquired CBM Asia Development Corp. (TSXV) a coal-bed methane company with assets in Indonesia. From December 2006 to April 2007, Mr. Bal was president and director of Alma Resources (TSXV), a resource company with assets in Mexico. From December 2012 to September 2018 Mr. Bal was president and director of Heritage Cannabis Holdings Corp. (CSE: CANN), a vertically integrated cannabis provider. Mr. Bal works part-time for the Corporation and will devote approximately 90% of his time to perform the work required in connection with the management of the Corporation. He is an independent contractor. Mr. Bal has not entered into a non-competition or non-disclosure agreement with the Corporation.

Dimitrios ("Jim") Mitrakos, CPA, CA – *Chief Financial Officer and Corporate Secretary* (Age: 46)
Mr. Jim Mitrakos has been the Chief Financial Officer and Corporate Secretary of the Corporation since January 22, 2020. He holds a Bachelor of Commerce degree from the University of Toronto. He is Certified Public Accountant and Chartered Accountant in Ontario. He currently serves as the President and Chief Financial Officer of Modu-Loc Fence Rentals, LP, a business providing fences to various industries. Prior to this role, Jim served as Modu-Loc's Chief Operating Officer and Chief Financial Officer for 4 years. From 2008 to 2013, Jim served as the President and Chief Operating Officer of Paramount Pallet, Inc, a national pallet supplier. Prior to that, Jim spent 3 years as Paramount Pallet, Inc. Chief Financial Officer. In addition to these roles, Jim has been an active Partner of a private venture capital company, First Growth Management, Inc. ("FGM"), since June 2005. First Growth Management invests primarily in small, growth-based businesses, mid-sized asset-based organizations and early-stage public companies. FGM is dedicated to helping outstanding entrepreneurs build successful companies, offering valuable resources including capital, management, governance, marketing, public relations and a wide network of contacts in many industries.

Mr. Mitrakos will devote the time necessary to perform the work required in connection with fulfilling his duties as the Chief Financial Officer of the Corporation which is estimated to be approximately 20% of his time. He works part-time for the Corporation and is an independent contractor. Mr. Mitrakos has not entered into a non-competition or non-disclosure agreement with the Corporation.

Harinder ("Harry") Bains – *Director* (Age: 39)
Mr. Bains has been a Director of the Corporation since January 22, 2020. Mr. Bains is in private practice as a Barrister & Solicitor, registered with the Law Society of British Columbia since 2009. He holds a Bachelor of Business Administration degree from the British Columbia Institute of Technology and a Bachelor of Laws degree from the University of British Columbia.

Mr. Bains will devote the time necessary to perform the work required in connection with fulfilling his duties as a Director of the Corporation which is estimated to be approximately 10% of his time. He is an independent contractor and works part-time for the Corporation. Mr. Bains has not entered into a non-competition or non-disclosure agreement with the Corporation.

Jatinder J. ("JJ") Manhas – *Director* (Age: 44)
Mr. Manhas has been a Director of the Corporation since January 22, 2020. Mr. Manhas is currently employed in a Sales Management role in the Industrial Manufacturing field and has been in this industry for over 15 years. He holds a Bachelor of Business Administration degree from the British Columbia Institute of Technology and a Diploma in International Trade and Transportation from the British Columbia Institute of Technology.

Mr. Manhas will devote the time necessary to perform the work required in connection with fulfilling his duties as a Director of the Corporation which is estimated to be approximately 10% of his time. He works part-time for the Corporation and is in an independent contractor. Mr. Manhas has not entered into a non-competition or non-disclosure agreement with the Corporation.

Philippe Henry, Ph.D. – Director and Chief Scientific Officer (Age: 38)
Dr. Henry holds a doctoral degree in evolutionary genetics from the University of British Columbia, Master of Science and Bachelor of Science degrees from the University of Lausanne (Lausanne, Switzerland) and has served as an adjunct professor at the University of Northern British Columbia. Widely published and a speaker on Cannabis science, Philippe was the first scientist to make discoveries of linkages between single nucleotide polymorphisms (SNPs) and Cannabis traits using the Lighthouse SNP array. Based in West Kelowna, Philippe is founder of Egret. Philippe is the visionary behind Egret's transition to the psychedelic space, leveraging his expertise in cultivation, propagation, traceability and testing of controlled substances.

During the last five years his principal occupation or employment was: a) from 2017 until 2020 he the Chief Science Officer at VSSL Enterprises Ltd., a company providing research and analytical testing for cannabis industry; b) from 2018 until 2019 he was Vice President of The Flowr Group (Okanagan) Inc., a cannabis grower; and c) from 2015 to 2017 he was Vice President of Business Development at E.S.P. Engineered Site Products Ltd., a company providing support for construction detailing and design assistance.

Mr. Henry will devote the time necessary to perform the work required in connection with fulfilling his duties as a Director and Chief Scientific officer of the Corporation which is estimated to be approximately 100% of his time. He is an independent contractor and works full-time for the Corporation. Mr. Henry has not entered into a non-competition or non-disclosure agreement with the Corporation.

Corporate Cease Trade Orders or Bankruptcies

No director, officer, Insider or Promoter or a shareholder of the Corporation holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation is, or within ten years before the date of the Prospectus, has been, a director, officer, Insider or Promoter of any other Issuer that, while that person was acting in that capacity, (a) was the subject of a cease trade or similar order, or an order that denied such Issuer access to any statutory exemptions for a period of more than 30 consecutive days; or (b) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Penalties or Sanctions

Other than Andrew Prowse and Clinton Sharples as disclosed below, no director, officer, Insider or Promoter of the Corporation, or a shareholder of the Corporation holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation, has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or has been subject to any other penalties or sanctions imposed by a court or regulatory body or self-regulatory authority that would likely be considered important to a reasonable investor in making an investment decision.

In 2002 Mr. Prowse, a Promoter of the Corporation, was sanctioned by the British Columbia Securities Commission for failing to file his insider reports on time. The penalties were: 1) 18 months prohibition from trading in securities except for trading in securities for his own account; 2) prohibition from becoming or acting as a director or officer of any reporting issuer (other than Liquid Gold Resources Inc.) for 18 months; and 3) administrative penalty of $5,000 and costs.

In 2009 Mr. Sharples, a Promoter of the Corporation, was sanctioned by the British Columbia Securities Commission. Thermal Energy Corp was issued a Cease Trade until the company clarified some corporate information. All directors were required to complete various TSX Venture Workshops as a result.

Personal Bankruptcies

No director, officer, Insider or Promoter of the Corporation, or a shareholder of the Corporation holding a sufficient number of

securities of the Corporation to affect materially the control of the Corporation, or a personal holding company of any such persons has, within the 10 years before the date of this Prospectus, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or has been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold such person's assets.

Conflicts of Interest

There are potential conflicts of interest to which the directors, officers, Insiders and Promoters of the Corporation will be subject in connection with the operations of the Corporation. All of the directors, officers, Insiders and Promoters are engaged in and will continue to be engaged in corporations or businesses which may be in competition with the Corporation. Accordingly, situations may arise where some or all of the directors, officers, Insiders and Promoters will be in direct competition with the Corporation. Conflicts, if any, will be subject to the procedures and remedies as provided under the *Business Corporations Act* (British Columbia).

STATEMENT OF EXECUTIVE COMPENSATION

The following information is provided in accordance with Form 51-102F6V - *Statement of Executive Compensation - Venture Issuers*, for the financial year ended May 31, 2020.

General

The purpose of the following is to provide information about the Corporation's philosophy, objectives and processes regarding compensation of the Corporation's directors and for the following executive officers of the Corporation (referred to herein as "**Named Executive Officers**"):

(a) each individual who, in respect of the Corporation, during any part of the most recently completed financial year, served as chief executive officer, including an individual performing functions similar to a chief executive officer;
(b) each individual who, in respect of the Corporation, during any part of the most recently completed financial year, served as chief financial officer, including an individual performing functions similar to a chief financial officer;
(c) in respect of the Corporation and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than $150,000, as determined in accordance with subsection 1.3(5) of Form 51-102F6V, for that financial year;
(d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the Corporation, and was not acting in a similar capacity, at the end of that financial year.

The Named Executive Officers of the Corporation during the last completed fiscal year of the Corporation ending on May 31, 2020 ("**Fiscal 2020**") were Jagdip Bal, the President, Chief Executive Officer, Director and Dimitrios Mitrakos the Chief Financial Officer and Corporate Secretary of the Corporation. There were no other Named Executive Officers during Fiscal 2020.

The following individuals served as directors of the Corporation during Fiscal 2020: Jagdip Bal, Harinder Bains and Jatinder Manhas.

Compensation Discussion and Analysis - Oversight and Description of Directors and Named Executive Officers Compensation

Compensation of Named Executive Officers

During Fiscal 2020, the Corporation did not have a formal compensation committee. The Corporation's board of directors (the "**Board**") informally discussed and approved the compensation to the Named Executive Officers, ensuring that total compensation paid to all Named Executive Officers is fair and reasonable and is consistent with the Corporation's compensation philosophy.

The Corporation only recently began to generate revenue and will rely on equity financings to fund the expansion of the current primary services and the intended development of additional market offerings, including Micro Near Infrared Spectroscopy, Bioreactor Technology, Crispr Technology and general corporate activities. Therefore, as the Corporation seeks to attract, retain and motivate highly skilled and experienced executive officers, it must at the same time consider current market and industry circumstances and the Corporation's liquidity and ability to raise further capital.

Executive Compensation Philosophy and Objectives

The Corporation's principal goal is to create value for its shareholders. The Corporation's compensation philosophy reflects this goal, and is based on the following fundamental principles:

- Compensation programs align with shareholder interests – the Corporation aligns the goals of executives with maximizing long term shareholder value;
- Performance sensitive – compensation for executive officers should be linked to operating and market performance of the Corporation and fluctuate with the performance; and
- Offer market competitive compensation to attract and retain talent – the compensation program should provide market competitive pay in terms of value and structure in order to retain existing employees who are performing according to their objectives and to attract new individuals of the highest calibre.

The Corporation does not have a formal compensation program with set benchmarks; however, the Corporation does have an informal program designed to encourage, compensate and reward employees on the basis of individual and corporate performance, both in the short and the long term, and to align the interests of executive officers with the interest of the Corporation's shareholders. This alignment of interests is achieved by making long term equity-based incentives through the granting of stock options, a significant component of executive compensation (on the assumption that the performance of the Corporation's common share price over the long term is an important indicator of long-term performance).

The objectives of the compensation program in compensating the Named Executive Officers are derived from the above-mentioned compensation philosophy and are as follows: to attract, motivate and retain highly skilled and experienced executive officers; to align the interests of executive officers with shareholders' interests and with the execution of the Corporation business strategy; and, to tie compensation directly to measurements and rewards based on achieving and exceeding performance expectations.

Competitive Compensation

The Corporation is dependent on individuals with specialized skills and knowledge related to the research and analytical testing services, corporate finance and management. Therefore, the Corporation seeks to attract, retain and motivate highly skilled and experienced executive officers by providing competitive compensation. The Board reviews data related to compensation levels and programs of various companies that are similar in size to the Corporation and operate within the research and analytical testing industry. The Board also relies on the experience of its members as officers and/or directors at other companies in similar lines of business as the Corporation in assessing compensation levels. These other companies are identified below under the heading "*Corporate Governance*".

The purpose of this process is to:

- understand the competitiveness of current pay levels for each executive position relative to companies with similar revenues and business characteristics;
- identify and understand any gaps that may exist between actual compensation levels and market compensation levels; and
- establish a basis for developing salary adjustments and short-term and long-term incentive awards.

Elements of Executive Compensation

A combination of fixed and variable compensation is used to motivate executives to achieve overall corporate goals. For the financial year ended May 31, 2020, the three basic components of executive officer compensation were:

- base salary;
- annual incentives (cash bonus); and
- option-based awards (long term compensation).

Base salary comprises the portion of executive compensation that is fixed, whereas annual incentives and option based compensation represent compensation that is "at risk" and thus may or may not be paid to the respective executive officer depending on: (i) whether the executive officer is able to meet or exceed his or her applicable performance expectations; (ii) market performance of the Corporation's common shares; and, (iii) the Corporation's liquidity and ability to raise further capital in the prevailing economic environment.

No specific formulae have been developed to assign a specific weighting to each of these components. Instead, the Board reviews each element of compensation for market competitiveness, and it may weigh a particular element more heavily based on the Named Executive Officer's role and responsibilities within the Corporation. The focus is on remaining competitive in the market with respect to 'total compensation' as opposed to within any one component of executive compensation.

The Board reviews and approves on an annual basis the cash compensation, performance and overall compensation package of each Named Executive Officers, with appropriate abstentions for conflict, if applicable.

Base Salary

The Board of directors approve the salary ranges for the Named Executive Officers. Base salaries are set with the goal of being competitive with corporations of a comparable size and at the same stage of development, thereby enabling the Corporation to compete for and retain executives critical to the Corporation's long-term success. In determining the base salary of an executive officer, the Board places equal weight on the following criteria:

- the particular responsibilities related to the position;
- salaries paid by comparable businesses;
- the experience level of the executive officer; and
- his or her overall performance or expected performance (in the case of a newly hired executive officer).

The Board makes an assessment of these criteria, and using this information together with budgetary guidelines and other internally generated planning and forecasting tools, performs an annual assessment of the compensation of all executive officer and employee compensation levels. To date, comparative data for the Corporation's peer group has been accumulated internally, without the use of any external independent consultants or compensation specialists.

For employees of the Corporation, management is responsible for preparing an individual evaluation process for each employee and then conducting reviews on an annual basis. The evaluation framework is objective where a number of factors are judged for each employee.

Annual incentives (Cash Bonus)

Executive officers are eligible for an annual discretionary bonus, payable in cash. The Board approves such annual incentives and assesses each active Named Executive Officers' performance and his or her respective contribution to the Corporation's success, and after taking into account the financial and operating performance of the Corporation, makes a decision. In the financial year ended May 31, 2020, the Board did not pay any bonuses to the Named Executive Officers or other employees in light of the prevailing economic conditions and the Corporation's desire to preserve capital.

Option based awards (Long-Term Compensation)

The Corporation has adopted a formal Stock Option Plan. See "*Options to Purchase Securities*" for details of the Stock Option Plan.

Compensation of Directors

The Board of Directors sets the compensation received by directors. Currently, the Corporation does not compensate its directors in their capacity as directors of the Corporation except that each director is eligible to receive stock options granted pursuant to the Corporation's stock option plan.

Director and Named Executive Officer Compensation

Director and Named Executive Officer Compensation, Excluding Stock Options and Other Compensation Securities

The following table sets forth information concerning the total compensation paid from incorporation until the end fiscal year ended May 31, 2020.

TABLE OF COMPENSATION EXCLUDING COMPENSATION SECURITIES							
Name and Position	**Fiscal Year Ended May 31, 2020**	**Salary, Consulting Fee, Retainer or Commission ($)**	**Bonus ($)**	**Committee or Meeting Fees ($)**	**Value of Perquisites ($)**	**Value of all Other Compensation ($)**	**Total Compensation ($)**
Jagdip S Bal Director, President and CEO	2020	Nil	Nil	Nil	Nil	Nil	Nil
Dimitrios Mitrakos CFO and Corporate Secretary	2020	Nil	Nil	Nil	Nil	Nil	Nil
Harinder Bains Director	2020	Nil	Nil	Nil	Nil	Nil	Nil
Jatinder Manhas Director	2020	Nil	Nil	Nil	Nil	Nil	Nil

External Management Companies

None of the Named Executive Officers are employees of the Corporation. The Corporation has not entered into any agreements or arrangements with any external management company for the provision of services by any of the Named Executive Officers.

Stock Options and Other Compensation Securities

As of the date of this Prospectus, the Corporation has 2,000,000 Stock Options outstanding. On January 18, 2021, the Corporation granted 1,111,111 common share purchase options to directors and officers of the Corporation. The stock options are exercisable at a price of $0.10 per share, expire in five years and are subject to the following vesting schedule: 10% of the options will vest on listing of the common shares of the Company on a securities exchange in Canada and 15% every six months after listing.

No stock options or other compensation securities were granted or exercised during the most recent fiscal year of 2020.

Other than as described above, no other stock options or other compensation securities were issued or outstanding as the end of fiscal year 2020 and as of the date of this Prospectus.

Stock Option Plans and Other Incentive Plans

The Corporation has established a formal Stock Option Plan. See "*Options to Purchase Securities*" for details.

Employment, Consulting and Management Agreements

There are no management functions of the Corporation that are to any substantial degree performed by a person or Corporation other than the directors or executive officers (or private companies controlled by them, either directly or indirectly) of the Corporation.

Pension Disclosure

The Corporation does not have any defined benefit or defined contribution pension plans in place which provide for payments or benefits at, following, or in connection with retirement.

Changes to Executive Compensation

Since the completion of the most recent fiscal year, the Company granted stock options on January 18, 2021 (see *"Stock Option Plans and Other Incentive Plans")* and is paying $7,500 per month to Dr. Phillippe Henry, the Chief Science Officer (**"CSO"**), who was appointed on February 12, 2021. Before February 12, 2021, Dr. Henry received $6,250 monthly compensation from Egret Bioscience commencing November and December, 2020 and $7,500 monthly compensation thereafter.

Subject to the available cash, revenues and financial position of the Corporation, the Corporation expects to pay cash compensation in the amount of approximately $7,500 per month to the CEO and $7,500 per month to the CSO during the next twelve months. During the next twelve months, the Corporation is likely to grant additional Stock Options to its directors, officers and consultants in accordance with the terms of the Stock Option Plan. As of the date of the Prospectus, the Corporation can grant an additional 2,996,826 Stock Options pursuant to the Stock Option Plan.

Stock Option Plans and Other Incentive Plans

As stated above, the Corporation has 2,000,000 Stock Options outstanding and 2,996,826 Stock Options available for issuance under its Stock Option Plan (see "*Options to Purchase Securities* "). The following table sets forth details for all Stock Options granted to the directors and officers of the Corporation. The Corporation had no other compensation securities issued or outstanding or approved for issuance other than the following.

COMPENSATION SECURITIES							
Name and Position[2]	**Number of Stock Options[1] (#)**	**Number of Underlying Securities and Percentage of Class (#)**	**Date of Issue or Grant**	**Issue, Conver-sion or Exercise Price ($)**	**Closing Price of Security or Underlying Security on Date of Grant[1] ($)**	**Closing Price of Security or Underlying Security At Year End Fiscal 2020[1] ($)**	**Expiry Date**
Jagdip Bal President, Chief Executive Officer and Director	222,223	222,223 (0.44%)	Jan 18, 2021	$0.10	N/A	N/A	Five years from date of issuance
Dimitrios Mitrakos Chief Financial Officer and Corporate Secretary	222,222	222,222 (0.44%)	Jan 18, 2021	$0.10	N/A	N/A	Five years from date of issuance
Harinder Bains Director	222,222	222,222 (0.44%)	Jan 18, 2021	$0.10	N/A	N/A	Five years from date of issuance
Jatinder Manhas Director	222,222	222,222 (0.44%)	Jan 18, 2021	$0.10	N/A	N/A	Five years from date of issuance
Philippe Henry Director, CSO	222,222	222,222 (0.44%)	Jan 18, 2021	$0.10	N/A	N/A	Five years from date of issuance

Notes:
(1) The Corporation's Shares do not yet trade on any market.
(2) All Stock Options and are subject to the following vesting schedule: 10% of the options will vest on listing of the common shares of the Company on a securities exchange in Canada and 15% every six months after listing.

Employment, Consulting and Management Agreements

There are no management functions of the Corporation that are to any substantial degree performed by a person or Corporation other than the directors or executive officers (or private companies controlled by them, either directly or indirectly) of the Corporation.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the directors and officers of the Corporation, any proposed management nominee for election as a director of the Corporation or any associate of any director, officer or proposed management nominee is or has been indebted to the Corporation at any time during the last completed financial year.

CORPORATE GOVERNANCE

Pursuant to National Policy 58-101 Disclosure of Corporate Governance Practices, the Corporation is required to and hereby discloses its corporate governance practices as follows:

Board of Directors

The Board of Directors of the Corporation facilitates its exercise of independent supervision over the Corporation's management through frequent meetings of the Board.

Harinder Bains and Jatinder Manhas are "independent" board members in that they are independent and free from any interest and any business or other relationship which could or could reasonably be perceived to, materially interfere with the director's ability to act with the best interests of the Corporation, other than the interests and relationships arising from shareholders.

Jagdip Bal is not independent due to his position as the CEO of the Corporation. Philippe Henry is not independent due to his position as the CSO of the Corporation.

Directorships in Other Reporting Issuers

None of the current directors and officers are presently directors or officers of other reporting issuers.

Orientation and Continuing Education

The Corporation has not developed an official orientation or training program for new directors as required, new directors will have the opportunity to become familiar with the Corporation by meeting with other directors and its officers and employees. Orientation activities will be tailored to the particular needs and expertise of each director and the overall needs of the Board.

Ethical Business Conduct

The Corporation does not currently have a formal code of business conduct or policy in place for its directors, officers, employees and consultants. The Board believes that the Corporation's size facilitates informal review of and discussions with employees and consultants. The Board monitors ethical conduct of the Corporation and ensures that it complies with applicable legal and regulatory requirements, such as those of relevant securities commissions and stock exchanges. The Board has found that the fiduciary duties placed on individual directors by the Corporation's governing corporate legislation and the common law, as well as the restrictions placed by applicable corporate legislation on the individual director's participation in decision of the Board in which the director has an interest, have been sufficient to ensure that the Board operates independently of management and in the best interests of the Corporation.

Nomination of Directors

The Board has not appointed a nominating committee as the Board fulfills these functions. When the Board identifies the need to fill a position on the Board, the Board requests that current Directors forward potential candidates for consideration.

Compensation

The Board makes decisions regarding compensation.

Market comparisons as well as evaluation of similar positions in different industries in the same geography are the criteria used in determining compensation, the objective being to set compensation levels to attract and retain individuals of high calibre to serve as officers of the Corporation, to motivate their performance in order to achieve the Corporation's strategic objectives and to align the interests of executive officers with the long-term interests of the Shareholders, while at the same time preserving cash flows. The Board of Directors will set the compensation so as to be generally competitive with the compensation received by persons with similar qualifications and responsibilities who are engaged by other companies of corresponding size, stage of development, having similar assets, number of employees, market capitalization and profit margin. In setting such levels, the Board of Directors will rely primarily on their own experience and knowledge.

Other Board Committees

At present, the Board has no committees other than the Audit Committee.

Assessments

The Board takes responsibility for monitoring and assessing its effectiveness and the performance of individual directors, its committees, including reviewing the Board's decision-making processes and the quality of information provided by management.

Multi-Jurisdictional Operations

Although it is not uncommon in the present day for companies to have multiple offices and properties and assets located in disparate locations, the Corporation recognizes the special risks associated with running a company over multiple international jurisdictions, including in the developing world. At this time all operations are occurring in British Columbia, Canada.

AUDIT COMMITTEE

Audit Committee Charter

Pursuant to the Charter of the Corporation's Audit Committee, the Audit Committee shall:

- recommend to the board of directors the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation;
- recommend to the board of directors the compensation of the external auditor;
- assume direct responsibility for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditor regarding financial reporting;
- pre-approve all non-audit services to be provided to the Corporation or its subsidiary entities by the Corporation's external auditor;

- review the Corporation's financial statements, Management Discussion & Analysis and annual and interim earnings press releases before the Corporation publicly discloses this information;
- be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, other than the disclosure stated immediately above and periodically assess the adequacy of those procedures;
- establish procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters; and
- review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Corporation

Composition of the Audit Committee

The following are the members of the Audit Committee:

Jagdip Bal[3]	Not Independent	Financially literate[2]
Harinder Bains	Independent[1]	Financially literate[2]
Jatinder Manhas	Independent[1]	Financially literate[2]

Notes:

1. A member of an audit committee is independent if the member has no direct or indirect material relationship with the Corporation, which could, in the view of the Corporation's Board, reasonably interfere with the exercise of a member's independent judgment.
2. An individual is financially literate if he has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.
3. Chairman of the audit committee.

Audit Committee Oversight

At no time since the commencement of the Corporation's most recently completed financial year was a recommendation of the Committee to nominate or compensate an external auditor not adopted by the Board of Directors.

Reliance on Certain Exemptions

At no time since the commencement of the Corporation's most recently completed financial year has the Corporation relied on the exemption in Section 2.4 of MI 52-110 *(De Minimis Non-Audit Services)*, or an exemption from MI 52-110, in whole or in part, granted under Part 8 of Multilateral Instrument 52-110.

Pre-Approval Policies and Procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services. The Audit Committee will review the engagement of non-audit services as required.

External Auditor Service Fees (by Category)

The aggregate fees billed by the Corporation's external auditors in each of the last two fiscal years for audit fees are as follows:

Financial Year Ending	Audit Fees[1]	Audit Related Fees[2]	Tax Fees	All Other Fees
2020	$5,000	Nil	Nil	Nil

Notes:

(1) Represents fees paid for professional services rendered by the auditors for the audit of the Corporation from the date of incorporation January 3, 2020 to May 31, 2020 annual financial statements and services provided in connection with statutory and regulatory filings.

(2) Represents fees incurred in connection with the International Financial Reporting Standard compliance.

Exemption

The Corporation is relying on the exemption provided in Section 6.1 of MI 52-110 and, as such, the Corporation is exempt from Parts 3 (*Composition of the Audit Committee*) and 5 (*Reporting Obligations*) of MI 52-110.

RISK FACTORS

The Corporation's business and stated business objectives are the business and stated business objectives of Egret Bioscience (see "*Description of the Business*"). All references to the Corporation's business and stated business objectives include the business and stated business objectives of Egret Bioscience. To the extent that the Corporation's business and stated business

objectives differ from that of Egret Bioscience, further information is provided.

An investment in the Corporation involves a high degree of risk and should be considered speculative. An investment in the Corporation should only be undertaken by those persons who can afford the total loss of their investment. Readers should carefully consider the risks and uncertainties described below, as well as other information contained in this Prospectus, including the financial statements and accompanying notes, appearing elsewhere in this Prospectus. The risks and uncertainties below are not the only ones the Corporation faces. Additional risks and uncertainties not presently known to the Corporation or that the Corporation believes to be immaterial may also adversely affect the Corporation's business. If any of the following risks occur, the Corporation's business, financial condition and results of operations could be seriously harmed, and you could lose all or part of your investment.

Forward-looking statements may prove to be inaccurate

The forward-looking information and statements included in this Prospectus relating to, among other things, the Corporation's future results, performance, achievements, prospects, targets, plans, objectives, goals, milestones, intentions or opportunities or the markets in which we operate is based on opinions, assumptions and estimates made by the Corporation's management in light of its experience and perception of historical trends, current conditions and expected future developments, as well as other factors that the Corporation believes are appropriate and reasonable in the circumstances. However, there can be no assurance that such estimates and assumptions will prove to be correct. The Corporation's actual results in the future may vary significantly from the historical and estimated results and those variations may be material. We make no representation that its actual results in the future will be the same, in whole or in part, as those included in this Prospectus.

No operating history

As neither the Corporation nor Egret Bioscience has yet begun generating net income, it is extremely difficult to make accurate predictions and forecasts of its finances. This is compounded by the fact the Corporation intends to operate in the psychedelic industry, which is a relatively new and rapidly transforming industry. There is no guarantee that the Corporation's operations will be profitable.

Negative cash flows and going concern

The Corporation has a negative operating cash flow for the periods ended May 31, 2020 and February 28, 2021. There is no assurance that sufficient revenues will be generated in the near future. To the extent that the Corporation has negative operating cash flow in future periods, it may need to allocate a portion of its cash reserves to fund such negative cash flow. The Corporation may also be required to raise additional funds through the issuance of equity or debt securities. There can be no assurance that the Corporation will ever be able to generate a positive cash flow from its operations, that additional capital or other types of financing will be available when needed or that these financings will be on terms favourable to the Corporation.

The Corporation's auditor has indicated in the financial statements that there is substantial doubt about the Corporation's ability to continue as a going concern. Importantly, the inclusion in the Corporation's financial statements of a going concern opinion may negatively impact the Corporation's ability to raise future financing and achieve future revenue. The threat of the Corporation's ability to continue as a going concern will be removed only when, in the opinion of the Corporation's auditor, the Corporation's revenues have reached a level that is able to sustain its business operations. If the Corporation is unable to obtain additional financing from outside sources and eventually generate enough revenues, the Corporation may be forced to sell a portion or all of the Corporation's assets, or curtail or discontinue the Corporation's operations. If any of these events happen, you could lose all of your investment. The Corporation's financial statements do not include any adjustments to the Corporation's recorded assets or liabilities that might be necessary if the Corporation becomes unable to continue as a going concern.

The Corporation's financial position and results of operations may differ materially from expectations

The Corporation's actual financial position and results of operations may differ materially from management's expectations. As a result, the Corporation's revenue, net income and cash flow may differ materially from the Corporation's projected revenue, net income and cash flow. The process for estimating the Corporation's revenue, net income and cash flow requires the use of judgment in determining the appropriate assumptions and estimates. These estimates and assumptions may be revised as additional information becomes available and as additional analyses are performed. In addition, the assumptions used in planning may not prove to be accurate, and other factors may affect the Corporation's financial condition or results of operations.

The Corporation expects to incur future losses and may never become profitable

The Corporation has incurred losses since incorporation and expects to incur an operating loss for the year ended May 31, 2021. The Corporation believes that operating losses will continue, as it is planning to incur significant costs associated with the research, development and market of its products. The Corporation's net losses have had and will continue to have an adverse effect on, among other things, shareholders' equity, total assets and working capital. The Corporation expects that losses will fluctuate from quarter to quarter and year to year, and that such fluctuations may be substantial. The Corporation cannot

predict when it will become profitable, if at all. The Corporation's ability to generate revenue will depend, in part, upon its ability, alone or with partners, to successfully develop its product/compound candidates, conduct successful scientific and clinical testing programs as required to support applications for regulatory approval, obtain regulatory approval, and commercialize products, including any of its current product/compound candidates, or other product/compound candidates that it may develop, in-license or acquire in the future.

The Corporation expects to incur significant ongoing costs and obligations

As a research and development company, the Corporation excepts to spend substantial funds on the research, development and testing of products. In addition, the Corporation expects to incur significant ongoing costs and obligations related to its investment in infrastructure and growth and for regulatory compliance, which could have a material adverse impact on the Corporation's results of operations, financial condition and cash flows. For the foreseeable future, the Corporation will have to fund all of its operations and development expenditures from cash on hand, equity financings, through collaborations with other biotechnology or pharmaceutical companies or through financings from other sources. The Corporation will also require significant additional funds if it expands the scope current plans for research and development or if it were to acquire any other assets and advance their development. It is possible that future financing will not be available or, if available, may not be on favorable terms. The availability of financing will be affected by the achievement of the Corporation's corporate goals, the results of scientific and clinical research, the ability to obtain regulatory approvals and the state of the capital markets generally. If adequate funding is not available, the Corporation may be required to delay, reduce or eliminate one or more of its research and development programs, or obtain funds through corporate partners or others who may require the Corporation to relinquish significant rights to its products or compounds or obtain funds on less favourable terms than the Corporation would otherwise accept. To the extent that external sources of capital become limited or unavailable or available on onerous terms, the Corporation's intangible assets and its ability to continue its clinical development plans may become impaired, and the Corporation's assets, liabilities, business, financial condition and results of operations may be materially or adversely affected.

In addition, future changes in regulations, changes in legal status of products, more vigorous enforcement thereof or other unanticipated events could require extensive changes to the Corporation's operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Corporation. Our efforts to grow our business may be costlier than we expect, and we may not be able to increase our revenue enough to offset our higher operating expenses. We may incur significant losses in the future for a number of reasons, including the other risks described in this Prospectus, and unforeseen expenses, difficulties, complications and delays, and other unknown events.

Potential undisclosed liabilities associated with the Acquisition Transaction

In connection with the Acquisition Transaction, there may be liabilities that the Corporation failed to discover or were unable to quantify in their due diligence which was conducted prior to the execution of the Share Purchase Agreement and we may not be indemnified for some or all of these liabilities.

Failure to successfully integrate acquired businesses and other assets

The integration of Egret Bioscience, as well as any other acquired business or other assets into the Corporation may be complex and time consuming and, if such businesses and assets are not successfully integrated, the Corporation may not achieve the anticipated benefits, cost-savings or growth opportunities. Furthermore, these acquisitions and other arrangements, even if successfully integrated, may fail to further the Corporation's business strategy as anticipated, expose the Corporation to increased competition or other challenges with respect to the Corporation's products/compounds or geographic markets, and expose the Corporation to additional liabilities associated with an acquired business, technology or other asset or arrangement.

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

The Corporation will be 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.

Consumer perception of fungus-based products and brand awareness

The Corporation's revenues will be substantially dependent on the success of its products/compounds, which depends upon, among other matters, pronounced and rapidly changing public preferences, factors which are difficult to predict and over which the Corporation has little, if any, control. Failure to develop consumer demand in, or a significant shift in consumer demand away from, the Corporation's products/compounds would harm its business. Consumer trends change based on several possible factors, including nutritional values, a change in consumer preferences or general economic conditions. These changes could lead to, among other things, reduced demand and price decreases, which could have a material adverse effect on the Corporation's business. In addition, the Corporation will be highly dependent upon consumer perception of fungus- based health products. The public may associate the Corporation's NHP fungus-based products with illegal psychoactive mushrooms, which are prohibited or controlled substances that could be associated with risks to health, safety and are potentially addictive. It will likely require significant scientific evidence (including and possibly beyond that required to achieve regulatory approval) and marketing efforts to change public perception and consumers' view that NHP fungus-based products are not harmful to physical or social health or are not addictive. If these types of products do not achieve sufficient market acceptance, it will be difficult for us to achieve profitability. Even if products to be distributed by the Corporation conform to international safety and quality standards, sales could be adversely affected if consumers in target markets lose confidence in the safety, efficacy, and quality of fungus based NHPs. Adverse publicity about fungus based NHPs that the Corporation sells may discourage consumers from buying products distributed by the Corporation.

There is no assurance that the Corporation will be able to achieve brand awareness in any regions. The Corporation must develop successful marketing, promotional and sales programs in order to sell its products. If the Corporation is not able to develop successful marketing, promotional and sales programs, then such failure will have a material adverse effect on the business, financial condition and operating results.

The Corporation requires a research exemption from Health Canada

Egret Bioscience is applying for a Section 56 Exemption in the Spring of 2021, this exemption permits Egret Bioscience to possess certain controlled substances. The Section 56 Exemption is subject to ongoing compliance requirements. There can be no assurance that Egret Bioscience will be able to sustain or renew the Section 56 Exemption. If Egret Bioscience is unable to obtain, sustain or renew the Section 56 Exemption, it will significantly impair the Corporation's ability to achieve its business objectives.

The Corporation's prospects depend on the success of its products/compounds which are not yet in development

The Corporation can make no assurance that, its research and development programs will result in regulatory approval or commercially viable products/compounds. To achieve profitable operations, the Corporation, alone or with others, must successfully develop, gain regulatory approval for, and market its future products/compounds. The Corporation currently has no products/compounds that have been approved by Health Canada or any similar regulatory authority. To obtain regulatory approvals for its product/compound candidates being developed and to achieve commercial success, clinical trials may be required to demonstrate that the product/compound candidates are safe for human use and that they demonstrate efficacy to varying degrees of certainty depending on the product.

Many product/compound candidates never reach the stage of clinical testing and even those that do have only a small chance of successfully completing clinical development and gaining regulatory approval. Product/compound candidates may fail for a number of reasons, including, but not limited to, being unsafe for human use or due to the failure to provide therapeutic benefits equal to or better than the standard of treatment at the time of testing. Unsatisfactory results obtained from a particular study relating to a research and development program may cause the Corporation or its collaborators to abandon commitments to that program. Positive results of early preclinical research may not be indicative of the results that will be obtained in later stages of preclinical or clinical research. Similarly, positive results from early-stage clinical trials may not be indicative of favourable outcomes in later-stage clinical trials, and the Corporation can make no assurance that any future studies, if undertaken, will yield favourable results.

The early stage of Egret Bioscience's research and development makes it particularly uncertain whether any of its research and development efforts will prove to be successful and meet applicable regulatory requirements, and whether any of its product/compound candidates will receive the requisite regulatory approvals, be capable of being manufactured at a reasonable cost or be successfully marketed. If the Corporation is successful in developing product/compound candidates into approved products/compounds, the Corporation will still experience many potential obstacles, which would affect the Corporation's ability to successfully market and commercialize such approved products/compounds, such as obtaining, maintaining and enforcing appropriate intellectual property protection, the need to develop or obtain manufacturing, marketing and distribution capabilities, price pressures from third-party payors, or proposed changes in health care systems. If the Corporation is unable to successfully market and commercialize any results of operations may be materially and adversely affected.

The Corporation can make no assurance that any future studies, if undertaken, will yield favorable results. Many companies in the pharmaceutical and biotechnology industries have suffered significant setbacks in later-stage clinical trials after achieving positive results in early-stage development, and the Corporation cannot be certain that it will not face similar setbacks. These setbacks have been caused by, among other things, preclinical findings made while clinical trials were underway or safety or efficacy observations made in clinical trials, including previously unreported adverse events. Moreover, preclinical and clinical data are often susceptible to varying interpretations and analyses, and many companies that believed their product/compound candidates performed satisfactorily in preclinical studies and clinical trials nonetheless failed to obtain Health Canada approval.

If the Corporation (or a third party conducting clinical trials) fails to produce positive results in its future clinical trials its programs, the development timeline and regulatory approval and commercialization prospects for the Corporation's product/compound candidates, and, correspondingly, its business and financial prospects, would be materially adversely affected.

The Corporation will rely on third parties to plan and conduct preclinical and clinical trials

The Corporation may rely on third parties to conduct preclinical development activities and will rely on third parties to conduct clinical development activities. Preclinical activities include in vivo studies providing access to specific disease models, pharmacology and toxicology studies, and assay development. Clinical development activities include trial design, regulatory submissions, clinical patient recruitment, clinical trial monitoring, clinical data management and analysis, safety monitoring and project management. If there is any dispute or disruption in its relationship with third parties, or if it is unable to provide quality services in a timely manner and at a feasible cost, the Corporation's active development programs will face delays. Further, if any of these third parties fails to perform as the Corporation expects or if their work fails to meet regulatory requirements, the Corporation's testing could be delayed, cancelled or rendered ineffective.

The Corporation expects to rely on contract manufacturers over whom it will have limited control

Egret Bioscience has limited manufacturing experience and accordingly, the Corporation will likely be required to rely on contract manufacturing organizations ("CMOs") to manufacture its product/compound candidates for preclinical studies and clinical trials. The Corporation may rely on CMOs for manufacturing, formulation, filling, packaging, storing and shipping of drug product in compliance with current Good Manufacturing Practices ("cGMP") regulations applicable to its products/compounds. Health Canada and the FDA and other equivalent regulatory bodies in other jurisdictions ensure the quality of drug products by carefully monitoring drug manufacturers' compliance with cGMP regulations. The cGMP regulations for drugs contain minimum requirements for the methods, facilities and controls used in manufacturing, processing and packing of a drug product.

There can be no assurances that CMOs, if and when contracted by the Corporation, will be able to meet the Corporation's timetable and requirements. The Corporation may not contract with alternate suppliers for any drug substance production in the event that a current provider is unable to scale up production, or if it otherwise experiences any other significant problems. If the Corporation is unable to arrange for alternative third-party manufacturing sources on commercially reasonable terms or in a timely manner, the Corporation may be delayed in the development of its product/compound candidates. Further, CMOs must operate in compliance with cGMP and failure to do so could result in, among other things, the disruption of product supplies. The Corporation's dependence upon third parties for the manufacture of its products/compounds may adversely affect its profit margins and its ability to develop and deliver products on a timely and competitive basis.

The Corporation will require commercial scale and quality manufactured product to be available for pivotal or registration clinical trials

To date, Egret Bioscience has not manufactured any products/compounds. In order to commercialize its product/compounds, the Corporation will need to manufacture commercial quality drug supply for use in registration clinical trials. Most, if not all, of the clinical material used in phase 3/pivotal/registration studies must be derived from the defined commercial process including scale, manufacturing site, process controls and batch size. If the Corporation has not scaled up and validated the commercial
production of its product/compound prior to the commencement of pivotal clinical trials, it may have to employ a bridging strategy during the trial to demonstrate equivalency of early-stage material to commercial drug product, or potentially delay the initiation or completion of the trial until drug supply is available. The manufacturing of commercial quality drug product has long lead times, is very expensive and requires significant efforts including, but not limited to, scale-up of production to anticipated commercial scale, process characterization and validation, analytical method validation, identification of critical process parameters and product quality attributes, and multiple process performance and validation runs. If the Corporation does not have commercial drug supply available when needed for pivotal clinical trials, the Corporation's regulatory and commercial progress may be delayed, and it may incur increased product development costs. This may have a material adverse effect on the Corporation's business, financial condition and prospects, and may delay marketing of the products/compounds.

Clinical trials of the Corporation's product/compound candidates may fail to demonstrate safety and efficacy to the satisfaction of regulatory authorities or not otherwise produce positive results

Before obtaining marketing approval from regulatory authorities for the sale of the Corporation's product/compound candidates, the Corporation will be required conduct, or will rely on third parties to conduct, preclinical studies in animals and extensive clinical trials in humans to demonstrate the safety and efficacy of the product/compound candidates. Clinical testing is expensive and difficult to design and implement, can take many years to complete and has uncertain outcomes. The outcome of preclinical studies and early clinical trials may not predict the success of later clinical trials, and interim results of a clinical trial do not necessarily predict final results. A number of companies in the pharmaceutical, NHP and biotechnology industries have suffered significant setbacks in advanced clinical trials due to lack of efficacy or unacceptable safety profiles, notwithstanding promising

results in earlier trials. The Corporation does not know whether the clinical trials it may conduct will demonstrate adequate efficacy and safety to result in regulatory approval to market any of its product/compound candidates in any jurisdiction. A product/compound candidate may fail for safety or efficacy reasons at any stage of the testing process. A major risk the Corporation faces is the possibility that none of its product/compound candidates will successfully gain market approval from Health Canada, the FDA or other regulatory authorities, resulting in the Corporation being unable to derive any commercial revenue from them after investing significant amounts of capital in their development.

There could be delays in clinical testing

The Corporation cannot predict whether, any clinical trials will begin as planned, will need to be restructured, or will be completed on schedule, or at all. The Corporation's product/compound development costs will increase if it experiences delays in clinical testing. Significant clinical trial delays could shorten any periods during which the Corporation may have the exclusive right to commercialize its product/compound candidates or allow its competitors to bring products to market before the Corporation, which would impair the Corporation's ability to successfully commercialize its product/compound candidates and may harm its financial condition, results of operations and prospects. The commencement and completion of clinical trials for the Corporation's products/compounds may be delayed for a number of reasons, including delays related, but not limited to:

- failure by regulatory authorities to grant permission to proceed or placing the clinical trial on hold;
- patients failing to enroll or remain in the clinical trials at the rate the Corporation expects;
- suspension or termination of clinical trials by regulators for many reasons, including concerns about patient safety or failure to comply with cGMP requirements;
- any changes to the manufacturing process that may be necessary or desired;
- delays or failure to obtain clinical supply from CMOs of products necessary to conduct clinical trials;
- product/compound candidates demonstrating a lack of safety or efficacy during clinical trials;
- patients choosing an alternative treatment for the indications for which the Corporation is developing any of its product/compound candidates or participating in competing clinical trials; patients failing to complete clinical trials due to dissatisfaction with the treatment, side effects or other reasons;
- reports of clinical testing on similar technologies and products raising safety or efficacy concerns;
- competing clinical trials and scheduling conflicts with participating clinicians;
- clinical investigators not performing the clinical trials on their anticipated schedule, dropping out of a trial, or employing methods not consistent with the clinical trial protocol, regulatory requirements or other third parties not performing data collection and analysis in a timely or accurate manner;
- failure of the Corporation's contract research organizations ("**CROs**") to satisfy their contractual duties or meet expected deadlines;
- inspections of clinical trial sites by regulatory authorities, regulatory authorities ("**IRBs**") or ethics committees finding regulatory violations that require corrective action, resulting in suspension or termination of one or more sites or the imposition of a clinical hold on the entire study;
- one or more IRBs or ethics committees rejecting, suspending or terminating the study at an investigational site, precluding enrollment of additional subjects, or withdrawing its approval of the trial; or
- failure to reach agreement on acceptable terms with prospective clinical trial sites.

The Corporation's product development costs will increase if it experiences delays in testing or approval or if more or larger clinical trials are required than planned. Additionally, changes in regulatory requirements and policies may occur, and the Corporation may need to amend study protocols to reflect these changes. Amendments may require resubmission of study protocols to IRBs or ethics committees for re-examination, which may impact the cost, timing or successful completion of that trial. Delays or increased product development costs may have a material adverse effect on the Corporation's business, financial condition and prospects.

The Corporation may not be able to file appropriate clinical trial or regulatory approval applications

Prior to commencing clinical trials in Canada, the United States or other jurisdictions for any of the Corporation's product/compound candidates, the Corporation (or any third party conducting clinical trials) may be required to have an approved new drug or clinical trial (or equivalent) for each product/compound candidate and to file additional applications for approval prior to initiating any additional clinical trials for any product/compound. Submission of an application for a new clinical trial may not result in Health Canada or the FDA (or equivalent authorities) allowing further clinical trials to begin and, once begun, issues may arise that will require the suspension or termination of such clinical trials. Additionally, even if relevant regulatory

authorities agree with the design and implementation of the clinical trials set forth in an application, these regulatory authorities may change their requirements in the future. Failure to submit or have effective new drug (or equivalent) and commence or continue clinical programs will significantly limit its opportunity to generate revenue.

If the Corporation (or a third party conducting clinical trials) has difficulty enrolling patients in clinical trials, the completion of the trials may be delayed or cancelled

The Corporation's product/compound candidates advance from preclinical testing to clinical testing, and then through progressively larger and more complex clinical trials, the Corporation (or a third party conducting the clinical trials) will need to enroll an increasing number of patients that meet its eligibility criteria. There is significant competition for recruiting patients in clinical trials, and the Corporation (or a third party conducting the clinical trials) may be unable to enroll the patients it needs to complete clinical trials on a timely basis or at all. The factors that affect the ability to enroll patients are largely uncontrollable and include, but are not limited to, the following:

- size and nature of the patient population;
- eligibility and exclusion criteria for the trial;
- design of the study protocol;
- competition with other companies for clinical sites or patients;
- the perceived risks and benefits of the product/compound candidate under study;
- the patient referral practices of physicians; and
- the number, availability, location and accessibility of clinical trial sites.

The expansion of the use of psychedelics in the medical industry may require new clinical research into effective medical therapies

Research in Canada and internationally regarding the medical benefits, viability, safety, efficacy, addictiveness, dosing and social acceptance of psychedelic and psychoactive products derived from psilocybin remains in early stages. There have been relatively few clinical trials on the benefits of such products. Although the Corporation believes that the articles, reports and studies support its beliefs regarding the medical benefits, viability, safety, efficacy, dosing and social acceptance of psychedelic and psychoactive products derived from psilocybin, future research and clinical trials may prove such statements to be incorrect, or could raise concerns regarding, and perceptions relating to, psychedelic and psychoactive products derived from psilocybin. Given these risks, uncertainties and assumptions, readers should not place undue reliance on such articles and reports. Future research studies and clinical trials may draw opposing conclusions to those stated in this Prospectus or reach negative conclusions regarding the medical benefits, viability, safety, efficacy, dosing, social acceptance or other facts and perceptions related to psychedelic and psychoactive products derived from psilocybin, which could have a material adverse effect on the demand for the Corporation's products/compounds with the potential to lead to a material adverse effect on the Corporation's business, financial condition and results of operations.

Negative results from clinical trials or studies of others and adverse safety events involving the targets of the Corporation's products/compounds may have an adverse impact on the Corporation's future commercialization efforts

From time to time, studies or clinical trials on various aspects of biopharmaceutical or NHPs are conducted by academic researchers, competitors or others. The results of these studies or trials, when published, may have a significant effect on the market for the biopharmaceutical or NHP that is the subject of the study. The publication of negative results of studies or clinical trials or adverse safety events related to the Corporation's product/compound candidates, or the therapeutic areas in which the Corporation's product/compound candidates compete, could adversely affect its share price and the Corporation's ability to finance future development of its product/compound candidates, and its business and financial results could be materially and adversely affected.

The Corporation may be subject to product recalls for product defects self-imposed or imposed by regulators

Manufacturers and distributors of products are sometimes subject to the recall or return of their products for a variety of reasons, including product defects, such as contamination, unintended harmful side effects or interactions with other substances, packaging safety and inadequate or inaccurate labeling disclosure. If any of the Corporation's products/compounds are recalled due to an alleged product defect or for any other reason, the Corporation could be required to incur the unexpected expense of the recall and any legal proceedings that might arise in connection with the recall. The Corporation may lose a significant amount of sales and may not be able to replace those sales at an acceptable margin or at all. In addition, a product/compound recall may require significant management attention. Although the Corporation will implement detailed procedures for testing its products/compounds, there can be no assurance that any quality, potency or contamination problems will be detected in time to avoid unforeseen product recalls, regulatory action or lawsuits.

Additionally, if one of the Corporation's future brands were subject to recall, the image of that brand and the Corporation could be harmed. A recall for any of the foregoing reasons could lead to decreased demand for the Corporation's products/compounds and could have a material adverse effect on the results of operations and financial condition of the Corporation. Additionally, product recalls may lead to increased scrutiny of the Corporation's operations by regulatory agencies, requiring further management attention and potential legal fees and other expenses.

Product Liability Insurance

Neither the Corporation nor Egret Bioscience carry any product liability insurance coverage. The business of the Corporation could expose it to potential product liability, recalls and other liability risks that are inherent in the sale of food products. The Corporation can provide no assurance that such potential claims will not be asserted against it. A successful liability claim or series of claims brought against the Corporation could have a material adverse effect on its business, financial condition and results of operations.

If the Corporation decides to obtain product liability insurance, it cannot provide any assurances that it will be able to obtain or maintain adequate product liability insurance of on acceptable terms, if at all, or that such insurance will provide adequate coverage against potential liabilities. Claims or losses in excess of any product liability cover that may be obtained by the Corporation could have a material adverse effect on its business, financial condition and results of operations.

Reliance on a single Facility

Almost all of the Corporation's testing and research business is conducted at the Facility. Accordingly, any adverse changes or developments affecting the Facility (or the Sublease) could have a material adverse effect on its business, financial condition and results of operations.

In certain circumstances, the Corporation's reputation could be damaged

Damage to the Corporation's reputation can be the result of the actual or perceived occurrence of any number of events, and could include any negative publicity, whether true or not. The increased usage of social media and other web-based tools used to generate, publish and discuss user-generated content and to connect with other users has made it increasingly easier for individuals and groups to communicate and share opinions and views regarding the Corporation and its activities, whether true or not. Although the Corporation believes that it operates in a manner that is respectful to all stakeholders and that it takes care in protecting its image and reputation, the Corporation does not ultimately have direct control over how it is perceived by others. Reputation loss may result in decreased investor confidence, increased challenges in developing and maintaining community relations and an impediment to the Corporation's overall ability to advance its projects, thereby having a material adverse impact on financial performance, financial condition, cash flows and growth prospects.

Raw materials

The Corporation's NHPs are expected to be derived from plants and fungi. Accordingly, the Corporation and/or its manufacturers will be required to acquire enough raw materials so that the products can be produced to meet the demand of its customers. A raw material shortage could result in loss of sales and damage to the Corporation. If the Corporation and/or its manufacturers become unable to acquire commercial quality raw materials on a timely basis and at commercially reasonable prices, and are unable to find one or more replacement suppliers with the regulatory approvals to produce raw materials at a substantially equivalent cost, in substantially equivalent volumes and quality, and on a timely basis, the Corporation will likely be unable to meet customer demand.

Some raw materials required for NHPs or other products or services offered by the Corporation may require regulatory approval by Health Canada or the FDA or an equivalent regulatory body because the plant or fungi may contain a controlled substance. While the Corporation believes that it can acquire the requisite licenses to possess, transport, process and use these raw materials to test or make products or refine services, there is a risk that Health Canada or an equivalent regulatory body can either reject or require further actions from the Corporation to approve the license which would cause delays or result in losses for the Corporation and could result in the abandonment of a specific projects or products.

Regulatory approval processes are lengthy, expensive and inherently unpredictable

The Corporation's development and commercialization activities and product/compound candidates will be significantly regulated by a number of governmental entities, including Health Canada, and comparable authorities in other countries (should the Corporations expand its operations to other countries). Regulatory approvals are required prior to each clinical trial and the Corporation (or a third party conducting a clinical trial) may fail to obtain the necessary approvals to commence or continue clinical testing. The Corporation must comply with regulations concerning the manufacture, testing, safety, effectiveness, labeling, documentation, advertising, and sale of products/compounds and product/compound candidates and ultimately must obtain regulatory approval before it can commercialize a product/compound candidate. Further, if the active ingredient or raw material contains a controlled substance, additional licenses are required to possess these ingredients and materials both to test and conduct preclinical and clinical trials and to sell such products/compounds. The time required to obtain approval by such regulatory

authorities is unpredictable but typically takes many years following the commencement of preclinical studies and clinical trials. Any analysis of data from clinical activities the Corporation performs is subject to confirmation and interpretation by regulatory authorities, which could delay, limit or prevent regulatory approval. Even if the Corporation believes results from clinical trials are favorable to support the marketing of its product/compound candidates, Health Canada or other regulatory authorities may disagree. In addition, approval policies, regulations, or the type and amount of clinical data necessary to gain approval may change during the course of a product/compound candidate's clinical development and may vary among jurisdictions. The Corporation has not yet obtained regulatory approval to possess any raw materials, as required, or for any product/compound candidate and it is possible that no such regulatory approval will ever be obtained. The Corporation could fail to receive regulatory approval for its product/compound candidates for many reasons, including, but not limited to:

- failure to obtain approval to possess required raw materials that are controlled substances for scientific testing or for sale and distribution.
- disagreement with the design or implementation of its clinical trials;
- failure to demonstrate that a product/compound candidate is safe and effective for its proposed indication;
- failure of clinical trials to meet the level of statistical significance required for approval;
- failure to demonstrate that a product/compound candidate's clinical and other benefits outweigh its safety risks;
- disagreement with the interpretation of data from preclinical studies or clinical trials;
- the insufficiency of data collected from clinical trials of the Corporation's product/compound candidates to support the submission and filing of an IND or other submission to obtain regulatory approval;
- deficiencies in the manufacturing processes or the failure of facilities of CMOs with whom the Corporation contracts for clinical and commercial supplies to pass a pre-approval inspection; or
- changes in the approval policies or regulations that render the preclinical and clinical data insufficient for approval.

A regulatory authority may require more information, including additional preclinical or clinical data to support approval, which may delay or prevent approval and the Corporation's commercialization plans, or the Corporation may decide to abandon the development program. If the Corporation were to obtain approval, regulatory authorities may approve any of its product/compound candidates for fewer or more limited indications than the Corporation request, may grant approval contingent on the performance of costly post-marketing clinical trials, or may approve a product/compound candidate with a label that does not include the labeling claims necessary or desirable for the successful commercialization of that product/compound candidate. Moreover, depending on any safety issues associated with the Corporation's product/compound candidates that garner approval, Health Canada or the FDA may impose a risk evaluation and mitigation strategy, thereby imposing certain restrictions on the sale and marketability of such products/compounds.

Government Regulation

The possession of, ability to test, processing, manufacturing, packaging, labeling, advertising and distribution of the Corporation's products/compounds will be subject to regulation by one or more federal agencies, and various agencies of the provinces and localities in which our products are intended to be sold. These government regulatory agencies may attempt to regulate any of our products/compounds that fall within their jurisdiction. Such regulatory agencies may not accept the evidence of safety for any new ingredients that the Corporation may want to market, may determine that a particular product/compound or product/compound ingredient presents an unacceptable health risk and may determine that a particular statement of nutritional support that we want to use is an unacceptable claim. Such a determination would prevent the Corporation from marketing particular products/compounds or using certain statements of nutritional support on its products/compounds. The Corporation also may be unable to disseminate third-party literature that supports its products/compounds if the third-party literature fails to satisfy certain requirements.

In addition, a government regulatory agency could require the Corporation to remove a particular product/compound from the market. Any future recall or removal would result in additional costs to the Corporation, including lost revenues from any products/compounds that we are required to remove from the market, any of which could be material. Any such product recalls or removals could lead to liability, substantial costs and reduced growth prospects.

Constraints on marketing products

The development of the Corporation's business and operating results may be hindered by applicable restrictions on sales and marketing activities imposed by government regulatory bodies. If the Corporation is unable to effectively market its products/compounds, or if the costs of compliance with government legislation and regulation cannot be absorbed through increased selling prices for its products/compounds, the Corporation's sales and operating results could be adversely affected.

Violations of laws and regulations could result in repercussions

In Canada, certain active ingredients such as psilocybin and psilocin are classified as controlled substances and are listed on Schedule III of the CDSA. As such, possession and use of these substances is prohibited unless approved. The regulatory

authorities in Canada will allow for exemptions to parties to allow possession of controlled substances for scientific purposes. Further, a Dealer's License can be obtained under the *Food and Drugs Regulations* allowing for the transport, manufacturing, processing and sale of products containing a controlled substance like psilocybin or psilocin. However, programs relating to controlled substances are strict and penalties for contravention of these laws could result in significant fines, penalties, administrative sanctions, convictions or settlements arising from civil proceedings initiated by either government entities in the jurisdictions in which the Corporation will operate, or private citizens or criminal charges. The loss of these necessary licenses and permits could have an adverse effect on the Corporation's operations.

While the Corporation will be focused on programs using psychedelic inspired compounds, the Corporation will not have any direct or indirect involvement with the illegal selling, production or distribution of any substances in the jurisdictions in which it operates and does not intend to have any such involvement. However, a violation of any laws in the jurisdictions in which it operates could result in significant fines, penalties, administrative sanctions, convictions or settlements arising from civil proceedings initiated by either government entities in the jurisdictions in which the Corporation operates, or private citizens or criminal charges.

The Corporation may not achieve its publicly announced milestones according to schedule, or at all

From time to time, the Corporation may announce the timing of certain events it expects to occur, such as the anticipated timing of results from its clinical trials. These statements are forward-looking and are based on the best estimates of management at the time relating to the occurrence of such events. However, the actual timing of such events may differ from what has been publicly disclosed. The timing of events such as initiation or completion of a clinical trial, filing of an application to obtain regulatory approval, or announcement of additional clinical trials for a product/compound candidate may ultimately vary from what is publicly disclosed. These variations in timing may occur as a result of different events, including the nature of the results obtained during a clinical trial or during a research phase, timing of the completion of clinical trials, problems with a CMO or any other event having the effect of delaying the publicly announced timeline. The Corporation undertakes no obligation to update or revise any forward-looking information or statements, whether as a result of new information, future events or otherwise, except as otherwise required by law. Any variation in the timing of previously announced milestones could have a material adverse effect on its business plan, financial condition or operating results and the trading price of Common Shares.

The Corporation will face competition from other natural health product, biotechnology and pharmaceutical companies

The NHP, biotechnology and pharmaceutical industries are intensely competitive and subject to rapid and significant technological change. The Corporation's competitors include large, well-established pharmaceutical companies, NHP companies, biotechnology companies, and academic and research institutions developing therapeutics for the same indications the Corporation is targeting and competitors with existing marketed therapies. Many other companies are developing or commercializing therapies to treat the same diseases or indications for which the Corporation's product/compound candidates may be useful.

Many of the Corporation's competitors have substantially greater financial, technical and human resources than the Corporation does and have significantly greater experience than the Corporation in conducting preclinical testing and human clinical trials of product/compound candidates, scaling up manufacturing operations and obtaining regulatory approvals of products/compounds. Accordingly, the Corporation's competitors may succeed in obtaining regulatory approval for products more rapidly than the Corporation does. The Corporation's ability to compete successfully will largely depend on:

- the efficacy and safety profile of its product/compound candidates relative to marketed products/compounds and other product/compound candidates in development;
- the Corporation's ability to develop and maintain a competitive position in the product/compound categories and technologies on which it will focus;
- the time it takes for the Corporation's product/compound candidates to complete clinical development and receive marketing approval;
- the Corporation's ability to obtain required regulatory approvals;
- the Corporation's ability to commercialize any of its product/compound candidates that receive regulatory approval;
- the Corporation's ability to establish, maintain and protect intellectual property rights related to its product/compound candidates; and
- acceptance of any of the Corporation's product/compound candidates that receive regulatory approval by physicians and other healthcare providers and payers.

Competitors have developed and may develop technologies that could be the basis for products that challenge the discovery research capabilities of potential products/compounds the Corporation plans to develop. Some of those products may have an entirely different approach or means of accomplishing the desired therapeutic effect than the Corporation's product/compound

candidates and may be more effective or less costly than those the Corporation plans to develop. The success of the Corporation's competitors and their products and technologies relative to the Corporation's technological capabilities and competitiveness could have a material adverse effect on the future preclinical studies and clinical trials of the Corporation's product/compound candidates, including its ability to obtain the necessary regulatory approvals for the conduct of such clinical trials. This may further negatively impact the Corporation's ability to generate future product development programs using psilocybin, psilocin or other psychedelic inspired compounds.

If the Corporation is not able to compete effectively against its current and future competitors, the Corporation's business will not grow, and its financial condition and operations will substantially suffer.

The Corporation may face growth-related risks

The Corporation may be subject to growth-related risks including pressure on its internal systems and controls. The Corporation's ability to manage its 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 Corporation to deal with this growth could have a material adverse impact on its business, operations and prospects. The Corporation may experience growth in the number of its employees and the scope of its operating and financial systems, resulting in increased responsibilities for the Corporation's personnel, the hiring of additional personnel and, in general, higher levels of operating expenses. In order to manage its future growth effectively, the Corporation will also need to continue to implement and improve its operational, financial and management information systems and to hire, train, motivate, manage and retain its employees. There can be no assurance that the Corporation will be able to manage such growth effectively, that its management, personnel or systems will be adequate to support the Corporation's operations or that the Corporation will be able to achieve the increased levels of revenue commensurate with the increased levels of operating expenses associated with this growth.

If the Corporation is unable to adequately protect and enforce its intellectual property, the Corporation's competitors may take advantage of its development efforts or acquired technology and compromise its prospects of marketing and selling its key products

The Corporation's success will depend in part upon its ability to protect its intellectual property and proprietary technologies and upon the nature and scope of the intellectual property protection the Corporation receives. The ability to compete effectively and to achieve partnerships will depend on its ability to develop and maintain proprietary aspects of the Corporation's technology and to operate without infringing on the proprietary rights of others. The presence of such proprietary rights of others could severely limit its ability to develop and commercialize its products, to conduct its existing research and could require financial resources to defend litigation, which may be in excess of the Corporation's ability to raise such funds. There is no assurance that the Corporation's intangible assets, including know-how, trade secrets or potential inventions, which may be eligible for patent protection or those any intangible asset that it intends to acquire will result in an issued patent (with associated monopoly rights) in a form that will be sufficient to protect its proprietary technology and gain or keep any competitive advantage that the Corporation may have or, once approved, will be upheld in any post-grant proceedings brought by any third parties. Further, if the Corporation fails to pay required maintenance fees, if could lose its intellectual property rights.

The patent positions of pharmaceutical companies can be highly uncertain and involve complex legal, scientific and factual questions for which important legal principles remain unresolved. Patents issued to the Corporation or its respective licensors may be challenged, invalidated or circumvented. To the extent the Corporation's intellectual property, including licensed intellectual property, offers inadequate protection, or is found to be invalid or unenforceable, the Corporation is exposed to a greater risk of direct competition. If its intellectual property does not provide adequate protection against the Corporation's competitors' products, its competitive position could be adversely affected, as could the Corporation's business, financial condition and results of operations. Both the patent application process and the process of managing patent disputes can be time consuming and expensive, and the laws of some foreign countries may not protect the Corporation's intellectual property rights to the same extent as do the laws of Canada and the United States.

The Corporation will be able to protect its intellectual property from unauthorized use by third parties only to the extent that its proprietary technologies, key products, and any future products are covered by valid and enforceable intellectual property rights including patents or are effectively maintained as trade secrets, and provided the Corporation has the funds to enforce its rights, if necessary.

If the Corporation loses its licenses from third-party owners, it may be unable to continue a substantial part of its business

The Corporation may enter into licenses in the future to access additional third-party intellectual property. If the Corporation fails to pay annual maintenance fees, development and sales milestones, or it is determined that the Corporation does not use commercially reasonable efforts to commercialize licensed products, the Corporation could lose its licenses which could have a material adverse effect on its business and financial condition.

The Corporation may require additional third-party licenses to effectively develop and manufacture its key products and is currently unable to predict the availability or cost of such licenses

A substantial number of patents have already been issued to other NHP, biotechnology and pharmaceutical companies. To the extent that valid third-party patent rights cover the Corporation's products or services, the Corporation or its strategic collaborators would be required to seek licenses from the holders of these patents in order to manufacture, use or sell these products and services, and payments under them would reduce the Corporation's profits from these products and services. The Corporation is currently unable to predict the extent to which it may wish or be required to acquire rights under such patents, the availability and cost of acquiring such rights, and whether a license to such patents will be available on acceptable terms or at all. There may be patents in Canada, the United States or in foreign countries or patents issued in the future that are unavailable to license on acceptable terms. The Corporation's inability to obtain such licenses may hinder or eliminate its ability to manufacture and market its products/compounds.

Changes in patent law and its interpretation could diminish the value of patents in general, thereby impairing the Corporation's ability to protect its product/compound candidates

As is the case with other NHP, biotechnology and pharmaceutical companies, the Corporation's success is heavily dependent on intellectual property rights, particularly patents. Obtaining and enforcing patents in the biopharmaceutical industry involves technological and legal complexity, and obtaining and enforcing biopharmaceutical patents is costly, time consuming and inherently uncertain. The Supreme Court of Canada and the U.S. Supreme Court has ruled on several patent cases in recent years, either narrowing the scope of patent protection available in certain circumstances or weakening the rights of patent owners in certain situations. In addition to increasing uncertainty with regard to the Corporation and its licensors' or collaborators' ability to obtain patents in the future, this combination of events has created uncertainty with respect to the value of patents, once obtained. Depending on decisions by the Canadian House of Representative, the Federal Court of Canada, the Canadian Intellectual Property Office ("**CIPO**"), U.S. Congress, the federal courts, and the U.S. Patent and Trademark Office ("**USPTO**") and international treaties entered into by these nations, the laws and regulations governing patents could change in unpredictable ways that would weaken the Corporation and its licensors' or collaborators' ability to obtain patents or to enforce patents and patents the Corporation and its licensors or collaborators may obtain in the future.

Litigation regarding patents, patent applications, and other proprietary rights may be expensive, time consuming and cause delays in the development and manufacturing of the Corporation's key products

The Corporation's success will depend in part on its ability to operate without infringing the proprietary rights of third parties. The pharmaceutical industry is characterized by extensive patent litigation. Other parties may have, or obtain in the future, patents and allege that the use of its technologies infringes these patent claims or that the Corporation is employing its proprietary technology without authorization. In addition, third parties may challenge or infringe upon its existing or future patents. Proceedings involving its patents or patent applications or those of others could result in adverse decisions regarding:

- the patentability of the Corporation's inventions relating to its key products/compounds; and
- the enforceability, validity, or scope of protection offered by the Corporation's patents relating to its key products/compounds.

If the Corporation is unable to avoid infringing the patent rights of others, the Corporation may be required to seek a license, defend an infringement action, or challenge the validity of the patents in court. Regardless of the outcome, patent litigation is costly and time consuming. In some cases, the Corporation may not have sufficient resources to bring these actions to a successful conclusion. In addition, if the Corporation does not obtain a license, develop or obtain non-infringing technology, fail to defend an infringement action successfully or have infringed patents declared invalid, the Corporation may:

- incur substantial monetary damages;
- encounter significant delays in bringing its key products/compounds to market; and
- be precluded from participating in the manufacture, use or sale of its key products/compounds or methods of treatment requiring licenses.

Evan if the Corporation is successful in these proceedings, it may incur substantial costs and divert management time ng these proceedings, which could have a material adverse effect on the Corporation.

The Corporation's reliance on third parties requires the Corporation to share its trade secrets, which increases the possibility that a competitor will discover them

Because the Corporation is likely to rely on third parties to develop its products/compounds, it will be required to share trade secrets and other confidential information with them. The Corporation will seek to protect its proprietary technology in part by entering into confidentiality or non-disclosure agreements and, if applicable, material transfer agreements, collaborative research agreements, consulting agreements or other similar agreements with its collaborators, advisors, employees and consultants prior to beginning research or disclosing proprietary information. These agreements will typically restrict the ability of its collaborators, advisors, employees and consultants to publish data potentially relating to its trade secrets and confidential information. The Corporation's

academic and clinical collaborators will typically have rights to publish data, provided that the Corporation is notified in advance and may delay publication for a specified time in order to secure is intellectual property rights arising from the collaboration. In other cases, publication rights will be controlled exclusively by the Corporation, although in some cases the Corporation may share these rights with other parties. The Corporation may also conduct joint research and development programs which may require the Corporation to share trade secrets and confidential information under the terms of research and development collaborations or similar agreements. Despite efforts to protect its trade secrets and confidential information, the Corporation's competitors may discover its trade secrets or confidential information, either through breach of these agreements, independent development or publication of information including its trade secrets or confidential information in cases where the Corporation does not have proprietary or otherwise protected rights at the time of publication. A competitor's discovery of the Corporation's trade secrets or confidential information may impair its competitive position and could have a material adverse effect on its business and financial condition.

The Corporation's operations are subject to environmental regulation in the jurisdiction in which it operates

Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors, and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Corporation's operations. The Corporation's laboratory operations at the Facility will be subject to environmental protection laws and regulations that prescribe methods for storing and disposing of chemicals and controlled compounds, as the operations will involve spores, silica gels, dried mushroom powder, solvents for extraction and chromatographic separations in solvent systems which present potential and low-grade hazard to human health. Prior to commencing its laboratory operations, the Corporation will establish internal policies to comply with all such environmental laws and regulations.

Government environmental approvals and permits may be required in connection with the Corporation's operations. To the extent such approvals are required and not obtained, the Corporation may be curtailed or prohibited from its proposed business activities or from proceeding with the development of its operations as currently proposed.

Failure to comply with applicable environmental laws, regulations and permitting requirement may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or to be curtailed, and may include corrective measure requiring capital expenditures, installation of additional equipment, or remedial actions. The Corporation may be required to compensate those suffering loss or damage due to its operations and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

If the Corporation is unable to attract and retain key personnel, it may not be able to compete effectively

The Corporation's success depends upon its ability to attract and retain key management, including the Corporation's and subsidiaries senior officers, technical experts and sales personnel. The Corporation will attempt to enhance its management and technical expertise by continuing to recruit qualified individuals who possess desired skills and experience in certain targeted areas. The Corporation's inability to retain employees and attract and retain sufficient additional employees or scientific, engineering and technical support resources could have a material adverse effect on the Corporation's business, results of operations, sales, cash flow or financial condition. Shortages in qualified personnel or the loss of key personnel could adversely affect the financial condition of the Corporation, results of operations of the business and could limit the Corporation's ability to develop and market its products. The loss of any of the Corporation's senior management or key employees could materially adversely affect the Corporation's ability to execute our business plan and strategy, and the Corporation may not be able to find adequate replacements on a timely basis, or at all. The Corporation does not maintain key person life insurance policies on any of our employees.

The loss of Dr. Philippe Henry, Chief Science Officer or other key members of the Corporation's staff, could harm the Corporation. The Corporation also depends on its scientific and clinical collaborators and advisors, all of whom have outside commitments that may limit their availability to the Corporation. In addition, the Corporation believes that its future success will depend in large part upon its ability to attract and retain highly skilled scientific, managerial, medical, manufacturing, clinical and regulatory personnel, particularly as the Corporation expands its activities and seeks regulatory approvals for clinical trials. The Corporation may enter into agreements with scientific and clinical collaborators and advisors, key opinion leaders and academic partners in the ordinary course of its business. The Corporation may also enter into agreements with physicians and institutions who will recruit patients into clinical trials on in the ordinary course of business. Notwithstanding these arrangements, the Corporation will face significant competition for these types of personnel from other companies, research and academic institutions, government entities and other organizations. The Corporation cannot predict its success in hiring or retaining the personnel it requires for continued growth. The loss of the services of any of the Corporation's executive officers or other key personnel could potentially harm its business, operating results or financial condition.

The size of the Corporation's target market is difficult to quantify, and investors will be reliant on their own estimates on the accuracy of market data

Because the Corporation's industry is in a relatively nascent stage with uncertain boundaries, there is a lack of information about comparable companies available for potential investors to review in deciding about whether to invest in the Corporation

and, few, if any, established companies whose business model the Corporation can follow or upon whose success the Corporation can build. Accordingly, readers will have to rely on their own estimates about the Corporation. There can be no assurance that the Corporation's estimates are accurate or that the market size is sufficiently large for its business to grow as projected, which may negatively impact its financial results. The Corporation regularly purchases and follows market research.

The Corporation could be liable for fraudulent or illegal activity by its employees, contractors and consultants resulting in significant financial losses to claims against the Corporation

The Corporation is exposed to the risk that its employees, independent contractors and consultants may engage in fraudulent or other illegal activity. Misconduct by these parties could include intentional, reckless and/or negligent conduct or disclosure of unauthorized activities to the Corporation that violates: (i) government regulations; (ii) manufacturing standards; (iii) federal and provincial healthcare fraud and abuse laws and regulations; or (iv) laws that require the true, complete and accurate reporting of financial information or data. It is not always possible for the Corporation to identify and deter misconduct by its employees and other third parties, and the precautions taken by the Corporation to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting the Corporation from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. If any such actions are instituted against the Corporation, and it is not successful in defending itself or asserting its rights, those actions could have a significant impact on our business, including the imposition of civil, criminal and administrative penalties, damages, monetary fines, contractual damages, reputational harm, diminished profits and future earnings, and curtailment of the Corporation's operations, any of which could have a material adverse effect on the Corporation's business, financial condition and results of operations.

Reliance on information technology systems and risk of cyberattacks.

The Corporation may enter into agreements with third parties for hardware, software, telecommunications and other information technology ("**IT**") services in connection with its operations, as a result of which, the Corporation's operations would depend, in part, on how well it and its contractors and consultants protect networks, equipment, IT systems and software against damage from a number of threats, including, but not limited to, cable cuts, damage to physical plants, natural disasters, intentional damage and destruction, fire, power loss, hacking, computer viruses, vandalism and theft. The Corporation's operations would also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any of these and other events could result in information system failures, delays and/or increase in capital expenses. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact the Corporation's reputation and results of operations.

There can be no assurance that the Corporation will not incur material losses relating to cyber-attacks or other information security breaches in the future. The Corporation's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access is a priority. As cyber threats continue to evolve, the Corporation may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

The Corporation's officers and directors may be engaged in a range of business activities resulting in conflicts of interest

The Corporation may be subject to various potential conflicts of interest because some of its officers and directors may be engaged in a range of business activities. In addition, the Corporation's executive officers and directors may devote time to their outside business interests, so long as such activities do not materially or adversely interfere with their duties to the Corporation. In some cases, the Corporation's executive officers and directors may have fiduciary obligations associated with these business interests that interfere with their ability to devote time to the Corporation's business and affairs and that could adversely affect the Corporation's operations. These business interests could require significant time and attention of the Corporation's executive officers and directors.

In addition, the Corporation may also become involved in other transactions which conflict with the interests of its directors and the officers who may from time to time deal with persons, firms, institutions or companies with which the Corporation may be dealing, or which may be seeking investments similar to those desired by it. The interests of these persons could conflict with those of the Corporation. In addition, from time to time, these persons may be competing with the Corporation for available investment opportunities. Conflicts of interest, if any, will be subject to the procedures and remedies provided under applicable laws. In particular, if such a conflict of interest arises at a meeting of the Corporation's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with applicable laws, the directors of the Corporation are required to act honestly, in good faith and in the best interests of the Corporation.

The Corporation's officers and directors control a large percentage of the Corporation's issued and outstanding Common Shares and such officers and directors may have the ability to control matters affecting the Corporation and its business

The officers, directors and shareholders with more than 10% of the Corporation are expected to own approximately 32.62% of the issued and outstanding Common Shares. The Corporation's shareholders nominate and elect the Board, which generally has

the ability to control the acquisition or disposition of the Corporation's assets, and the future issuance of its Common Shares or other securities. Accordingly, for any matters with respect to which a majority vote of the Common Shares may be required by law, the Corporation's directors and officers may have the ability to control such matters. Because the directors and officers control a substantial portion of such Common Shares, investors may find it difficult or impossible to replace the Corporation's directors if they disagree with the way the Corporation's business is being operated.

Need for additional financing and issuance of additional securities

The Corporation's future capital requirements depend on many factors, including its ability to market products successfully, cash flows from operations, locating and retaining talent, and competing market developments. The Corporation's business model requires spending money (primarily on, licensing, advertising and marketing) in order to generate revenue.

Based on the Corporation's current financial situation, the Corporation may have difficulty continuing its operations at the current level, or at all, if it does not raise additional financing in the near future.

The Corporation will likely require some additional equity and/or debt financing to undertake capital expenditures. There can be no assurance that additional financing will be available to the Corporation when needed or on terms which are acceptable. The Corporation's inability to raise financing to support on-going operations or to fund capital expenditures could limit the Corporation's operations and may have a material adverse effect upon future profitability. The Corporation may require additional financing to fund its operations to the point where it is generating positive cash flows.

If additional funds are raised through further issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences and privileges superior to those of holders of Common Shares. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Corporation to obtain additional capital or to pursue business opportunities, including potential acquisitions. If adequate funds are not obtained, the Issuer may be required to reduce, curtail, or discontinue operations. There is no assurance that the Corporation's future cash flow, if any, will be adequate to satisfy its ongoing operating expenses and capital requirements.

The Corporation continues to sell shares for cash to fund operations, capital expansion, mergers and acquisitions that will dilute the current shareholders

There is no guarantee that the Corporation will be able to achieve its business objectives. The continued development of the Corporation will require additional financing. The failure to raise such capital could result in the delay or indefinite postponement of current business objectives or the Corporation going out of business. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Corporation.

If additional funds are raised through issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences and privileges superior to those of holders of Common Shares. The Corporation's articles permit the issuance of an unlimited number of Common Shares, and shareholders will have no pre-emptive rights in connection with such further issuance. The directors of the Corporation have discretion to determine the price and the terms of issue of further issuances. Moreover, additional Common Shares will be issued by the Corporation on the exercise of incentive awards granted under the Corporation's Stock Option Plan and upon the exercise of outstanding warrants. In addition, from time to time, the Corporation may enter into transactions to acquire assets or the shares of other companies. These transactions may be financed wholly or partially with debt, which may temporarily increase the Corporation's debt levels above industry standards. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Corporation to obtain additional capital and to pursue business opportunities, including potential acquisitions. The Corporation may require additional financing to fund its operations to the point where it is generating positive cash flows. Negative cash flows may restrict the Corporation's ability to pursue its business objectives.

Discretion and Uncertainty of Use of Proceeds

Although the Corporation has set out its intended use of proceeds, these intended uses are estimates only and subject to change. While management does not currently contemplate any material variation, management does retain broad discretion in the application of such proceeds. The results and the effectiveness of the application of the funds are uncertain. The failure by the Corporation to apply these funds effectively could have a material adverse effect on the Corporation's business, including the Corporation's ability to achieve its stated business objectives. In addition, the Corporation may use the funds in ways that an investor may not consider desirable.

If we have a material weakness in our internal controls over financial reporting, investors could lose confidence in the reliability of our financial statements, which could result in a decrease in the value of our securities

One or more material weaknesses in our internal controls over financial reporting could occur or be identified in the future. In addition, because of inherent limitations, our internal controls over financial reporting may not prevent or detect misstatements, and any projections of any evaluation of effectiveness of internal controls to future periods are subject to the risk that controls

may become inadequate because of changes in conditions or that the degree of compliance with our policies or procedures may deteriorate. If we fail to maintain the adequacy of our internal controls, including any failure or difficulty in implementing required new or improved controls, our business and results of operations could be harmed, we may not be able to provide reasonable assurance as to our financial results or meet our reporting obligations and there could be a material adverse effect on the price of our securities. (See "*Selected Financial Information*" and "*Management's Discussion and Analysis*").

Novel Coronavirus (COVID-19)

The outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", and all of its mutations has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and physical and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Corporation and its operating subsidiaries in future periods. However, depending on the length and severity of the pandemic, COVID-19 could interrupt the Corporation's operations; increase operating expenses; cause delayed performance of contractual obligations; shutdown the Facility; cause delays relating to approval from the FDA, Health Canada or equivalent organizations in other countries; cause delays in research activities; impair the Corporation's ability to raise funds depending on COVID-19s effect on capital markets; adversely affect the Corporation's supply partners, contractors, customers and/or transportation carries; and cause fluctuations in the price and demand for the Corporation's products.

In particular, as of the date of this Prospectus, the full extent of the effects of the COVID-19 pandemic are unknown. The continued spread of COVID-19 and the measures taken by the governments of countries affected could disrupt the Corporation's plan of distribution and use of available funds and the timelines, business objectives or disclosed milestones related thereto, and thus, adversely impact the Corporation's business, financial condition, results of operations and prospects. In addition, there can be no assurance that the Corporation will not lose members of its workforce (e.g., employees or consultants) or see its workforce man-hours reduced or incur increased medical costs as a result of these health risks. The Corporation will actively assess and respond where possible to the potential impact of the COVID-19 pandemic. It is difficult to predict how the COVID-19 pandemic may affect the Corporation's business in the future, including the effect it may have (positive or negative; long or short term) on the price of, and demand for, NHPs and other products. It is possible that the COVID-19 virus could have a material adverse effect on the Corporation's business, financial condition, results of operations and prospects as well as the market for its securities and/or its ability to obtain financing. The extent to which the COVID-19 pandemic impacts the Corporation's results will depend on future developments that are highly uncertain and cannot be predicted, including new information that may emerge concerning the severity of the virus, the duration of the outbreak and the actions to contain its impact.

Market Price of Common Shares and Volatility

The Common Shares do not currently trade on any exchange or stock market. Securities of small-cap companies have experienced substantial volatility in the past, often based on factors unrelated to the companies' financial performance or prospects. These factors include macroeconomic developments in North America and globally and market perceptions of the attractiveness of particular industries. Factors unrelated to our performance that may affect the price of the Common Shares include the following: the extent of analytical coverage available to investors concerning our business may be limited if investment banks with research capabilities do not follow the Corporation; lessening in trading volume and general market interest in the Common Shares may affect an investor's ability to trade significant numbers of Common Shares; the size of our public float may limit the ability of some institutions to invest in Common Shares; and a substantial decline in the price of the Common Shares that persists for a significant period of time could cause the Common Shares, if listed on an exchange, to be delisted from such exchange, further reducing market liquidity. As a result of any of these factors, the market price of the Common Shares at any given point in time may not accurately reflect our long-term value. Securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. We may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources. The fact that no market currently exists for the Common Shares may affect the pricing of the Common Shares in the secondary market, the transparency and availability of trading prices and the liquidity of the Common Shares.

The market price of the Common Shares is affected by many other variables which are not directly related to our success and are, therefore, not within our control. These include other developments that affect the breadth of the public market for the Common Shares, the release or expiration of lock-up, escrow or other transfer restrictions on the Common Shares, and the attractiveness of alternative investments. The effect of these and other factors on the market price of the Common Shares is expected to make the Common Share price volatile in the future, which may result in losses to investors.

There is no established market for the Corporation's securities

There is currently no market through which the Corporation's securities may be sold and purchasers may not be able to resell the Corporation's securities. An active public market for the Common Shares might not develop or be sustained following the filing of this Prospectus. If an active public market for the Common Shares does not develop, the liquidity of a shareholder's investment may be limited, and the Common Share price may decline below the shareholder's initial investment.

The Corporation may not pay dividends

We intend to retain earnings, if any, to finance the growth and development of our business and do not intend to pay cash dividends on the Common Shares in the foreseeable future. The payment of future cash dividends, if any, will be reviewed periodically by the Board and will depend upon, among other things, conditions then existing including earnings, financial condition and capital requirements, restrictions in financing agreements, business opportunities and conditions and other factors.

The Corporation will be subject to additional regulatory burden resulting from its public listing on the CSE

Prior to the filing of this Prospectus, the Corporation has not been subject to the continuous and timely disclosure requirements of Canadian securities laws or other rules, regulations and policies of the CSE or other stock exchange. We are working with our legal, accounting and financial advisors to identify those areas in which changes should be made to our financial management control systems to manage our obligations as a public company. These areas include corporate governance, corporate controls, disclosure controls and procedures and financial reporting and accounting systems. We have made, and will continue to make, changes in these and other areas, including our internal controls over financial reporting. However, we cannot assure purchasers of Common Shares that these and other measures that we might take will be sufficient to allow us to satisfy our obligations as a public company on a timely basis. In addition, compliance with reporting and other requirements applicable to public companies will create additional costs for us and will require the time and attention of management. We cannot predict the amount of the additional costs that we might incur, the timing of such costs or the impact that management's attention to these matters will have on our business.

Transactions Engaged in by our Largest Shareholders, our Directors or Officers

The officers, directors and principal shareholders (greater than 10% shareholders) are expected to collectively control approximately 32.62% of the Corporation. Subsequent sales of our Common Shares by these shareholders could have the effect of lowering the market price of our Common Shares. The perceived risk associated with the possible sale of a large number of Common Shares by these shareholders, or the adoption of significant short positions by hedge funds or other significant investors, could cause some of our shareholders to sell their Common Shares, thus causing the market price of our Common Shares to decline. In addition, actual or anticipated downward pressure on our stock price due to actual or anticipated sales of Common Shares by our directors or officers could cause other institutions or individuals to engage in short sales of the Common Shares, which may further cause the market price of our Common Shares to decline.

From time to time our directors and executive officers may sell Common Shares on the open market. These sales will be publicly disclosed in filings made with securities regulators. In the future, our directors and executive officers may sell a significant number of Common Shares for a variety of reasons unrelated to the performance of our business. Our shareholders may perceive these sales as a reflection on management's view of the business and result in some shareholders selling their Common Shares. These sales could cause the market price of our Common Shares to drop.

CERTAIN FEDERAL INCOME TAX CONSIDERATIONS

The Corporation encourages each security holder to consult with its own tax or professional tax advisor to under the tax considerations generally applicable with purchasing or owning the Qualified Shares.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

The Corporation knows of no material, active or pending legal proceedings against the Corporation, nor is the Corporation involved as a plaintiff in any material proceeding or pending litigation. There are no proceedings in which any of the Corporation's directors, officers or affiliates, or any registered or beneficial shareholder, is an adverse party or has a material interest adverse to the Corporation's interest.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as disclosed in this Prospectus (see "Narrative Description of the Business – the Corporation's Current Business") no director, executive officer or principal shareholder of the Corporation, or an associate or affiliate of a director, executive officer or principal shareholder of the Corporation, has any material interest, direct or indirect, in any transaction which has occurred within the three years before the date of this Prospectus, or in any proposed transaction that has materially affected or will materially affect the Corporation.

AUDITORS, TRANSFER AGENT AND REGISTRAR

Auditors

The auditor of the Corporation is Saturna Group Chartered Professional Accountants LLP of 1250-1066 West Hastings Street, Vancouver, BC V6E 3X1.

Transfer Agent and Registrar

The transfer agent and registrar for the Corporation's Common Shares is Odyssey Trust Company of 323 – 409 Granville Street, Vancouver, British Columbia, V6C 1T2.

MATERIAL CONTRACTS

The following are material contracts that have been entered into by the Corporation, other than in the ordinary course of business, since incorporation and which are currently in force:

Name and a Short Description of the Contract	Parties	Date
Share Exchange Agreement as amended. The agreement sets the terms of the acquisition of all the securities of Egret Bioscience by the Corporation	The Corporations, Egret Bioscience and the shareholders of Egret Bioscience	September 25, 2020

Copies of all material contracts and reports referred to in this Prospectus may be inspected at the registered and records office of the Corporation at 1150-789 West Pender St., Vancouver, BC V6C 1H2, during normal business hours, as well as under the Corporation's SEDAR profile at www.sedar.com.

INTERESTS OF EXPERTS

No person or company whose profession or business gives authority to a report, valuation, statement or opinion and who is named as having prepared or certified a part of this Prospectus or as having prepared or certified a report or valuation described or included in this Prospectus holds or is to hold any beneficial or registered interest, direct or indirect, in any securities or property of the Corporation or any Associate or Affiliate of the Corporation.

PROMOTERS

Jagdip Bal, CEO and a Director of the Corporation, is a Promoter of the Corporation in that he took the initiative in organizing and reorganizing the Corporation in its current business and operations. The relevant information about Mr. Bal is provided under section *"Directors and Executive Officers"*.

Philippe Henry, CSO and a Director of the Corporation, is a Promoter of the Corporation in that he took the initiative in organizing and reorganizing Egret Bioscience Ltd. In its current business and operations. The relevant information about Dr. Henry is provided under section "*Directors and Executive Officers*".

Kyle Remenda is a Promoter of Egret Bioscience because he helped with the organizing of the business of Egret Bioscience. Mr. Remenda controls 6,375,000 (12.76%) Shares of the Corporation. On January 18, 2021 he was granted 222,222 Stock Options of the Corporation, each exercisable at $0.10. All his Stock Options are subject to the following vesting schedule: 10% of the options will vest on listing of the common shares of the Company on a securities exchange in Canada and 15% every six months after listing. Currently, he is one of five employees of Egret Bioscience and receives monthly salary in the amount of $7,500.

Andrew Prowse and Clinton Sharples are Promoters in that they invested in the seed capital of the Corporation and helped with the organizing of the business of the Corporation.

Mr. Prowse purchased 1,500,000 Common Shares for cash on January 10, 2020 at a price of $0.005 per one Common Share for the total consideration of $7,500. He controls 3% of the issued and outstanding Common Shares of the Corporation. On January 18, 2021 he was granted 172,223 Stock Options of the Corporation, each exercisable at $0.10. All his Stock Options are subject to the following vesting schedule: 10% of the options will vest on listing of the common shares of the Company on a securities exchange in Canada and 15% every six months after listing.

In 2002 Mr. Prowse was sanctioned by the British Columbia Securities Commission for failing to file his insider reports on time. The penalties were: 1) 18 months prohibition from trading in securities except for trading in securities for his own account; 2) prohibition from becoming or acting as a director or officer of any reporting issuer (other than Liquid Gold Resources Inc.) for

18 months; and 3) administrative penalty of $5,000 and costs.

Mr. Sharples purchased 1,500,000 Common Shares for cash on January 10, 2020 at a price of $0.005 per one Common Share for the total consideration of $7,500. He controls 3% of the issued and outstanding Common Shares of the Corporation.

In 2009 Mr. Sharples was sanctioned by the British Columbia Securities Commission. Thermal Energy Corp was issued a Cease Trade until the company clarified some corporate information. All directors were required to complete various TSX Venture Workshops as a result.

STATUTORY RIGHTS OF WITHDRAWAL AND RECISSION

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two Business Days after receipt or deemed receipt of a prospectus and any amendment thereto. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal advisor.

OTHER MATERIAL FACTS

To management's knowledge, there are no other material facts that are not otherwise disclosed in this Prospectus or are necessary for the Prospectus to contain full, true and plain disclosure of all relevant material facts.

Schedule A

Corporation Financial Statements and MD&A

1. Audited financial statements of the Corporation from the date of incorporation on January 3, 2020 to May 31, 2020;
2. Unaudited interim financial statements of the Corporation for the period ending February 28, 2021;
3. MD&A of the Corporation from the date of incorporation on January 3, 2020 to May 31, 2020; and
4. MD&A of the Corporation for the period ending February 28, 2021.

LEXSTON CAPITAL CORP.

Financial Statements

For the period from January 2, 2020 (date of incorporation)
to May 31, 2020

(Expressed in Canadian Dollars)

SATURNAGROUP
CHARTERED PROFESSIONAL ACCOUNTANTS LLP
1066 West Hastings Street, Suite 1250
Vancouver, BC Canada V6E 3X1

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Lexston Capital Corp.

Opinion

We have audited the financial statements of Lexston Capital Corp. (the "Company"), which comprise the statement of financial position as at May 31, 2020, and the statements of operations and comprehensive loss, changes in equity, and cash flows for the period from January 3, 2020 (date of incorporation) to May 31, 2020, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at May 31, 2020, and its financial performance and its cash flows for the period from January 2, 2020 (date of incorporation) to May 31, 2020 in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the Company has no revenues and incurred a net loss of $6,483 during the period from January 3, 2020 (date of incorporation) to May 31, 2020 and, as of that date, the Company had an accumulated deficit of $6,483. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis
- The information, other than the financial statements and our auditor's report thereon, in the Prospectus.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of the auditor's report. If, based on the work we have performed on this information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

The Prospectus is expected to be made available to us after the date of the auditor's report. If, based on the work we have performed on this information, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditors' report is Henry Chow.

Saturna Group Chartered Professional Accountants LLP

Vancouver, Canada

January 12, 2021

LEXSTON CAPITAL CORP.
STATEMENT OF FINANCIAL POSITION
(Expressed in Canadian dollars)

	May 31, 2020 $
ASSETS	
Current assets	
Cash and cash equivalents	170,765
Amounts receivable	187
Total assets	170,952
LIABILITIES AND SHAREHOLDERS' EQUITY	
Current liabilities	
Accounts payable and accrued liabilities	1,960
Total liabilities	1,960
Shareholders' equity	
Share capital	95,000
Share subscriptions received (Note 5)	80,475
Deficit	(6,483)
Total shareholders' equity	168,992
Total liabilities and shareholders' equity	170,952

Nature and continuance of operations (Note 1)
Subsequent events (Note 8)

Approved and authorized for issuance by the Board of Directors on January 12, 2021:

/s/ Harinder Bains
Harinder Bains, Director

/s/ Jagdip Bal
Jagdip Bal, Director

(The accompanying notes are an integral part of these financial statements)

LEXSTON CAPITAL CORP.
STATEMENT OF OPERATIONS AND COMPREHENSIVE LOSS
(Expressed in Canadian dollars)

	Period from January 3, 2020 (date of incorporation) to May 31, 2020 $
Operating expenses	
General and administrative (Note 6)	106
Professional fees	6,377
Total operating expenses	6,483
Net loss and comprehensive loss	(6,483)
Basic and diluted loss per share	–
Weighted average number of shares outstanding	4,670,833

(The accompanying notes are an integral part of these financial statements)

LEXSTON CAPITAL CORP.
STATEMENTS OF CHANGES IN EQUITY
(Expressed in Canadian dollars)

	Share capital		Share subscriptions		
	Number of shares	Amount $	received $	Deficit $	Total $
Balance, January 3, 2020 (date of incorporation)	–	–	–	–	–
Proceeds from issuance of common shares	8,125,000	95,000	–	–	95,000
Shares subscriptions received	–	–	80,475	–	80,475
Net loss for the period	–	–	–	(6,483)	(6,483)
Balance, May 31, 2020	8,125,000	95,000	80,475	(6,483)	168,992

(The accompanying notes are an integral part of these financial statements)

LEXSTON CAPITAL CORP.
STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars)

	Period from January 3, 2020 (date of incorporation) to May 31, 2020 $
OPERATING ACTIVITIES	
Net loss for the period	(6,483)
Changes in non-cash operating working capital:	
Amounts receivable	(187)
Accounts payable and accrued liabilities	1,960
Net cash used in operating activities	(4,710)
FINANCING ACTIVITIES	
Proceeds from shares issued and share subscriptions	175,475
Net cash provided by financing activities	175,475
Change in cash and cash equivalents	170,765
Cash and cash equivalents, beginning of period	–
Cash and cash equivalents, end of period	170,765
Cash and cash equivalents are comprised of:	
Cash in bank	165,369
Cash held in legal trust	5,396
Total cash and cash equivalents	170,765

(The accompanying notes are an integral part of these financial statements)

1. NATURE AND CONTINUANCE OF OPERATIONS

Lexston Capital Corp. (the "Company") was incorporated on January 3, 2020 under the laws of the province of British Columbia. The address of the Company's registered and records of is 1150 – 789 West Pender Street, Vancouver, BC, V6C 1H2 and its principal place of business is 929 Mainland Street, Vancouver, BC, V6B 1S3. The Company is in the development stage and is in the process of identifying and acquiring potential resource properties for exploration.

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic. This contagious disease outbreak and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, leading to an economic downturn. The impact on the Company is not currently determinable, but management continues to monitor the situation.

During the period ended May 31, 2020, the Company has no revenues and has generated negative cash flows from operating activities. As at May 31, 2020, the Company has an accumulated deficit of $6,483. The Company expects to incur further losses in the development of its operations. The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating enough revenues to cover its operating costs. These factors indicate the existence of material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern.

These financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and thus be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These financial statements have been prepared in accordance with IAS 1 'Presentation of Financial Statements' ("IAS 1") using accounting policies consistent with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

Basis of preparation

These financial statements have been prepared on a historical cost basis and in accordance with International Financial Reporting Standards ("IFRS"). These financial statements are presented in Canadian dollars, which is the Company's functional currency.

Significant accounting judgments and estimates

The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both the current and future periods.

Significant areas requiring the use of estimates include unrecognized deferred income tax assets.

The Company applies judgment in the application of the going concern assumption which requires management to take into account all available information about the future, which is at least, but not limited to, 12 months from the end of the reporting period.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and cash equivalents

The Company considers all highly liquid investments with a maturity of three months or less at the time of issuance, are readily convertible to known amounts of cash, and which are subject to insignificant risks of changes in value to be cash equivalents.

Comprehensive income (loss)

Comprehensive income or loss is the change in net assets arising from transactions and other events and circumstances from non-owner sources, and comprises net income or loss and other comprehensive income or loss.

Financial instruments

Classification and measurement – initial recognition

On initial recognition, all financial assets and liabilities are classified and recorded at fair value, net of attributable transaction costs, except for financial assets and liabilities classified as at fair value through profit or loss ("FVTPL").

Classification and measurement – subsequent to initial recognition

Subsequent measurement of financial assets and liabilities depends on their classification and measurement basis.

Financial Assets

Subsequent to initial recognition, financial assets are measured at amortized cost, fair value through other comprehensive income, or fair value through profit or loss, depending on the business model in which a financial asset is managed and its contractual cash flow characteristics.

A financial asset is measured at amortized cost if both of the following conditions are met:

a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset shall be measured at fair value through other comprehensive income if both of the following conditions are met:

a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that do not meet the above conditions are classified as fair value through profit or loss. The Company's cash and cash equivalents and amounts receivable are measured at amortized cost.

Financial Liabilities

Subsequent to initial recognition, financial liabilities are measured at amortized cost, unless designated as fair value through profit or loss. The Company's accounts payable and accrued liabilities are measured at amortized cost.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Impairment of Financial Assets

The Company applies the expected credit loss ("ECL") model to its financial assets measured at amortized cost. Under the ECL model, loss allowances are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Upon recognition of a financial asset, 12-month ECLs are recognized in the consolidated statement of operations and a loss allowance is established. At each reporting date, if the credit risk associated with a financial asset has increased significantly and is not considered low, lifetime ECLs are recognized in the statement of operations.

Loss per share

Basic loss per share is computed using the weighted average number of common shares outstanding during the period. The treasury stock method is used for the calculation of diluted loss per share. Stock options, share purchase warrants, and other equity instruments are dilutive when the average market price of the common shares during the period exceeds the exercise price of the options, warrants and other equity instruments. As at May 31, 2020, the Company had no potentially dilutive shares outstanding.

Income taxes

(i) Current income taxes

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of each reporting period.

(ii) Deferred income tax

Deferred income tax is provided using the statement of financial position method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable income will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Share-based payments

The Company grants share-based awards to employees, directors and consultants as an element of compensation. The fair value of the awards is recognized over the vesting period as share-based compensation expense and share-based payment reserve. The fair value of share-based payments is determined using the Black-Scholes option pricing model using estimates at the date of the grant. At each reporting date prior to vesting, the cumulative expense representing the extent to which the vesting period has expired and management's best estimate of the awards that are ultimately expected to vest is computed. The movement in cumulative expense is recognized in the statement of operations with a corresponding entry within equity, against share-based payment reserve. No expense is recognized for awards that do not ultimately vest. When stock options are exercised, the proceeds received, together with any related amount in share-based payment reserve, are credited to share capital.

Share-based payments arrangements in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, unless the fair value cannot be estimated reliably. If the Company cannot reliably estimate the fair value of the goods or services received, the Company will measure their value by reference to the fair value of the equity instruments granted.

3. RECENT ACCOUNTING PRONOUNCEMENTS

A number of new standards, and amendments to standards and interpretations, are not yet effective for the period ended May 31, 2020, and have not been early adopted in preparing these financial statements. These new standards, and amendments to standards and interpretations are either not applicable or are not expected to have a significant impact on the Company's financial statements.

4. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT

The Company is exposed to various financial instrument risks and assesses the impact and likelihood of this exposure. These risks include liquidity risk, credit risk, price risk, currency risk and interest rate risk. Where material, these risks are reviewed and monitored by the Board of Directors.

Fair values

Assets and liabilities measured at fair value on a recurring basis were presented on the Company's statement of financial position as at May 31, 2020, as follows:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair values of financial instruments, which include cash and cash equivalents, amounts receivable, and accounts payable and accrued liabilities approximate their carrying values due to the relatively short-term maturity of these instruments.

4. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT (continued)

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising debt and equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs. There is no assurance that financing will be available or, if available, that such financing will be on terms acceptable to the Company.

Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash and cash equivalents and amounts receivable. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash with high-credit quality financial institutions. The Company's cash and cash equivalents are held within a legal trust account or with a major Canadian-based financial institution. Amounts receivable consists of GST refunds due from the Government of Canada. The carrying amount of financial assets represents the maximum credit exposure.

Foreign exchange rate and interest rate risk

The Company's functional currency is the Canadian dollar and is not exposed to any foreign exchange rate or interest rate risk.

Price risk

The Company is exposed to price risk with respect to commodity prices. The Company's ability to raise capital to fund exploration and development activities is subject to risks associated with fluctuations in the market price of commodities.

Capital Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders.

The Company depends on external financing to fund its activities. The capital structure of the Company currently consists of cash and cash equivalents, and equity comprised of issued share capital, and share subscriptions received. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares through private placements, or sell assets to fund operations. Management reviews its capital management approach on a regular basis. The Company is not subject to externally imposed capital requirements.

5. SHARE CAPITAL

Authorized: unlimited, with no par value

(a) On January 10, 2020, the Company issued 4,500,000 founders' common shares at $0.005 per share for proceeds of $22,500, which included 1,500,000 founders' common shares to the Chief Executive Officer of the Company for proceeds of $7,500.

(b) On May 14, 2020, the Company issued 3,625,000 common shares at $0.02 per share for total proceeds of $72,500, which included 1,800,000 common shares to directors and officers of the Company for proceeds of $36,000.

(Expressed in Canadian dollars)

5. SHARE CAPITAL (continued)

Authorized: unlimited, with no par value

(c) During the period ended May 31, 2020, the Company received share subscription proceeds of $80,475 for the future issuance of 1,073,000 units at $0.075 per unit. Each unit will consist of one common share and one share purchase warrant which entitles the holder to purchase one additional common share of the Company at $0.15 per share for a period of three years from the date of issuance subject to the following acceleration clause: if the common shares of the Company are listed on a Canadian stock exchange and trade at a price of $0.40 per share or higher for ten consecutive business days, the share purchase warrants will expire within 30 days from the date when the acceleration clause was achieved. Refer to Note 8(a).

6. STOCK OPTIONS

The Company has a stock option plan whereby stock options are granted in accordance with the policies of regulatory authorities at an exercise price equal to the market price of the Company's stock on the date of the grant and, unless otherwise stated, vest on the grant date and with a term not to exceed five years. Under the plan, the board of directors may grant up to 10% of the issued number of shares outstanding as at the date of the stock option grant.

There were no stock options issued or outstanding during the period ended May 31, 2020.

7. INCOME TAXES

The tax effect (computed by applying the Canadian federal and provincial statutory rate) of the significant temporary differences, which comprise deferred income tax assets and liabilities, are as follows:

	2020 $
Canadian statutory income tax rate	27%
Income tax recovery at statutory rate	(1,750)
Tax effect of:	
Change in unrecognized deferred income tax assets	1,750
Income tax provision	–

The significant components of deferred income tax assets and liabilities are as follows:

	2020 $
Deferred income tax assets	
Non-capital losses carried forward	1,750
Unrecognized deferred income tax assets	(1,750)
Net deferred income tax asset	–

As at May 31, 2020, the Company has non-capital losses carried forward of $6,483 which are available to offset future years' taxable income which will expire as follows:

	$
2040	6,483
	6,483

8. SUBSEQUENT EVENTS

(a) On June 25, 2020 the Company issued 7,139,932 units at $0.075 per unit for proceeds of $535,495, of which $80,475 was received prior to May 31, 2020. Each unit was comprised of one common share of the Company and one share purchase warrant of the Company which entitles the holder to purchase one additional common share of the Company at $0.15 per share for a period of three years from the date of issuance subject to the following acceleration clause: if the common shares of the Company are listed on a Canadian stock exchange and trade at a price of $0.40 per share or higher for ten consecutive business days, the share purchase warrants will expire within 30 days from the date when the acceleration clause was achieved.

(b) On July 14, 2020, the Company issued 8,996,664 units at $0.075 per unit for proceeds of $674,750. Each unit was comprised of one common share of the Company and one share purchase warrant of the Company which entitles the holder to purchase one additional common share of the Company at $0.15 per share for a period of three years from the date of issuance subject to the following acceleration clause: if the common shares of the Company are listed on a Canadian stock exchange and trade at a price of $0.40 per share or higher for ten consecutive business days, the share purchase warrants will expire within 30 days from the date when the acceleration clause was achieved.

(c) On September 8, 2020, the Company entered into a letter of intent ("LOI") with Egret Bioscience Ltd. ("Egret"), a company incorporated in the province of British Columbia. Under the terms of the LOI, the Company will acquire all the outstanding common shares of Egret in exchange for 23,000,000 common shares of the Company, of which 8,000,000 common shares are issuable to Egret upon completion of $120,000 of financing by Egret, and additional contingent consideration of 10,000,000 common shares if Egret can obtain certain performance milestones within the Agreement. The final structure and number of common shares issued as part of the share exchange agreement (the "Agreement") will be mutually agreed upon by both the Company and Egret following completion of due diligence and a review of tax, accounting, corporate and securities law issues including the approval of a listing on the Canadian Stock Exchange.

As part of the LOI, on September 30, 2020, the Company advanced $500,000 to Egret which is secured by a general security agreement over Egret's assets, bears no interest, and is due on demand. The Company signed a share exchange agreement with Egret on September 25, 2020, which was amended on October 20, 2020, December 2, 2020 and January 6, 2021 and is pending final regulatory review and approval.

(d) On October 16, 2020, the Company issued 2,706,664 units at $0.075 per unit for proceeds of $203,000. Each unit was comprised of one common share of the Company and one share purchase warrant of the Company which entitles the holder to purchase one additional common share of the Company at $0.15 per share for a period of three years from the date of issuance subject to the following acceleration clause: if the common shares of the Company are listed on a Canadian stock exchange and trade at a price of $0.40 per share or higher for ten consecutive business days, the share purchase warrants will expire within 30 days from the date when the acceleration clause was achieved.

LEXSTON LIFE SCIENCES CORP.

(formerly Lexston Capital Corp.)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the period ended February 28, 2021

(EXPRESSED IN CANADIAN DOLLARS)

(UNAUDITED)

LEXSTON LIFE SCIENCES CORP.
(formerly Lexston Capital Corp.)
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian dollars)

	February 28, 2021 $	November 30, 2020 $
	(unaudited)	
ASSETS		
Current assets		
Cash	1,167,638	468,991
Accounts receivable (Note 4)	41,933	15,677
Prepaid expenses and deposits	2,000	40,474
Total current assets	1,211,571	525,142
Non-current assets		
Property and equipment (Note 6)	97,742	1,600
Total assets	1,309,313	526,742
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (Note 7)	40,875	36,897
Due to related party (Note 8)	6,509	20,669
Loan payable	–	500,000
Total current liabilities	47,384	557,566
Shareholders' deficit		
Share capital (Note 10)	1,506,184	120,015
Share-based reserves	422,936	–
Share subscriptions receivable	–	(78,000)
Deficit	(667,191)	(72,839)
Total shareholders' equity	1,261,929	(30,824)
Total liabilities and shareholders' equity	1,309,313	526,742

Nature of operations and continuance of business (Note 1)

Approved and authorized for issuance by the Board of Directors on May 10, 2021:

/s/ Harinder Bains
Harinder Bains, Director

/s/ Jagdip Bal
Jagdip Bal, Director

(The accompanying notes are an integral part of these condensed interim consolidated financial statements)

LEXSTON LIFE SCIENCES CORP.
(formerly Lexston Capital Corp.)
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(Expressed in Canadian dollars)
(unaudited)

	Three months ended February 28, 2021 $
Revenues (Note 5)	40,275
Cost of sales	26,282
Gross profit	13,993
Operating expenses	
Advertising and promotion	623
Amortization (Note 6)	8,330
Consulting	2,919
Office and miscellaneous	7,476
Professional fees	56,784
Regulatory and transfer agent fees	3,798
Rent	6,900
Research and development	43,051
Salaries and benefits (Note 10)	111,492
Stock-based compensation (Note 9)	10,161
Travel and promotion	4,297
Total operating expenses	255,831
Net loss before other expense	(241,838)
Other expense	
Listing expense (Note 4)	(352,514)
Net loss and comprehensive loss	(594,352)
Loss per share, basic and diluted	(0.02)
Weighted average number of shares outstanding	30,191,536

(The accompanying notes are an integral part of these condensed interim consolidated financial statements)

LEXSTON LIFE SCIENCES CORP.
(formerly Lexston Capital Corp.)
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(Expressed in Canadian dollars)
(unaudited)

	Share capital					
	Number of shares	Amount $	Share-Based Reserves $	Share subscriptions receivable $	Deficit $	Total $
Balance, July 1, 2020 (date of incorporation)	100	1	–	–	–	1
Issuance of founders' shares	14,999,900	14	–	–	–	14
Proceeds from issuance of common shares	8,000,000	120,000	–	(78,000)	–	42,000
Net loss for the period	–	–	–	–	(72,839)	(72,839)
Balance, November 30, 2020	23,000,000	120,015	–	(78,000)	(72,839)	(30,824)
Proceeds from share subscriptions	–	–	–	78,000	–	78,000
Shares issued pursuant to reverse takeover transaction	26,968,260	1,386,169	412,775	–	–	1,798,944
Stock-based compensation	–	–	10,161	–	–	10,161
Net loss for the period	–	–	–	–	(594,352)	(715,709)
Balance, February 28, 2021	**49,968,260**	**1,506.184**	**422,936**	–	**(667,191)**	**1,261,929**

(The accompanying notes are an integral part of these condensed interim consolidated financial statements)

LEXSTON LIFE SCIENCES CORP.
(formerly Lexston Capital Corp.)
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian dollars)
(unaudited)

	Three months ended February 28, 2021 $
OPERATING ACTIVITIES	
Net loss for the period	(594,352)
Adjustments for non-cash expenses and income:	
Amortization	8,330
Listing expense	352,514
Stock-based compensation	10,161
Changes in non-cash operating working capital:	
Amounts receivable	(23,420)
Prepaid expenses and deposits	44,474
Accounts payable and accrued liabilities	3,786
Due to related parties	(14,160)
Net cash used in operating activities	(212,667)
INVESTING ACTIVITIES	
Cash acquired from recapitalization	937,786
Purchase of property and equipment	(104,472)
Net cash provided by investing activities	833,314
FINANCING ACTIVITIES	
Proceeds from shares issued	78,000
Net cash provided by financing activities	78,000
Change in cash	698,647
Cash, beginning of period	468,991
Cash, end of period	1,167,638
Non-cash investing and financing activities:	
Fair value of consideration issued for recapitalization transaction	1,798,944

(The accompanying notes are an integral part of these condensed interim consolidated financial statements)

1. NATURE OF OPERATIONS AND CONTINUANCE OF BUSINESS

Lexston Life Sciences Corp. (formerly Lexston Capital Corp.) (the "Company") was incorporated on January 3, 2020 under the laws of the province of British Columbia. The address of the Company's registered and records of is 1150 – 789 West Pender Street, Vancouver, BC V6C 1H2 and its principal place of business is 929 Mainland Street, Vancouver, BC V6B 1S3. On January 18, 2021, the Company changed its name to Lexston Life Sciences Corp. in conjunction with the Share Exchange Agreement (the "Agreement") with Egret Biosciences Inc. ("Egret"). Refer to Note 4.

On September 22, 2020, as amended on October 20, December 3, December 28, 2020 and January 6, 2021, the Company entered into an Agreement with Egret, a company specializing in the research and development of pharmaceutical products which included a research license issued by Health Canada to the principal of Egret in accordance with the Cannabis Act and Cannabis Regulations. On September 3, 2020, Egret was issued an analytical testing license by Health Canada, which authorizes Egret to acquire and hold cannabis for the purpose of testing. Concurrent with the Agreement, Lexston issued 18,843,260 units at $0.075 per unit for proceeds of $1,413,245 prior to the closing date of the Agreement. On February 4, 2021, the Agreement was completed. Refer to Note 4.

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic. This contagious disease outbreak and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, leading to an economic downturn. The impact on the Company has not been significant, but management continues to monitor the situation.

During the period ended February 28, 2021, the Company incurred a net loss of $594,352 and has used net cash in operating activities of $212,667. As at February 28, 2021, the Company has an accumulated deficit of $667,191.

The Company expects to incur further losses in the development of its operations. While the Company has positive working capital, the ability of the Company to carry out its business objectives is dependent on its ability to secure continued financial support from related parties, to obtain public equity financing, or to ultimately attain profitable operations in the future. If and when the Company can attain profitability and positive cash flows is uncertain. While the Company has been successful in securing financing in the past, there is no assurance that financing will be available in the future on terms acceptable to the Company.

These condensed interim financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and thus be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

These unaudited condensed consolidated interim financial statements have been prepared in accordance with IAS 34 – Interim Financial Reporting as issued by the International Accounting Standards Board ("IASB"). Accordingly, certain disclosures included in annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the IASB have been condensed or omitted and these unaudited condensed interim consolidated financial statements should be read in conjunction with the Company's audited financial statements for the period ended November 30, 2020.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of Estimates and Judgments

The preparation of these unaudited condensed interim financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The unaudited condensed interim financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the unaudited condensed interim financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both the current and future periods.

Significant areas requiring the use of management estimates include the collectability of accounts receivable, the useful lives and carrying value of property and equipment, fair value of share based compensation, and recoverability of unrecognized deferred income tax assets.

Significant judgments of the Company include:

- Assessment of whether the going concern assumption is appropriate which requires management to take into account all available information about the future, which is at least, but not limited to, 12 months from the end of the reporting period; and
- Costs to develop products that will be sold are capitalized to the extent that the criteria for recognition as intangible assets in IAS 38, *Intangible Assets,* are met. Those criteria require that the product is technically and economically feasible, which management assesses based on the attributes of the development project, perceived user needs, industry trends and expected future economic conditions. Management considers these factors in aggregate and applies significant judgment to determine whether the product is feasible. As at February 28, 2021, the Company has not capitalized any product development costs as the capitalization criteria under IAS 38 has not been met.

Property and equipment

Property and equipment is recorded at historical cost less related accumulated depreciation and impairment losses. Cost is determined as the expenditure directly attributable to the asset at acquisition, only when it is probable that future economic benefits will flow to the Company and the cost can be reliably measured. When an asset is disposed of, its carrying cost is derecognized. All repairs and maintenance costs are charged to the statement of operations during the financial period in which they are incurred. The Company provides for depreciation of property, plant and equipment on a straight-line basis unless otherwise noted using the following annual rates:

Computer equipment	3 years straight line
Laboratory equipment	5 years straight line

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Research and development

The Company incurs costs on activities that relate to research and development of new products. Research and development costs are expensed, except in cases where development costs meet certain identifiable criteria for deferral, including technical feasibility. Development costs are capitalized only if the expenditures 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 and to use or sell the asset. Deferred development costs are amortized over the life of related commercial production, or in the case of serviceable property and equipment, are included in the appropriate property group and are depreciated over its estimated useful life.

Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of long-lived assets to determine whether there is an indication that those assets have suffered an impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment charge (if any). The Company's long-lived assets consists of property, equipment and furniture, and intangible assets.

The recoverable amount used for this purpose is the higher of the fair value less costs to sell and value in use. 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 recorded amount, the recorded amount of the asset is reduced to its recoverable amount. An impairment charge is recognized immediately in the consolidated statements of operations and comprehensive loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to a maximum amount equal to the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years.

Share capital

Proceeds received on the issuance of units, consisting of common shares and warrants, are allocated first to common shares based on the market trading price of the common shares at the time the units are issued, and any excess is allocated to warrants.

Incremental costs directly attributed to the issuance of common shares are shown in equity as a reduction, net of tax, of the proceeds received on issue. Shares issued for non-monetary consideration are valued based on the fair value of the goods or services received unless the fair value of the shares are a more reliable measure.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Share-based payments

The Company grants share-based awards to employees, directors, and consultants as an element of compensation. The fair value of the awards is recognized over the vesting period as share-based compensation expense and share-based payment reserve. The fair value of share-based payments is determined using the Black-Scholes option pricing model using estimates at the date of the grant. At each reporting date prior to vesting, the cumulative expense representing the extent to which the vesting period has expired and management's best estimate of the awards that are ultimately expected to vest is computed. The movement in cumulative expense is recognized in the statement of operations with a corresponding entry within equity, against share-based payment reserve. No expense is recognized for awards that do not ultimately vest. When stock options are exercised, the proceeds received, together with any related amount in share-based payment reserve, are credited to share capital.

Share-based payments arrangements in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, unless the fair value cannot be estimated reliably. If the Company cannot reliably estimate the fair value of the goods or services received, the Company will measure their value by reference to the fair value of the equity instruments granted.

Foreign currency translation

The functional and reporting currency is the Canadian dollar. Transactions denominated in foreign currencies are translated using the exchange rate in effect on the transaction date or at an average rate. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange in effect at the statement of financial position date. Non-monetary items are translated using the historical rate on the date of the transaction. Foreign exchange gains and losses are included in the statement of operations.

Revenue recognition

The Company's accounting policy for revenue recognition under IFRS 15 is to follow a five-step model to determine the amount and timing of revenue to be recognized:

1) Identifying the contract with a customer;
2) Identifying the performance obligations within the contract;
3) Determining the transaction price;
4) Allocating the transaction price to the performance obligations; and
5) Recognizing revenue when/as performance obligation(s) are satisfied.

Revenue is earned through the purchase and resale of capital equipment and for consulting services. Revenue from the purchase and resale of capital equipment is recorded once a customer has been identified and the resale price has been determined, and the equipment has been purchased and shipped to the customer.

Revenue from consulting services is derived from services provided to third parties relating to recorded once the contract, including consulting rates, with the customer have been determined and approved, the consulting services have been performed and billed to the customer.

Recent Accounting Pronouncements

A number of new standards, and amendments to standards and interpretations, are not yet effective for the period ended February 28, 2021, and have not been early adopted in preparing these financial statements. These new standards, and amendments to standards and interpretations are either not applicable or are not expected to have a significant impact on the Company's financial statements.

3. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT

The Company is exposed to various financial instrument risks and assesses the impact and likelihood of this exposure. These risks include liquidity risk, credit risk, price risk, currency risk and interest rate risk. Where material, these risks are reviewed and monitored by the Board of Directors.

Fair values

Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The levels of the fair value hierarchy are defined as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3 - Inputs for assets or liabilities that are not based on observable market data. comprehensive income or loss.

The fair values of other financial instruments, which include cash, accounts receivable, accounts payable and accrued liabilities, amounts due to related parties, and loan payable approximate their carrying values due to the relatively short-term maturity of these instruments.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising debt and equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs. The Company has cash of $1,167,638 at February 28, 2021 in order to meet short-term liabilities of $47,384. There is no assurance that financing will be available or, if available, that such financing will be on terms acceptable to the Company. The Company monitors its risk of shortage of funds by monitoring the maturity dates of its existing liabilities.

Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets which primarily is cash. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash with high-credit quality financial institutions. The Company's cash is held with a major Canadian-based financial institution. The carrying amount of financial assets represents the maximum credit exposure.

Foreign exchange rate and interest rate risk

The Company is not exposed to any significant foreign exchange rate or interest rate risk.

Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders.

The Company depends on external financing to fund its activities. The capital structure of the Company currently consists of cash, and equity comprised of issued share capital and share subscriptions receivable. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares through private placements, or sell assets to fund operations. Management reviews its capital management approach on a regular basis. The Company is not subject to externally imposed capital requirements.

(Expressed in Canadian dollars)

4. REVERSE TAKE OVER AND LISTING TRANSACTION

On February 4, 2021, the Company completed a reverse takeover transaction (the "Transaction") pursuant to which it acquired all of the issued and outstanding common shares of Lexston Capital Corp. ("Lexston"), a company incorporated in the province of British Columbia. Under the terms of the Transaction, the Company issued 23,000,000 common shares and up to 10,000,000 additional common shares (the "performance shares") for certain milestones attained by Egret management subsequent to the Transaction. As of the date of the condensed interim consolidated financial statements, the Agreement is subject to final regulatory review and approval.

The acquisition has been accounted for as an asset acquisition for accounting purposes, as the Transaction is considered to be outside of the scope of IFRS 3, *Business Combinations,* as Lexston was not a business prior to the Transaction. As such, the Transaction is accounted for in accordance with IFRS 2, *Share-based Payments*, whereby Egret is deemed to have issued common shares in exchange for the net assets of Lexston. The accounting for the Transaction includes the consolidated financial information of Lexston and Egret but are issued under the legal parent, Lexston, but are considered a continuation of the financial statements of the legal subsidiary, Egret. As Egret is deemed to be the acquirer for accounting purposes, its assets and liabilities are included in the consolidated financial statements at their historical carrying values.

The total consideration of the common shares and the performance shares has been allocated to the fair value of the net assets acquired and liabilities assumed, as follows:

Net Assets Acquired		
Cash	$	937,786
Loan receivable		500,000
Sales tax receivable		2,836
Prepaid expenses and deposits		6,000
Accounts payable and accrued liabilities		(192)
Net assets over liabilities	$	1,446,430
Consideration:		
Fair value of common shares	$	1,386,169
Fair value of performance shares		412,775
Fair value of consideration	$	1,798,944
Listing expense	$	352,514

The fair value of the common shares issued was $1,386,169, which was determined based on concurrent private placement offering at $0.075 per unit (refer to Note 7) related to the transaction, bifurcated to remove the portion of the fair value of the unit offering related to the share purchase warrant.

(Expressed in Canadian dollars)

4. REVERSE TAKE-OVER AND LISTING TRANSACTION (continued)

The fair value of the performance shares was $412,775 and was determined based on an independent valuation. Each performance share is issuable based on the following performance milestones:

(i) Egret generating monthly revenues of at least $100,000 for six consecutive months (the calculation of which to exclude revenues relating to Pre-Exiting Profits as detailed in Section 19 of the Share Exchange Agreement);
(ii) Egret generating at least $3,000,000 in total cumulative gross revenues;
(iii) Egret expanding and upgrading a licensed revenue generating cannabis research and development laboratory;
(iv) Lexston or Egret within 18 months from the date of the signing of this Letter submitting and obtaining an Exemption To Use Controlled Substance For Clinical Studies pursuant to Section 56 of the Controlled Drugs and Substances Act (S.C. 1996, c. 19);
(v) Lexston or Egret obtaining a license to sell products under the Controlled Drugs and Substances Act (S.C. 1996, c. 19);
(vi) Lexston or Egret entering into a commercial agreement satisfactory to Lexston to generate revenue in a foreign jurisdiction; and
(vii) Lexston or Egret entering into a commercial agreement satisfactory to Lexston to generate revenue in the United States of America.

5. REVENUES

	Three-months ended February 28, 2021 $
Consulting	4,550
Product sales	35,725
	40,275

(Expressed in Canadian dollars)

6. PROPERTY AND EQUIPMENT

	Computer equipment $	Laboratory equipment $	Total $
Cost			
Balance, July 1, 2020 (date of incorporation)	–	–	–
Additions	–	1,600	1,600
Balance, November 30, 2020	–	1,600	1,600
Additions	7,489	96,983	104,472
Balance, February 28, 2021	7,489	98,583	106,072
Accumulated depreciation:			
Balance, July 1, 2020 (date of incorporation) and November 30, 2020	–	–	–
Additions	936	7,394	8,330
Balance, February 28, 2021	936	7,394	8,330
Carrying amount:			
Balance, November 30, 2020	–	1,600	1,600
Balance, February 28, 2021	6,553	91,189	97,742

7. SHARE CAPITAL

Authorized

The Company has authorized share capital of an unlimited number of common shares without par value.

Issued

As at February 28, 2021: 49,968,260 shares issued and outstanding.

Escrow Shares

Pursuant to an escrow agreement to be effective upon listing, 21,300,000 common shares of the Company will be deposited into escrow for certain principal shareholders. Under the escrow agreement, 10% of the escrowed common shares are to be released (date of listing) and 15% will be subsequently released every 6 months thereafter over a period of 36 months. As of February 28, 2021, 21,300,000 shares are to be held in escrow.

Share issuances:

a) On July 1, 2020, the Company issued 100 founders' share to the Chief Executive Officer and Director of the Company for proceeds of $1.

b) On October 2, 2020, the Company issued 14,999,900 founders' share for proceeds of $14, including 8,624,900 common shares to the Chief Executive Officer and Director of the Company.

(Expressed in Canadian dollars)

7. SHARE CAPITAL (continued)

Share issuances: (continued)

c) On October 29, 2020, the Company issued 8,000,000 common shares at $0.015 per share for proceeds of $120,000.

d) On February 4, 2021, the Company finalized its reverse takeover transaction and issued 26,968,260 common shares. The common shares included the issuance of 18,843,260 units at $0.075 per unit for proceeds of $1,413,245 in accordance with the share exchange agreement between Lexston and Egret, which was received prior to the closing date of the agreement. Each unit is comprised of one common share and one share purchase warrant where each share purchase warrant entitles the holder to purchase one additional common share of the Company at $0.15 per share for a period of three years from the date of issuance subject to the following acceleration clause: if the common shares of the Company are listed on a Canadian stock exchange and trade at a price of $0.40 per share or higher for ten consecutive business days, the share purchase warrants will expire within 30 days from the date when the acceleration clause was achieved.

8. SHARE PURCHASE WARRANTS

The Company may issue share purchase warrants to acquire its common shares either in combination with share offerings, or on a stand-alone basis to its consultants and advisors. The terms of warrants issued are determined by the Company's Board of Directors.

The continuity of warrants for the period ended February 28, 2021 is summarized below:

	NUMBER OF WARRANTS	WEIGHTED AVERAGE EXERCISE PRICE $
Balance, July 1, 2020 (date of incorporation) and November 30, 2020	–	–
Issued	18,843,260	0.15
Balance, February 28, 2021	**18,843,260**	**0.15**

The following table summarizes the warrants outstanding and exercisable at February 28, 2021:

NUMBER OF WARRANTS	EXERCISE PRICE	EXPIRY DATE
7,139,932	$0.15	June 25, 2023
8,996,664	$0.15	July 14, 2023
2,706,664	$0.15	October 16, 2023
18,843,260		

The share purchase warrants are subject to an acceleration where they will expire within 30 days if the common shares of the Company are listed on a Canadian stock exchange and trade at a price of $0.40 per share or higher for ten consecutive business days. As at February 28, 2021, the weighted average remaining contractual life of all warrants outstanding was 2.39 years.

(Expressed in Canadian dollars)

9. STOCK OPTIONS

The Company has a Stock Option Plan whereby stock options are granted in accordance with the policies of regulatory authorities at an exercise price equal to the market price of the Company's stock on the date of the grant and, unless otherwise stated, vest on the grant date and with a term not to exceed five years. Under the plan, the board of directors may grant up to 10% of the issued number of shares outstanding as at the date of the stock option grant.

	Number of options	Weighted average exercise price $
Outstanding, July 1, 2020 (date of incorporation) and November 30, 2020	–	–
Granted	2,000,000	.0.10
Outstanding, February 28, 2021	2,000,000	0.10

Additional information regarding stock options outstanding as at February 28, 2021 is as follows:

Range of exercise prices $	Stock options outstanding	Stock options exercisable	Weighted average remaining contracted life (years)
0.10	2,000,000	–	4.9

During the period ended February 28, 2021, the Company granted 2,000,000 stock options to officers, directors, and consultants of the Company with 10% vested upon the Company being listed on a Canadian stock exchange (the "Listing Date"), and 15% for every six months from the Listing Date. For the period ended February 28, 2021, the Company recorded stock-based compensation in the amount of $10,161 using the Black-Scholes option pricing model to estimate the fair value of the options granted using the following assumptions and assuming no expected dividends or forfeiture rates:

	February 28, 2021
Annualized volatility	127%
Risk-free interest rate	0.34%
Expected life	5 years

10. RELATED PARTY TRANSACTIONS

Key Management Compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and Board of Director members.

(Expressed in Canadian dollars)

10. RELATED PARTY TRANSACTIONS (continued)

All related party transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. All amounts either due from or due to related parties other than specifically disclosed are non-interest bearing, unsecured and have no fixed terms of repayments.

a) As at February 28, 2021, the Company owed $1,081 (November 30, 2020 - $nil) to the Chief Executive Officer and Director of the Company for expenses. The amount owing is unsecured, non-interest bearing, and due on demand.

b) As at February 28, 2021, the Company owed $2,631 (November 30, 2020 -$nil) to a director of the Company. The amount owing is unsecured, non-interest bearing, and due on demand. During the three months ended February 28, 2021, the Company incurred $21,250 of salaries and benefits to the director of the Company.

c) On January 18, 2021, the Company granted 1,333,333 stock options to officers and directors of the Company, of which 10% vests on the Listing Date, and 15% vests for every six months after the listing date. For the period ended February 28, 2021, the Company recorded share-based compensation of $6,774 for stock options granted to officers and directors.

11. SEGMENTED INFORMATION

Information about reportable segments

The Company has two reportable operating segments, being the research laboratory located in Kelowna, British Columbia, and the head office location located in Vancouver, British Columbia. The summarized financial information by segment is as follows:

	Research Laboratory $	Head Office $
Non-current assets		
Property and equipment	97,742	–
Operations		
Revenues	40,275	–

LEXSTON CAPITAL CORP.
MANAGEMENT DISCUSSION AND ANAYSIS – FORM 51-102F1
for the period ended May 31, 2020

1.1 Date of Report

The following Management Discussion and Analysis ("**MD&A**") for Lexston Capital Corp. (the "**Company**" or "**Lexston**") is prepared as of January 13, 2021 and should be read in conjunction with the Company's audited financial statements and related notes for the period from January 3, 2020 (date of incorporation) to May 31, 2020 which were prepared in accordance with International Financial Reporting Standards ("**IFRS**"), as issued by the International Accounting Standards Board ("**IASB**"). Except as noted, all dollar amounts contained in this MD&A and in the audited financial statements are in Canadian dollars.

Forward-Looking Statements

This MD&A includes forward-looking statements and information concerning expected future events, the future performance of the Company, its operations, and its financial performance and condition. These forward-looking statements and information include, among others, statements with respect to the Company's objectives and strategies to achieve those objectives, as well as statements with respect to its beliefs, plans, expectations, anticipations, estimates, and intentions. When used in this MD&A, the words "believe", "anticipate", "may", "should", "intend", "estimate", "expect", "project", and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such words.

These forward-looking statements and information are based on current expectations. The Company cautions that all forward-looking statements and information are inherently uncertain and actual future results, conditions, actions or events may differ materially from the targets, assumptions, estimates, or expectations reflected or contained in the forward-looking statements and information, and that actual future results, conditions, actions, events, or performance will be affected by a number of factors including economic conditions and competitive factors, many of which are beyond the Company's control.

Forward-looking statements used in this MD&A are subject to various risks and uncertainties, most of which are difficult to predict and generally beyond the control of the Company. If risks or uncertainties materialize, or if underlying assumptions prove incorrect, the actual results may vary materially from those expected, estimated or projected. The Company undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change, except as required by applicable securities laws. There can be no assurance that such statements will prove to be accurate, and future events and actual results could differ materially from those anticipated in such statements. Given these uncertainties, the reader of the information included herein is cautioned not to place undue reliance on such forward-looking statements.

Management's Responsibility for Financial Statements

The information provided in this report, including the audited financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of the future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying audited financial statements.

Management maintains a system of internal controls to provide reasonable assurance that the Company's assets are safeguarded and to facilitate the preparation of relevant and timely information.

1.2 Nature of Business and Overall Performance

Lexston Capital Corp. (the "Company") was incorporated on January 3, 2020 under the laws of the province of British Columbia. The address of the Company's registered and records of is 1150 – 789 West Pender Street, Vancouver, BC V6C 1H2 and its principal place of business is 929 Mainland Street, Vancouver, BC V6B 1S3. The Company is in development stage and is in the process of identifying, acquiring and exploring potential business opportunities and has not yet determined whether the potential business opportunities are viable to create shareholder value.

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic. This contagious disease outbreak and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, leading to an economic downturn. The impact on the Company is not currently determinable, but management continues to monitor the situation.

Subsequent to May 31, 2020, the Company entered into a letter of intent ("LOI") with Egret Bioscience Ltd. ("Egret"), a company incorporated in the province of British Columbia. Under the terms of the LOI, the Company will acquire all the outstanding common shares of Egret in exchange for 23,000,000 common shares of the Company, of which 8,000,000 common shares are issuable to Egret upon completion of $120,000 of financing by Egret, and additional contingent consideration of 10,000,000 common shares if Egret can obtain certain performance milestones within the Agreement. The final structure and number of common shares issued as part of the share exchange agreement (the "Agreement") will be mutually agreed upon by both the Company and Egret following completion of due diligence and a review of tax, accounting, corporate and securities law issues including the approval of a listing on the Canadian Stock Exchange.

As part of the LOI, on September 30, 2020, the Company advanced $500,000 to Egret which is secured by a general security agreement over Egret's assets, bears no interest, and is due on demand. The Company signed a share exchange agreement with Egret on September 25, 2020, which was amended on October 20, 2020, December 2, 2020 and January 6, 2021 and is pending final regulatory review and approval. Upon completion of the Acquisition Transaction, the resulting issuer will continue on with the business of the Company.

The resulting issuer intends to apply for listing on the Canadian Securities Exchange.

As at May 31, 2020, the Company has no revenues, has generated negative cash flows from operating activities, and has an accumulated deficit of $6,483. The Company expects to incur further losses in the development of its operations. The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues enough to cover its operating costs. These factors indicate the existence of material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern.

The audited financial statements have been prepared assuming the Company will continue on a going-concern basis. The ability of the Company to continue as a going-concern depends upon its ability to raise adequate financing and to develop profitable operations. The Company will periodically have to raise funds to continue operations and, although it has been successful in doing so in the past, there is no assurance it will be able to do so in the future.

There can be no assurance that the Company will be able to continue to raise funds in which case the Company may be unable to meet its obligations. Should the Company be unable to realize its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded in the audited financial statements.

1.3 Selected Annual Information

	Period from January 3, 2020 (date of incorporation) to May 31, 2020 $
Total revenues	Nil
Total operating expenses	6,483
Net loss and comprehensive loss	(6,483)
Loss per share	(0.00)

	May 31, 2020 $
Total assets	170,952
Total long-term liabilities	Nil
Working capital	168,992
Cash dividends per share	Nil

1.4 Results of Operations

Operating results for the period from January 3, 2020 (date of incorporation) to May 31, 2020, were primarily related to raising capital in the amount of $95,000 and share subscriptions received of $80,475. The Company's operating expenses were $6,483. As the Company was incorporated on January 3, 2020, there are no results to compare the current results with. The loss per share was $0.00 for the period from January 3, 2020 (date of incorporation) to May 31, 2020. Operating expenses were mainly attributable to:

a. Professional fees for the period from January 3, 2020 (date of incorporation) to May 31, 2020 was $6,483 Professional fees for legal services were incurred in order to be able to raise financing and prepare and submit regulatory filings.

There can be no assurance that the Company will be able to continue to raise funds, in which case the Company may be unable to meet its obligations. Should the Company be unable to realize its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded in the financial statements.

There are no legal proceedings, contingent liabilities, defaults under debt or other contractual obligations, breach of any laws or special resolutions during the period from January 3, 2020 (date of incorporation) to May 31, 2020 or subsequently.

As at May 31, 2020, the Company did not have any source of income. The Company is in the process of identifying, evaluating and acquiring assets and businesses of merit.

At May 31, 2020, the Company had a working capital of $168,992. The Company anticipates that additional funding will be in the form of equity financing from the sale of common shares and/or exercise of outstanding warrants. The Company may also seek to obtain short term loans from directors of the Company.

1.5 Summary of Quarterly Results

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

	Q4 May 31, 2020 $	Q3 Feb 29, 2020 $	Q2 Nov. 30, 2019 $	Q1 Aug. 31, 2019 $	Q2 May 31, 2019 $	Q1 Feb. 28, 2019 $	Q2 Nov. 30, 2018 $	Q1 Aug. 31, 2018 $
Total revenues	-	-	N/A	N/A	N/A	N/A	N/A	N/A
Loss	(2,040)	(4,443)	N/A	N/A	N/A	N/A	N/A	N/A
Loss per share	(0.00)	(0.00)	N/A	N/A	N/A	N/A	N/A	N/A

The Company was incorporated January 3, 2020 and therefore did not have expenditures prior to that date. The expenses incurred by the Company are those typical of capital pool companies that have not completed a business acquisition. In some quarters, more expenses are incurred than in others as a result of non-recurring activities or events.

1.6 Liquidity

The audited financial statements have been prepared assuming the Company will continue on a going-concern basis. The Company has incurred losses since inception and the ability of the Company to continue as a going-concern depends upon its ability to develop profitable operations and to continue to raise adequate financing. The Company believes the current cash on hand as at May 31, 2020 and the date of this report is expected to be sufficient to meet the Company's liquidity requirement for at least the next twelve months from the date of this report. In order for the Company to meet its liabilities as they come due and to continue its operations, the Company is solely dependent upon its ability to generate such financing.

There can be no assurance that the Company will be able to continue to raise funds in which case the Company may be unable to meet its obligations. Should the Company be unable to realize its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded in these financial statements.

The audited financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

a) The Company had cash of $170,765 as at May 31, 2020.

During the period from January 3, 2020 (date of incorporation) to May 31, 2020, the Company used cash of $4,710 for operating activities. This amount was for the payment of legal fees provided for the period. During this period, the Company received proceeds from financing activities of $22,500 from the issuance of 4,500,000 founders shares at $0.005 per share and received proceeds of $72,500 from the issuance of 3,625,000 common shares at $0.02 per share. Included in the private placement was the issuance of 1,800,000 common shares at $0.02 per share for proceeds of $36,000.

During the period ended May 31, 2020, the Company received share subscription proceeds of $80,475 for the future issuance of 1,073,000 units at $0.075 per unit. Each unit consists of one common share of the Company and one share purchase warrant which entitles the holder to purchase one additional common share of the Company at $0.15 per share for a period of three years from the date of issuance subject to the following acceleration clause: if the common shares of the Company are listed on a Canadian stock exchange and trade at a price of $0.40 per share or higher for ten consecutive business days, the share purchase warrants will expire within 30 days from the date when the acceleration clause was achieved.

Subsequent to May 31, 2020, the Company raised a total of $1,413,245 for the issuance of 18,843,260 units with the same terms as the funds raised for share subscriptions, of which $80,475 was received prior to May 31, 2020.

The Company estimates its current "burn" rate to be approximately $2,500 per month for operating activities.

The Company anticipates it will require additional capital in the future to finance its operations and/or the acquisition of a project of merit and general and administrative expenses. Such capital will be derived from the exercise of outstanding stock options and/or the completion of private placements. The Company may also seek short-term loans from directors of the Company. There can be no assurance the Company will be able to obtain required financing in the future on acceptable terms to the Company.

1.7 Capital Resources

The Company has historically relied upon equity financings to satisfy its capital requirements and will continue to depend heavily upon equity capital to finance its activities. There can be no assurance the Company will be able to obtain required financing in the future on acceptable terms.

The Company anticipates it will require additional capital in the near future to finance its proposed property acquisition and for general working capital. This capital is to be derived from the exercise of outstanding warrants and/or the completion of private placements. The Company may also seek to obtain short term loans from directors of the Company.

1.8. Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements to which the Company is committed.

1.9 Transactions with Related Parties

During the period from January 3, 2020 (date of incorporation) to May 31, 2020, the Company issued 1,500,000 founders' common shares to Jag Bal, the Chief Executive Officer of the Company for proceeds of $7,500. The Company issued a total of 1,800,000 common shares to directors and officers of the Company, namely Harinder Bains, Jatinder Manhas and Dimitrios Mitrakos as to 500,000 common shares each and 300,000 common shares to Jag Bal at $0.02 per share for total proceeds of $36,000.

1.10 Fourth Quarter

During the fourth quarter of Fiscal 2020, the Company issued 3,625,000 common shares for proceeds of $72,500.

1.11 Proposed Transactions

Subsequent to May 31, 2020, the Company entered into a letter of intent ("LOI") with Egret Bioscience Ltd. ("Egret"), a company incorporated in the province of British Columbia. Under the terms of the LOI, the Company will acquire all the outstanding common shares of Egret in exchange for 23,000,000 common shares of the Company, of which 8,000,000 common shares are issuable to Egret upon completion of $120,000 of financing by Egret, and additional contingent consideration of 10,000,000 common shares if Egret can obtain certain performance milestones within the Agreement. The final structure and number of common shares issued as part of the share exchange agreement (the "Agreement") will be mutually agreed upon by both the Company and Egret following completion of due diligence and a review of tax, accounting, corporate and securities law issues including the approval of a listing on the Canadian Stock Exchange.

As part of the LOI, on September 30, 2020, the Company advanced $500,000 to Egret which is secured by a general security agreement over Egret's assets, bears no interest, and is due on demand. The Company signed a share exchange agreement with Egret on September 25, 2020, which was amended on October 20, 2020, December 2, 2020 and January 6, 2021 and is pending final regulatory review and approval. Upon completion of the Acquisition Transaction, the resulting issuer will continue on with the business of the Company.

The resulting issuer intends to apply for listing on the Canadian Securities Exchange.

In the normal course of business, the Company evaluates property/business acquisition transactions and, in some cases, makes proposals to acquire such properties/businesses. These proposals, which are usually subject to Board, regulatory and, sometimes, shareholder approvals, may involve future payments, share issuances and property work commitments. These future obligations are usually contingent in nature and generally the Company is only required to incur the obligation if it wishes to continue with the transaction. As of this date, the Company has a number of possible transactions that it is examining. Management is uncertain whether any of these proposals will ultimately be completed.

1.12 Critical Accounting Estimates

The Company is a capital pool issuer therefore this section is not applicable.

1.13 Changes in Accounting Standards

Certain new standards, interpretations, amendments and improvements to existing standards were issued by IASB. Accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

1.14 Financial Instruments and Other Instruments

The carrying value of financial instruments which include cash, commodity tax recoverable, accounts payable and accrued liabilities approximate fair value because of the short-term maturity of those instruments. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. As at May 31 2020, the Company did not hold any marketable securities.

1.15 Other MD&A Requirements

Disclosure of Outstanding Share Capital

a) Authorized:

Unlimited number of common shares without par value

b) Issued:

	SHARE CAPITAL	
	NUMBER	**AMOUNT**
Balance, January 3, 2020 (date of incorporation)	**–**	**$ –**
Issued for cash		
Founders' shares	4,500,000	22,500
Non-brokered private placement	3,625,000	72,500
Balance, May 31, 2020	**8,125,000**	**$ 95,000**
Issued for cash subsequent to year end		
Non-brokered private placement	18,843,260	1,413,245
Balance, January 13, 2021	**26,968,260**	**$ 1,508,245**

c) Stock Options:

As at November 30, 2020 and the date of this report, there were no stock options outstanding.

d) Share Purchase Warrants:

As at May 31, 2020, there were no warrants outstanding.

As at the date of this report, there are 18,843,260 share purchase warrants outstanding which entitles the holder to purchase one additional common share of the Company at $0.15 per share for a period of three years from the date of issuance subject to the following acceleration clause: if the common shares of the Company are listed on a Canadian stock exchange and trade at a price of $0.40 per share or higher for ten consecutive business days, the share purchase warrants will expire within 30 days from the date when the acceleration clause was achieved.

Internal Control over Financial Reporting

The Company is not required to report on the effectiveness of its internal control over financial reporting. The Company's management, with the participation of its Chief Executive Officer and Chief Financial Officer, are responsible for establishing and maintaining adequate internal control over financial reporting. Under the supervision of the Chief Executive Officer and Chief Financial Officer, the Company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Company's internal control over financial reporting includes policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS and that the Company's receipts and expenditures are made only in accordance with authorization of management and the Company's directors; and

- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the annual or interim financial statements.

Our auditors, Saturna Group Chartered Professional Accountants, LLP, were not required to and have not reviewed our internal controls over financial reporting and has not attested to the nature of our compliance.

There has been no change in the Company's internal control over financial reporting during the period ended May 31, 2020 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Limitations of Controls and Procedures

The Company's management, including the Chief Executive Officer and Chief Financial Officer, believe that any disclosure controls and procedures or internal controls over financial reporting, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the control. The design of any systems of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential

future conditions. Accordingly, because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* (NI 52-109), this Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

RISK FACTORS

The Company is subject to a number of risks due to the nature of its business. The following factors should be considered:

(a) Company has not commenced commercial operations and has no assets other than cash. It has no history of earnings, and shall not generate earnings or pay dividends until at least after completion of the proposed transaction;

(b) investment in the common shares offered by the Company is highly speculative given the proposed nature of the Company's business and its present stage of development;

(c) the directors and officers of the Company will only devote a portion of their time to the business and affairs of the Company and some of them are or will be engaged in other projects or businesses such that conflicts of interest may arise from time to time;

(d) there can be no assurance that an active and liquid market for the Company's common shares will develop and an investor may find it difficult to resell its common shares;

(e) the Company has only limited funds with which to identify, evaluate and acquire potential assets and businesses that create shareholder value and there can be no assurance that the Company will be able to identify a suitable transaction;

(f) there are no assurances that the common shares of the Company will be listed on any stock exchange;

(g) once a proposed transaction is identified, there can be no assurance that the Company will be able to successfully complete the transaction;

(h) completion of a proposed transaction is subject to a number of conditions including acceptance by any stock exchange and in the case of a non-arm's length transaction, a majority of the minority approval;

(i) unless the shareholder has the right to dissent and be paid fair value in accordance with applicable corporate or other law, a shareholder who votes against a proposed non-arm's length transaction for

which majority of the minority approval by shareholders has been given, will have no rights of dissent and no entitlement to payment by the Corporation of fair value for the common shares;

(j) neither any stock exchange nor any securities regulatory authority passes upon the merits of the proposed transaction;

(k) in the event that management of the Company resides outside of Canada or the Company identifies a foreign business as a proposed transaction, investors may find it difficult or impossible to effect service or notice to commence legal proceedings upon any management resident outside of Canada or upon the foreign business and may find it difficult or impossible to enforce against such persons, judgments obtained in Canadian courts;

(l) the proposed transaction may be financed in all or part by the issuance of additional securities by the Company and this may result in further dilution to the investor, which dilution may be significant and which may also result in a change of control of the Company; and

(m) the Company is relying solely on the past business success of its directors and officers to identify a proposed transaction of merit. The success of the Company is dependent upon the efforts and abilities of its management team. The loss of any member of the management team could have a material adverse effect upon the business and prospects of the Company. In such event, the Company will seek satisfactory replacements but there can be no guarantee that appropriate personnel may be found.

Directors and Officers

Jagdip Bal	Director, President and CEO
Dimitrios Mitrakos	CFO and Secretary
Harinder Bains	Director
Jatinder Manhas	Director

The Company is dependent on a small number of key directors and officers. Loss of any one of those persons could have an adverse effect on the Company. The Company does not maintain “key-man” insurance with respect to any of its management.

Conflicts of Interest

Certain officers and directors of the Company are officers and/or directors of, or are associated with other companies that acquire interests in businesses. Such associations may give rise to conflicts of interest. The directors are required by law, however, to act honestly and in good faith with a view to the best interests of the Company and its shareholders and to disclose any personal interest which they may have in any material transaction which is proposed to be entered into with the Company and to abstain from voting as a director for the approval of any such transaction.

Outlook

The priorities of the Company are related to the completion of the proposed Acquisition Transaction, filing of its Prospectus and listing on the CSE.

Other Information

Additional information is available on SEDAR at www.sedar.com.

BY ORDER OF THE BOARD

"Jagdip Bal"
_____
Jagdip Bal
President & CEO

"Dmitrios "Jim" Mitrakos"
_____
Dmitrios Mitrakos
CFO & Secretary

January 13, 2021

LEXSTON LIFE SCIENCES CORP.
MANAGEMENT DISCUSSION AND ANAYSIS – FORM 51-102F1
for the period ended February 28, 2021

1.1 Date of Report

The following Management Discussion and Analysis ("**MD&A**") for Lexston Life Sciences Corp. (the "**Company**" or "**Lexston**")(formally Lexston Capital Corp.) is prepared as of May 11, 2021 and should be read in conjunction with the Company's condensed consolidated interim financial statements and related notes for the period ended from July 1, 2020 (date of incorporation) to February 28, 2021 and the Company's audited financial statements and related notes for the period from July 1, 2020 (date of incorporation) to November 30, 2020 which were prepared in accordance with International Financial Reporting Standards ("**IFRS**"), as issued by the International Accounting Standards Board ("**IASB**"). Except as noted, all dollar amounts contained in this MD&A and in the condensed interim financial statements are in Canadian dollars.

Forward-Looking Statements

This MD&A contains forward-looking statements within the meaning of applicable securities laws. All statements contained herein that are not clearly historical in nature are forward-looking, and the words "anticipate", "believe", "expect", "estimate", "may", "will", "could", "leading", "intend", "contemplate", "shall" and similar expressions are generally intended to identify forward-looking statements. Forward-looking statements in this MD&A include, but are not limited to, statements with respect to:

- our expected future loss and accumulated deficit levels;
- our projected financial position and estimated cash burn rate;
- our requirements for, and the ability to obtain, future funding on favorable terms or at all;
- our projections for development plans and progress of each of our services and technologies;
- our expectations about our services and technologies' safety and efficacy;
- our expectations regarding our ability to arrange for and scale up of our services and technologies;
- our expectations regarding the progress, and the successful and timely completion, of the various stages of the regulatory approval process;
- our expectations about the timing of achieving milestones and the cost of our development programs;
- our plans to market, sell and distribute our services and technologies;
- our expectations regarding the acceptance of our services and technologies by the market;
- our ability to retain and access appropriate staff, management and expert advisers;
- our expectations about whether various clinical and regulatory milestones will be achieved;
- our ability to secure strategic partnerships with larger pharmaceutical and biotechnology companies;
- our strategy to acquire and develop new products, services and technologies and to enhance the safety and efficacy of existing services and technologies;
- our expectations with respect to existing and future corporate alliances and licensing transactions with third parties, and the receipt and timing of any payments to be made by us or to us in respect of such arrangements;
- our strategy with respect to the protection of our intellectual property; and
- the effects of COVID-19 on our business.

All forward-looking statements reflect our beliefs and assumptions based on information available at the time the assumption was made. These forward-looking statements are not based on historical facts but rather on management's expectations regarding future activities, results of operations, performance, future capital and other expenditures (including the amount, nature and sources of funding thereof), competitive advantages, business prospects and opportunities. By its nature, forward-looking information involves numerous assumptions, inherent risks and uncertainties, both general and specific, known and unknown, that contribute to the possibility that the

predictions, forecasts, projections or other forward-looking statements will not occur. In evaluating forward-looking statements, readers should specifically consider various factors, including the risks outlined under the heading "**Risk Factors**" in this MD&A. Some of these risks and assumptions include, among others:

- substantial fluctuation of losses from quarter to quarter and year to year due to numerous external risk factors, and anticipation that we will continue to incur significant losses in the future;
- uncertainty as to our ability to raise additional funding to support operations;
- our ability to generate product revenue to maintain our operations without additional funding;
- the risks associated with the development of our services and technologies which are at early stages of development;
- competition from other biotechnology and pharmaceutical companies;
- our reliance on the capabilities and experience of our key executives and scientists and the resulting loss of any of these individuals;
- our ability to fully realize the benefits of acquisitions;
- our ability to adequately protect our intellectual property and trade secrets;
- our ability to source and maintain licenses from third-party owners; and
- the risk of patent-related litigation.

Although the forward-looking statements contained in this MD&A are based upon what our management believes to be reasonable assumptions, we cannot assure readers that actual results will be consistent with these forward-looking statements. Any forward-looking statements represent our estimates only as of the date of this MD&A and should not be relied upon as representing our estimates as of any subsequent date. We undertake no obligation to update any forward-looking statement or statements to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events, except as may be required by securities legislation.

Management's Responsibility for Financial Statements

The information provided in this report, including the condensed interim and audited financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of the future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying condensed interim financial statements.

Management maintains a system of internal controls to provide reasonable assurance that the Company's assets are safeguarded and to facilitate the preparation of relevant and timely information.

1.2 Nature of Business and Overall Performance

Lexston Life Sciences Corp. (formerly Lexston Capital Corp.) (the "Company") was incorporated on January 3, 2020 under the laws of the province of British Columbia. The address of the Company's registered and records of is 1150 – 789 West Pender Street, Vancouver, BC V6C 1H2 and its principal place of business is 929 Mainland Street, Vancouver, BC V6B 1S3. On January 18, 2021, the Company changed its name to Lexston Life Sciences Corp. in conjunction with the Share Exchange Agreement (the "Agreement") with Egret Biosciences Inc. ("Egret"). Refer to Note 4 in the condensed interim consolidated financial statements for the period ended February 28, 2021.

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic. This contagious disease outbreak and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, leading to an economic downturn. The impact on the Company is not currently determinable, but management continues to monitor the situation.

On September 25, 2020, as amended on October 20, December 2, December 28, 2020 and January 6, 2021, the Company entered into a letter of intent ("**LOI**") with Egret Bioscience Ltd. ("**Egret**") and subsequently entered into a Share Exchange Agreement ("**SEA**"). Egret is a company incorporated in the province of British Columbia and is a Kelowna based business that provides contract-based research for the detection and screening of pathogens, analytical testing services for mid-stream cannabinoid potency and stability testing. Egret has also optimized nodal tissue culture methods and protocols for cannabis, consisting of a proprietary medium and tissue culture tubes and boxes for the micropropagation of clean cannabis stock.

On February 4, 2021, the Company completed a reverse takeover transaction (the "Transaction") pursuant to which it acquired all of the issued and outstanding common shares of Lexston Capital Corp. ("Lexston"), a company incorporated in the province of British Columbia. Under the terms of the Transaction, the Company issued 26,968,260 common shares and up to 10,000,000 additional common shares (the "performance shares") for certain milestones attained by Egret management subsequent to the Transaction.

The acquisition has been accounted for as an asset acquisition for accounting purposes, as the Transaction is considered to be outside of the scope of IFRS 3, *Business Combinations,* as Lexston was not a business prior to the Transaction. As such, the Transaction is accounted for in accordance with IFRS 2, *Share-based Payments*, whereby Egret is deemed to have issued common shares in exchange for the net assets of Lexston.

On February 12, 2021, Dr. Philippe Henry was appointed Chief Science Officer ("**CSO**") and to the Board of Directors of Lexston.

The resulting issuer applied for listing on the Canadian Securities Exchange on February 23, 2021.

As at February 28, 2021, the Company has generated negative cash flows from operating activities, and has an accumulated deficit of $667,191. The Company expects to incur further losses in the development of its operations. The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues enough to cover its operating costs. These factors indicate the existence of material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern.

The condensed consolidated interim financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and thus be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these financial statements.

There can be no assurance that the Company will be able to continue to raise funds in which case the Company may be unable to meet its obligations. Should the Company be unable to realize its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded in the condensed interim financial statements.

1.3 Selected Annual Information

N/A

1.4 Results of Operations

During the three-month period ended February 28, 2021, the Company's net loss and comprehensive loss was $594,352. The Company recorded revenues of $40,275, cost of sales was $26,282 to earn a gross profit of $13,933, a 35% gross margin. The Company's consolidated operating expenses were $255,831. As the Company was incorporated on July 1, 2020, there are no prior period results to compare the current results to. The loss per share was $0.02 for the three-month period ended February 28, 2021. Operating expenses were mainly attributable to:

a. Amortization for the three- month period ended February 28, 2021 was $8,330. The Company acquired $102,872 in computer and laboratory equipment which generated revenues during the quarter.

b. Professional fees for the three-month period ended February 28, 2021 was $56,784. Professional fees for the current period included legal expenditures required to complete the Reverse Takeover of Lexston, preparation and filing of the Company's Non-Offering Preliminary Prospectus and the completion of the Company's audited and reviewed financial statements included in the Company's filing.

c. Research and development for the three-month period ended February 28, 2021 was $43,051. Costs to develop products that will be sold are capitalized to the extent that the criteria for recognition as intangible assets in IAS 38, *Intangible Assets*, are met. As at February 28, 2021, the Company has not capitalized any product development costs as the capitalization criteria under IAS 38 have not been met.

d. Salaries and benefits for the three-month period ended February 28, 2021 was $111,492. These expenses included 5 full time employees during the three-month period.

There can be no assurance that the Company will be able to continue to raise funds, in which case the Company may be unable to meet its obligations. Should the Company be unable to realize its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded in the financial statements.

There are no legal proceedings, contingent liabilities, defaults under debt or other contractual obligations, breach of any laws or special resolutions during the period ended February 28, 2021 or subsequently.

At February 28, 2021, the Company had a working capital of $1,164,187. The Company anticipates that additional funding will be in the form of equity financing from the sale of common shares or exercise of outstanding warrants or options. The Company may also seek to obtain short term loans from directors of the Company.

1.5 Summary of Quarterly Results

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

	Q3 Feb. 28, 2021 $	Q2 Nov. 30, 2020 $	Q1 Aug. 31, 2020 $	Q4 May 31, 2020 $	Q3 Feb 29, 2020 $	Q2 Nov. 30, 2019 $	Q1 Aug. 31, 2019 $	Q4 May 31, 2019 $
Total revenues	40,275	38,595	11,550	N/A	N/A	N/A	N/A	N/A
Profit/(Loss)	(594,352)	(74,459)	1,620	N/A	N/A	N/A	N/A	N/A
Loss per share	(0.02)	(0.01)	0.00	N/A	N/A	N/A	N/A	N/A

The Company was incorporated July 1, 2020 and therefore did not have expenditures prior to that date. The expenses incurred by the Company are those typical of early-stage companies in the development and start-up phases. In some quarters, more expenses are incurred than in others as a result of non-recurring activities or events.

1.6 Liquidity

The condensed interim financial statements have been prepared assuming the Company will continue on a going-concern basis. The Company has incurred losses since inception and the ability of the Company to continue as a

going-concern depends upon its ability to develop profitable operations and to continue to raise adequate financing. In order for the Company to meet its liabilities as they come due and to continue its operations, the Company is solely dependent upon its ability to generate such financing.

There can be no assurance that the Company will be able to continue to raise funds in which case the Company may be unable to meet its obligations. Should the Company be unable to realize its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded in these financial statements.

The condensed interim financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

a) The Company had cash of $1,167,638 as at February 28, 2021 compared to $468,991 as at November 30, 2020. The Company has working capital of $1,164,187 as at February 28, 2021 compared to a working capital deficiency of $32,424 as at November 30, 2020.

Cash Flows from Operating Activities

During the three-month period ended February 28, 2021, the Company used cash of $212,667 for operating activities which was primarily related to general operating costs which includes research and development, professional fees and salaries.

Cash Flows from Investing Activities

During the three-month period ended February 28, 2021, the Company invested $104,472 for the purchase of computers and lab equipment for it research facility in Kelowna. The Company received $937,786 in cash from the Reverse Take-over of Lexston.

Cash Flows from Financing Activities

During the three-month period ended February 28, 2021, the Company received proceeds from financing activities of $78,000 for the receipt of subscription proceeds.

The Company currently has a “burn” rate of approximately $46,500 per month for operating activities.

The Company anticipates it will require additional capital in the future to finance its operations and general and administrative expenses. Such capital will be derived from the exercise of outstanding stock options, warrants and/or the completion of private placements. The Company may also seek short-term loans from directors of the Company. There can be no assurance the Company will be able to obtain required financing in the future on acceptable terms to the Company.

1.7 Capital Resources

While management plans to generate increased revenues while reducing operating expenses and to continue financing the Company through the issuances of additional equity securities or debt instruments, there can be no assurance that enough revenue or financing will occur to meet our cash needs for the next 12 months. The ability to achieve our projected future operating results is based on several assumptions which involve significant judgments and estimates, which cannot be assured. If we are unable to achieve our projected operating results, our liquidity could be adversely impacted, and we may need to seek additional sources of financing. Our operating results could adversely affect our ability to raise additional capital to fund our operations and there is no assurance that sufficient debt or equity financing will be available, on acceptable terms, or in a timely basis.

1.8. Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements to which the Company is committed.

1.9 Transactions with Related Parties

Key Management Compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and Board of Director members.

All related party transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. All amounts either due from or due to related parties other than specifically disclosed are non-interest bearing, unsecured and have no fixed terms of repayments.

a) As at February 28, 2021, the Company owed $1,081 (November 30, 2020 - $nil) to Jagdip Bal, the Chief Executive Officer and Director of the Company for expenses. The amount owing is unsecured, non-interest bearing, and due on demand.

b) As at February 28, 2021, the Company owed $2,631 (November 30, 2020 -$nil) to Dr. Philippe Henry, a director and CSO of the Company. The amount owing is unsecured, non-interest bearing, and due on demand. During the three months ended February 28, 2021, the Company incurred $21,250 of salaries and benefits to the director of the Company.

c) On January 18, 2021, the Company granted 1,333,333 stock options to officers and directors of the Company, of which 10% vests on the Listing Date, and 15% vests for every six months after the listing date. For the period ended February 28, 2021, the Company recorded share-based compensation of $6,774 for stock options granted to officers and directors.

1.10 Third Quarter

On February 4, 2021, the Company completed a reverse takeover transaction (the "Transaction") pursuant to which it acquired all of the issued and outstanding common shares of Lexston Capital Corp. ("Lexston"), a company incorporated in the province of British Columbia. Under the terms of the Transaction, the Company issued 23,000,000 common shares and up to 10,000,000 additional common shares (the "performance shares") for certain milestones attained by Egret management subsequent to the Transaction.

The acquisition has been accounted for as an asset acquisition for accounting purposes, as the Transaction is considered to be outside of the scope of IFRS 3, *Business Combinations*, as Lexston was not a business prior to the Transaction. As such, the Transaction is accounted for in accordance with IFRS 2, *Share-based Payments*, whereby Egret is deemed to have issued common shares in exchange for the net assets of Lexston. The accounting for the Transaction includes the consolidated financial information of Lexston and Egret but are issued under the legal parent, Lexston, but are considered a continuation of the financial statements of the legal subsidiary, Egret. As Egret is deemed to be the acquirer for accounting purposes, its assets and liabilities are included in the consolidated financial statements at their historical carrying values.

The total consideration of the common shares and the performance shares has been allocated to the fair value of the net assets acquired and liabilities assumed, as follows:

Net Assets Acquired		
Cash	$	937,786
Loan receivable		500,000
Sales tax receivable		2,836
Prepaid expenses and deposits		6,000
Accounts payable and accrued liabilities		(192)
Net assets over liabilities	$	1,446,430
Consideration:		
Fair value of common shares	$	1,386,169
Fair value of performance shares		412,775
Fair value of consideration	$	1,798,944
Listing expense	$	352,514

The fair value of the common shares issued was $1,386,169, which was determined based on the price of units issued in the concurrent private placement at $0.075 per unit (refer to Note 7 of the condensed consolidated interim financial statements), bifurcated to remove the fair value of the share purchase warrant from the private placement.

The fair value of the performance shares was $412,775 and was determined based on an independent valuation. Each performance share is issuable based on the following performance milestones:

(i) Egret generating monthly revenues of at least $100,000 for six consecutive months (the calculation of which to exclude revenues relating to Pre-Exiting Profits as detailed in Section 19 of the Share Exchange Agreement);
(ii) Egret generating at least $3,000,000 in total cumulative gross revenues;
(iii) Egret expanding and upgrading a licensed revenue generating cannabis research and development laboratory;
(iv) Lexston or Egret within 18 months from the date of the signing of this Letter submitting and obtaining an Exemption To Use Controlled Substance For Clinical Studies pursuant to Section 56 of the Controlled Drugs and Substances Act (S.C. 1996, c. 19);
(v) Lexston or Egret obtaining a license to sell products under the Controlled Drugs and Substances Act (S.C. 1996, c. 19);
(vi) Lexston or Egret entering into a commercial agreement satisfactory to Lexston to generate revenue in a foreign jurisdiction; and
(vii) Lexston or Egret entering into a commercial agreement satisfactory to Lexston to generate revenue in the United States of America.

1.11 Proposed Transactions

On February 23, 2021 the Company filed its Non-Offering Preliminary Prospectus and is awaiting approval by the BC Securities Commission.

In the normal course of business, the Company evaluates property/business acquisition transactions and, in some cases, makes proposals to acquire such properties/businesses. These proposals, which are usually subject to Board, regulatory and, sometimes, shareholder approvals, may involve future payments, share issuances and property work commitments. These future obligations are usually contingent in nature and generally the Company is only required to incur the obligation if it wishes to continue with the transaction. As of this date, the Company has a number of possible transactions that it is examining. Management is uncertain whether any of these proposals will ultimately be completed.

1.12 Critical Accounting Estimates

The Company is a venture issuer without significant revenues therefore this section is not applicable.

1.13 Changes in Accounting Standards

Certain new standards, interpretations, amendments and improvements to existing standards were issued by IASB. Accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

1.14 Financial Instruments and Other Instruments

The carrying value of financial instruments which include cash, commodity tax recoverable, accounts payable and accrued liabilities approximate fair value because of the short-term maturity of those instruments. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. As at February 28, 2021 and the date of this report, the Company did not hold any marketable securities.

1.15 Other MD&A Requirements

Disclosure of Outstanding Share Capital

a) Authorized:

Unlimited number of common shares without par value

b) Issued:

	SHARE CAPITAL	
	NUMBER	**AMOUNT**
Balance, July 1, 2020 (date of incorporation)	100	$ 1
Issued for cash		
Founders' shares	14,999,900	14
Non-brokered private placement	8,000,000	120,000
Balance, November 30, 2020	23,000,000	$ 120,015
Shares issued pursuant to reverse takeover transaction	26,968,260	1,386,169
Balance, February 28, 2021 and the date of this report	**49,968,260**	**$ 1,506,184**

i) On July 1, 2020, the Company issued 100 founders' share to the Chief Executive Officer and Director of the Company for proceeds of $1.

ii) On October 2, 2020, the Company issued 14,999,900 founders' share for proceeds of $14, including 8,624,900 common shares to the Chief Executive Officer and Director of the Company.

iii) On October 29, 2020, the Company issued 8,000,000 common shares at $0.015 per share for proceeds of $120,000.

iv) On February 4, 2021, the Company finalized its reverse takeover transaction and issued 26,968,260 common shares. The common shares included the issuance of 18,843,260 units at $0.075 per unit for proceeds of $1,413,245 in accordance with the share exchange agreement between Lexston and Egret, which was received prior to the closing date of the agreement. Each unit is comprised of one common share and one share purchase warrant where each share purchase warrant entitles the holder to purchase one additional common share of the Company at $0.15 per share for a period of three years from the date of issuance subject to the following acceleration clause: if the common shares of the Company are

listed on a Canadian stock exchange and trade at a price of $0.40 per share or higher for ten consecutive business days, the share purchase warrants will expire within 30 days from the date when the acceleration clause was achieved.

c) Share Purchase Warrants:

The Company may issue share purchase warrants to acquire its common shares either in combination with share offerings, or on a stand-alone basis to its consultants and advisors. The terms of warrants issued are determined by the Company's Board of Directors.

The continuity of warrants for the period ended February 28, 2021 is summarized below:

	NUMBER OF WARRANTS	WEIGHTED AVERAGE EXERCISE PRICE $
Balance, July 1, 2020 (date of incorporation) and November 30, 2020	–	–
Issued	18,843,260	0.15
Balance, February 28, 2021 and the date of this report	**18,843,260**	**0.15**

The following table summarizes the warrants outstanding and exercisable at February 28, 2021 and the date of this report:

NUMBER OF WARRANTS	EXERCISE PRICE	EXPIRY DATE
7,139,932	$0.15	June 25, 2023
8,996,664	$0.15	July 14, 2023
2,706,664	$0.15	October 16, 2023
18,843,260		

The share purchase warrants are subject to an acceleration where they will expire within 30 days if the common shares of the Company are listed on a Canadian stock exchange and trade at a price of $0.40 per share or higher for ten consecutive business days. As at February 28, 2021, the weighted average remaining contractual life of all warrants outstanding was 2.39 years.

d) Stock Options:

The Company has a Stock Option Plan whereby stock options are granted in accordance with the policies of regulatory authorities at an exercise price equal to the market price of the Company's stock on the date of the grant and, unless otherwise stated, vest on the grant date and with a term not to exceed five years. Under the plan, the board of directors may grant up to 10% of the issued number of shares outstanding as at the date of the stock option grant.

	Number of options	Weighted average exercise price $
Outstanding, July 1, 2020 (date of incorporation) and November 30, 2020	–	–
Granted	2,000,000	.0.10
Outstanding, February 28, 2021 and the date of this report	2,000,000	0.10

Additional information regarding stock options outstanding as at February 28, 2021 is as follows:

Range of exercise prices $	Stock options outstanding	Stock options exercisable	Weighted average remaining contracted life (years)
0.10	2,000,000	–	4.9

During the period ended February 28, 2021, the Company granted 2,000,000 stock options to officers, directors, and consultants of the Company with 10% vested upon the Company being listed on a Canadian stock exchange (the "Listing Date"), and 15% for every six months from the Listing Date. For the period ended February 28, 2021, the Company recorded stock-based compensation in the amount of $10,161 using the Black-Scholes option pricing model to estimate the fair value of the options granted using the following assumptions and assuming no expected dividends or forfeiture rates:

	February 28, 2021
Annualized volatility	127%
Risk-free interest rate	0.34%
Expected life	5 years

Internal Control over Financial Reporting

The Company is not required to report on the effectiveness of its internal control over financial reporting. The Company's management, with the participation of its Chief Executive Officer and Chief Financial Officer, are responsible for establishing and maintaining adequate internal control over financial reporting. Under the supervision of the Chief Executive Officer and Chief Financial Officer, the Company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Company's internal control over financial reporting includes policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS and that the Company's receipts and expenditures are made only in accordance with authorization of management and the Company's directors; and

- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the annual or interim financial statements.

Our auditors, Saturna Group Chartered Professional Accountants, LLP, were not required to and have not reviewed our internal controls over financial reporting and has not attested to the nature of our compliance.

There has been no change in the Company's internal control over financial reporting during the three-month period ended February 28, 2021 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Limitations of Controls and Procedures

The Company's management, including the Chief Executive Officer and Chief Financial Officer, believe that any disclosure controls and procedures or internal controls over financial reporting, no matter how well conceived and

operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the control. The design of any systems of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* (NI 52-109), this Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

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 the 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. 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 factors:

Risks Related to the Company's Business

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

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

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

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

The Company has no operating history

The Company has no operating history and may not succeed. The Company is subject to all risks inherent in a developing business enterprise. The Company's likelihood of continued success must be considered in light of the problems, expenses, difficulties, undercapitalization, cash shortages, limitations with respect to personnel, financial and other resources, lack of revenues, complications, and delays frequently encountered in connection with the competitive and regulatory environment in which it operates. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of the early stage of operations.

History of Losses

The Company has incurred losses in operations during the period July 1, 2020 (date of incorporation) to February 28, 2021. The Company may not be able to achieve or maintain profitability and may continue to incur significant losses in the future. In addition, the Company expects to continue to increase operating expenses as it implements initiatives to continue to grow its business. If the Company's revenues do not increase to offset these expected increases in costs and operating expenses, it will not be profitable.

Reliance on Management

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

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.

The Company Will Be an Entrant Engaging in a New Industry

The biotechnology healthcare industry is fairly new. There can be no assurance that an active and liquid market for shares of the Company will develop and shareholders may find it difficult to resell their shares. Accordingly, no assurance can be given that the Company will be successful in the long term.

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.

Directors and Officers

Jagdip Bal	Director, President and CEO
Dimitrios Mitrakos	CFO and Secretary
Harinder Bains	Director
Dr. Philippe Henry	Director and CSO
Jatinder Manhas	Director

The Company is dependent on a small number of key directors and officers. Loss of any one of those persons could have an adverse effect on the Company. The Company does not maintain "key-man" insurance with respect to any of its management.

Conflicts of Interest

Certain officers and directors of the Company are officers and/or directors of, or are associated with other companies that acquire interests in businesses. Such associations may give rise to conflicts of interest. The directors are required by law, however, to act honestly and in good faith with a view to the best interests of the Company and its shareholders and to disclose any personal interest which they may have in any material transaction which is proposed to be entered into with the Company and to abstain from voting as a director for the approval of any such transaction.

Outlook

The priorities of the Company are the approval and filing of its Non-Offering Preliminary Prospectus, listing on the CSE and completion of its Phase 2 research laboratory build out designed to satisfy the requirements necessary for a Dealer's License which it aims to complete in the calendar fourth quarter of 2021 and anticipated to cost approximately $176,000.

Other Information

Additional information is available on SEDAR at www.sedar.com.

BY ORDER OF THE BOARD

"Jagdip Bal"

Jagdip Bal
President & CEO

"Dmitrios "Jim" Mitrakos"

Dmitrios Mitrakos
CFO & Secretary

May 11, 2021

Schedule B

Egret Bioscience Ltd.
Financial Statements and MD&A

1. Audited financial statements of Egret Bioscience Ltd. from the date of incorporation on July 1, 2020 to November 30, 2020.
2. MD&A of Egret Bioscience from the date of incorporation on July 1, 2020 to November 30, 2020.

EGRET BIOSCIENCE LTD.

FINANCIAL STATEMENTS

FOR THE PERIOD FROM JULY 1, 2020 (DATE OF INCORPORATION)
TO NOVEMBER 30, 2020

(EXPRESSED IN CANADIAN DOLLARS)

SATURNAGROUP
CHARTERED PROFESSIONAL ACCOUNTANTS LLP
1066 West Hastings Street, Suite 1250
Vancouver, BC Canada V6E 3X1

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Egret Bioscience Ltd.

Opinion

We have audited the financial statements of Egret Bioscience Ltd. (the "Company"), which comprise the statement of financial position as at November 30, 2020 and the statements of operations and comprehensive loss, changes in equity, and cash flows for the period from July 1, 2020 (date of incorporation) to November 30, 2020, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at November 30, 2020 and its financial performance and its cash flows for the period from July 1, 2020 (date of incorporation) to November 30, 2020 in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the Company has incurred a net loss of $72,839 and has negative cash flow from operations during the period from July 1, 2020 (date of incorporation) to November 30, 2020 and, as at that date, the Company has a working capital deficit of $32,424 and an accumulated deficit of $72,839. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis
- The information, other than the financial statements and our auditor's report thereon, in the Prospectus.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of the auditor's report. If, based on the work we have performed on this information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

The Prospectus is expected to be made available to us after the date of the auditor's report. If, based on the work we have performed on this information, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Saturna Group Chartered Professional Accountants LLP

Vancouver, Canada

February 5, 2021

EGRET BIOSCIENCE LTD.
STATEMENT OF FINANCIAL POSITION
(Expressed in Canadian dollars)

	November 30, 2020 $
ASSETS	
Current assets	
Cash	468,991
Accounts receivable (Note 4)	15,677
Prepaid expenses and deposits	40,474
Total current assets	525,142
Non-current assets	
Property and equipment (Note 6)	1,600
Total assets	526,742
LIABILITIES AND SHAREHOLDERS' DEFICIT	
Current liabilities	
Accounts payable and accrued liabilities (Note 7)	36,897
Due to related party (Note 8)	20,669
Loan payable (Note 9)	500,000
Total current liabilities	557,566
Shareholders' deficit	
Share capital (Note 10)	120,015
Share subscriptions receivable (Note 10)	(78,000)
Deficit	(72,839)
Total shareholders' deficit	(30,824)
Total liabilities and shareholders' deficit	526,742

Nature of operations and continuance of business (Note 1)
Proposed transaction (Note 12)
Subsequent event (Note 13)

Approved and authorized for issuance by the Board of Directors on February 5, 2021:

/s/ Philippe Henry
Philippe Henry, Director

(The accompanying notes are an integral part of these financial statements)

EGRET BIOSCIENCE LTD.
STATEMENT OF OPERATIONS AND COMPREHENSIVE LOSS
(Expressed in Canadian dollars)

	Period from July 1, 2020 (date of incorporation) to November 30, 2020 $
Revenue	
Consulting (Note 5)	7,841
Product sales (Note 5)	30,754
Total revenues	38,595
Cost of sales	24,529
Gross profit	14,066
Operating expenses	
Advertising and promotion	504
Consulting	22,000
Office and miscellaneous	1,422
Professional fees	6,308
Rent	2,300
Salaries and benefits (Note 8)	54,371
Total operating expenses	86,905
Net loss and comprehensive loss	(72,839)
Loss per share, basic and diluted	(0.01)
Weighted average number of shares outstanding	7,052,698

(The accompanying notes are an integral part of these financial statements)

EGRET BIOSCIENCE LTD.
STATEMENT OF CHANGES IN EQUITY
(Expressed in Canadian dollars)

	Share capital		Share subscriptions receivable	Deficit	Total shareholders' deficit
	Number of shares	Amount $	$	$	$
Balance, July 1, 2020 (date of incorporation)	100	1	–	–	1
Issuance of founders' shares	14,999,900	14	–	–	14
Proceeds from the issuance of common shares	8,000,000	120,000	(78,000)	–	42,000
Net loss for the period	–	–	–	(72,839)	(72,839)
Balance, November 30, 2020	23,000,000	120,015	(78,000)	(72,839)	(30,824)

(The accompanying notes are an integral part of these financial statements)

EGRET BIOSCIENCE LTD.
STATEMENT OF CASH FLOWS
(Expressed in Canadian dollars)

	Period from July 1, 2020 (date of incorporation) to November 30, 2020 $
OPERATING ACTIVITIES	
Net loss	(72,839)
Changes in non-cash operating working capital:	
Accounts receivable	(15,677)
Prepaid expenses and deposits	(40,474)
Accounts payable and accrued liabilities	36,897
Due to related party	20,669
Net cash used in operating activities	(71,424)
INVESTING ACTIVITIES	
Purchase of equipment	(1,600)
Net cash used in investing activities	(1,600)
FINANCING ACTIVITIES	
Proceeds from loan payable	500,000
Proceeds from issuance of common shares	42,015
Net cash provided by financing activities	542,015
Change in cash	468,991
Cash, beginning of period	–
Cash, end of period	468,991

(The accompanying notes are an integral part of these financial statements)

1. NATURE OF OPERATIONS AND CONTINUANCE OF BUSINESS

Egret Bioscience Ltd. (the "Company"), incorporated on July 1, 2020 under the laws of the province of British Columbia, is a development stage company that provides contract-based research for the detection and screening of pathogens, analytical testing services for mid-stream cannabinoid potency and stability testing. The Company's year-end is May 31 and its registered office is located at 1 -1385 Stevens Road, West Kelowna, BC.

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic. This contagious disease outbreak and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, leading to an economic downturn. The impact on the Company has not been significant, but management continues to monitor the situation.

These financial statements have been prepared on the going concern basis, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. During the period ended November 30, 2020, the Company earned $38,595 in revenues and incurred a net loss of $72,839. As at November 30, 2020, the Company has a working capital deficit of $32,424 and an accumulated deficit of $72,839. Management is actively pursuing sources of equity and debt financing to meet the Company's liabilities and commitments as they come due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These factors indicate the existence of a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern and the impact of these adjustments could be material.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared on a historical cost basis and in accordance with International Financial Reporting Standards ("IFRS"). These financial statements are presented in Canadian dollars, which is also the Company's functional currency.

The financial statements of the Company as at November 30, 2020 and for the period then ended were approved and authorized for issue by the Board of Directors on February 5, 2021.

Significant accounting judgments and estimates

The preparation of these financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. The financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both the current and future periods.

Significant areas requiring the use of management estimates include the collectability of accounts receivable, the useful lives and carrying value of property and equipment, and recoverability of unrecognized deferred income tax assets.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Significant accounting judgments and estimates (continued)

Significant judgments of the Company include:

- Assessment of whether the going concern assumption is appropriate which requires management to take into account all available information about the future, which is at least, but not limited to, 12 months from the end of the reporting period; and
- Costs to develop products that will be sold are capitalized to the extent that the criteria for recognition as intangible assets in IAS 38, *Intangible Assets,* are met. Those criteria require that the product is technically and economically feasible, which management assesses based on the attributes of the development project, perceived user needs, industry trends and expected future economic conditions. Management considers these factors in aggregate and applies significant judgment to determine whether the product is feasible. As at November 30, 2020, the Company has not capitalized any product development costs as the capitalization criteria under IAS 38 has not been met.

Cash and cash equivalents

The Company considers all highly liquid investments with a maturity of three months or less at the time of issuance, are readily convertible to known amounts of cash, and which are subject to insignificant risks of changes in value to be cash equivalents.

Financial instruments

Financial assets

Initial recognition and measurement

The Company recognizes a financial asset when it becomes a party to the contractual provisions of the instrument. The Company classifies financial assets at initial recognition as financial assets: measured at amortized cost, measured at fair value through other comprehensive income or measured at fair value through profit or loss.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Assessment and decision on the business model approach used is an accounting judgement.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at fair value through profit or loss ("FVTPL")

Financial assets measured at fair value through profit and loss are carried in the statement of financial position at fair value with changes in fair value therein, recognized in profit or loss.

Financial assets measured at fair value through other comprehensive income ("FVTOCI")

A financial asset measured at fair value through other comprehensive income is recognized initially at fair value plus transaction costs directly attributable to the asset. After initial recognition, the asset is measured at fair value with changes in fair value included in other comprehensive income.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial assets measured at amortized cost

A financial asset is subsequently measured at amortized cost, using the effective interest method and net of any impairment allowance, if:

- the asset is held within a business whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest.

Derecognition

A financial asset or, where applicable a part of a financial asset or part of a group of similar financial assets is derecognized when:

- the contractual rights to receive cash flows from the asset have expired; or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

Financial liabilities

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument. A financial liability is derecognized when it is extinguished, discharged, cancelled or when it expires. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or financial liabilities subsequently measured at amortized cost. All interest-related charges are reported in profit or loss within interest expense, if applicable.

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

Financial instrument	Classification
Cash	Amortized cost
Accounts receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Due to related parties	Amortized cost
Loan payable	Amortized cost

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and equipment

Property and equipment is recorded at historical cost less related accumulated depreciation and impairment losses. Cost is determined as the expenditure directly attributable to the asset at acquisition, only when it is probable that future economic benefits will flow to the Company and the cost can be reliably measured. When an asset is disposed of, its carrying cost is derecognized. All repairs and maintenance costs are charged to the statement of operations during the financial period in which they are incurred. The Company provides for depreciation of property, plant and equipment on a straight-line basis unless otherwise noted using the following annual rates:

Laboratory equipment	5 years straight line

Research and development

The Company incurs costs on activities that relate to research and development of new products. Research and development costs are expensed, except in cases where development costs meet certain identifiable criteria for deferral, including technical feasibility. Development costs are capitalized only if the expenditures 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 and to use or sell the asset. Deferred development costs are amortized over the life of related commercial production, or in the case of serviceable property and equipment, are included in the appropriate property group and are depreciated over its estimated useful life. As at November 30, 2020, the Company has not capitalized any research and development costs.

Inventory

Inventory comprises of vapour cartridges and is measured at the lower of cost and net realizable value. Inventory is written down to net realizable value when the cost of inventory is estimated to be greater than the anticipated selling price less costs to sell. As at November 30, 2020, the Company has not carried any inventory.

Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of long-lived assets to determine whether there is an indication that those assets have suffered an impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment charge (if any). The Company's long-lived assets consists of property, equipment and furniture, and intangible assets.

The recoverable amount used for this purpose is the higher of the fair value less costs to sell and value in use. 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 recorded amount, the recorded amount of the asset is reduced to its recoverable amount. An impairment charge is recognized immediately in the consolidated statements of operations and comprehensive loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to a maximum amount equal to the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Share capital

Proceeds received on the issuance of units, consisting of common shares and warrants, are allocated first to common shares based on the market trading price of the common shares at the time the units are issued, and any excess is allocated to warrants.

Incremental costs directly attributed to the issuance of common shares are shown in equity as a reduction, net of tax, of the proceeds received on issue. Shares issued for non-monetary consideration are valued based on the fair value of the goods or services received unless the fair value of the shares are a more reliable measure.

Loss per share

Basic loss per share is computed using the weighted average number of common shares outstanding during the period. The treasury stock method is used for the calculation of diluted loss per share. Stock options, share purchase warrants, and other equity instruments are dilutive when the average market price of the common shares during the period exceeds the exercise price of the options, warrants and other equity instruments. As at November 30, 2020, the Company had nil potentially dilutive share purchase warrants outstanding.

Share-based payments

The Company grants share-based awards to employees, directors and consultants as an element of compensation. The fair value of the awards is recognized over the vesting period as share-based compensation expense and share-based payment reserve. The fair value of share-based payments is determined using the Black-Scholes option pricing model using estimates at the date of the grant. At each reporting date prior to vesting, the cumulative expense representing the extent to which the vesting period has expired and management's best estimate of the awards that are ultimately expected to vest is computed. The movement in cumulative expense is recognized in the statement of operations with a corresponding entry within equity, against share-based payment reserve. No expense is recognized for awards that do not ultimately vest. When stock options are exercised, the proceeds received, together with any related amount in share-based payment reserve, are credited to share capital.

Share-based payments arrangements in which the Company receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, unless the fair value cannot be estimated reliably. If the Company cannot reliably estimate the fair value of the goods or services received, the Company will measure their value by reference to the fair value of the equity instruments granted. As at November 30, 2020, the Company has not granted any stock options.

Foreign currency translation

The functional and reporting currency is the Canadian dollar. Transactions denominated in foreign currencies are translated using the exchange rate in effect on the transaction date or at an average rate. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange in effect at the statement of financial position date. Non-monetary items are translated using the historical rate on the date of the transaction. Foreign exchange gains and losses are included in the statement of operations.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

The Company's accounting policy for revenue recognition under IFRS 15 is to follow a five-step model to determine the amount and timing of revenue to be recognized:

1) Identifying the contract with a customer;
2) Identifying the performance obligations within the contract;
3) Determining the transaction price;
4) Allocating the transaction price to the performance obligations; and
5) Recognizing revenue when/as performance obligation(s) are satisfied.

Revenue is earned through the purchase and resale of capital equipment and for consulting services. Revenue from the purchase and resale of capital equipment is recorded once a customer has been identified and the resale price has been determined, and the equipment has been purchased and shipped to the customer.

Revenue from consulting services is derived from services provided to third parties relating to recorded once the contract, including consulting rates, with the customer have been determined and approved, the consulting services have been performed and billed to the customer.

Income taxes

(i) Current income taxes

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of each reporting period.

(ii) Deferred income taxes

Deferred income tax is provided using the statement of financial position method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable income will be available to allow all or part of the deferred income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized, or the liability is settled based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

Recent Accounting Pronouncements

A number of new standards, and amendments to standards and interpretations, are not yet effective for the period ended November 30, 2020, and have not been early adopted in preparing these financial statements. These new standards, and amendments to standards and interpretations are either not applicable or are not expected to have a significant impact on the Company's financial statements.

3. FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT

The Company is exposed to various financial instrument risks and assesses the impact and likelihood of this exposure. These risks include liquidity risk, credit risk, price risk, currency risk and interest rate risk. Where material, these risks are reviewed and monitored by the Board of Directors.

Fair values

Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The levels of the fair value hierarchy are defined as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3 - Inputs for assets or liabilities that are not based on observable market data. comprehensive income or loss.

The fair values of other financial instruments, which include cash, accounts receivable, accounts payable and accrued liabilities, amounts due to related parties, and loan payable approximate their carrying values due to the relatively short-term maturity of these instruments.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising debt and equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs. The Company has cash of $468,991 at November 30, 2020 in order to meet short-term liabilities of $557,566. There is no assurance that financing will be available or, if available, that such financing will be on terms acceptable to the Company. The Company monitors its risk of shortage of funds by monitoring the maturity dates of its existing liabilities.

Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets which primarily is cash. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash with high-credit quality financial institutions. The Company's cash is held with a major Canadian-based financial institution. The carrying amount of financial assets represents the maximum credit exposure.

Foreign exchange rate and interest rate risk

The Company is not exposed to any significant foreign exchange rate or interest rate risk.

Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders.

The Company depends on external financing to fund its activities. The capital structure of the Company currently consists of cash, and equity comprised of issued share capital and share subscriptions receivable. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares through private placements, or sell assets to fund operations. Management reviews its capital management approach on a regular basis. The Company is not subject to externally imposed capital requirements.

(Expressed in Canadian dollars)

4. ACCOUNTS RECEIVABLE

	Current $	31-60 days $	61-90 days $	Total $
Trade accounts receivable	7,771	7,251	655	15,677

As at November 30, 2020, 46% of trade accounts receivable is comprised of one customer.

5. REVENUES

	2020 $
Revenues earned at a point in time	30,754
Revenues earned over time	7,841
	38,595

For the period from July 1, 2020 (date of incorporation) to November 30, 2020, 68% of total revenues is comprised of one customer.

6. PROPERTY AND EQUIPMENT

	Laboratory equipment $
Cost	
Balance, July 1, 2020 (date of incorporation)	–
Additions	1,600
Balance, November 30, 2020	1,600
Accumulated depreciation:	
Balance, July 1, 2020 (date of incorporation) and November 30, 2020	–
Carrying amount:	
Balance, November 30, 2020	1,600

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2020 $
Trade accounts payable	36,684
Taxes payable	213
	36,897

8. RELATED PARTY TRANSACTIONS

As at November 30, 2020, the Company owes $20,669 to the Chief Executive Officer of the Company which is unsecured, non-interest bearing, and due on demand. During the period from July 1, 2020 (date of incorporation) to November 30, 2020, the Company incurred $16,250 of salaries and benefits to the Chief Executive Officer of the Company.

(Expressed in Canadian dollars)

9. LOAN PAYABLE

On September 30, 2020, the Company entered into a loan agreement with Lexston Life Sciences Corp. (formerly Lexston Capital Corp.) for proceeds of $500,000 as required under the terms of the letter of intent (refer to Note 12). The loan is secured by a general security agreement over all of the Company's assets, is non-interest bearing, and due on demand.

10. SHARE CAPITAL

Authorized

The Company has authorized share capital of an unlimited number of Class A common shares without par value.

Share issuances:

(a) On July 1, 2020, the Company issued 100 founders' shares to the Chief Executive Officer of the Company for proceeds of $1.

(b) On October 2, 2020, the Company issued 14,999,900 founders' shares for proceeds of $14, including 8,624,900 founders' shares to the Chief Executive Officer of the Company.

(c) On October 29, 2020, the Company issued 8,000,000 common shares at $0.015 per share for proceeds of $120,000, of which $78,000 was receivable as at November 30, 2020. Refer to Note 13.

11. INCOME TAXES

Income tax expense differs from the amount that would be computed by applying the Canadian statutory income tax rate to income before income taxes. The reasons for the differences are as follows:

	2020 $
Net loss	(72,839)
Statutory rate	11%
Income tax recovery	(8,012)
Change in unrecognized deferred income tax assets	8,012
Income tax provision	–

The significant components of deferred income tax assets and liabilities as at November 30, 2020 is as follows:

	2020 $
Deferred income tax assets	
Non-capital losses carried forward	8,012
Unrecognized deferred income tax assets	(8,012)
Net deferred income tax asset	–

As at November 30, 2020, the Company has non-capital losses carried forward of $72,839 which are available to offset future years' taxable income and will expire in fiscal 2040.

12. PROPOSED TRANSACTION

On September 8, 2020, the Company signed a letter of intent ("LOI") with Lexston Life Sciences Corp. (formerly Lexston Capital Corp.) ("Lexston"), in relation to the proposed share exchange agreement (the "Agreement"). On September 25, 2020 and as amended on October 20, 2020, December 2, 2020, and January 6, 2021, the Company entered into the Agreement with Lexston. Under the terms of the Agreement, Lexston will issue 23,000,000 common shares in exchange for 100% of the issued and outstanding Class A common shares of the Company. On February 4, 2021, the shareholders of the Company received 23,000,000 common shares from Lexston and the transaction is pending final review and approval from the Canadian Securities Exchange.

13. SUBSEQUENT EVENT

Subsequent to November 30, 2020, the Company received $78,000 of share subscription proceeds related to the private placement of Class A common shares issued on October 29, 2020.

EGRET BIOSCIENCE LTD.
MANAGEMENT DISCUSSION AND ANAYSIS – FORM 51-102F1
For the period ended November 30, 2020

1.1 Date of Report

The following Management Discussion and Analysis ("**MD&A**") for Egret Bioscience Ltd. (the "**Company**" or "**Egret**") is prepared as of February 12, 2021 and should be read in conjunction with the Company's audited financial statements and related notes for the period from July 1, 2020 (date of incorporation) to November 30, 2020 which were prepared in accordance with International Financial Reporting Standards ("**IFRS**"), as issued by the International Accounting Standards Board ("**IASB**"). Except as noted, all dollar amounts contained in this MD&A and in the audited financial statements are in Canadian dollars.

Forward-Looking Statements

This MD&A contains forward-looking statements within the meaning of applicable securities laws. All statements contained herein that are not clearly historical in nature are forward-looking, and the words "anticipate", "believe", "expect", "estimate", "may", "will", "could", "leading", "intend", "contemplate", "shall" and similar expressions are generally intended to identify forward-looking statements. Forward-looking statements in this MD&A include, but are not limited to, statements with respect to:

- our expected future loss and accumulated deficit levels;
- our projected financial position and estimated cash burn rate;
- our requirements for, and the ability to obtain, future funding on favorable terms or at all;
- our projections for development plans and progress of each of our services and technologies;
- our expectations about our services and technologies' safety and efficacy;
- our expectations regarding our ability to arrange for and scale up of our services and technologies;
- our expectations regarding the progress, and the successful and timely completion, of the various stages of the regulatory approval process;
- our expectations about the timing of achieving milestones and the cost of our development programs;
- our plans to market, sell and distribute our services and technologies;
- our expectations regarding the acceptance of our services and technologies by the market;
- our ability to retain and access appropriate staff, management and expert advisers;
- our expectations about whether various clinical and regulatory milestones will be achieved;
- our ability to secure strategic partnerships with larger pharmaceutical and biotechnology companies;
- our strategy to acquire and develop new products, services and technologies and to enhance the safety and efficacy of existing services and technologies;
- our expectations with respect to existing and future corporate alliances and licensing transactions with third parties, and the receipt and timing of any payments to be made by us or to us in respect of such arrangements;
- our strategy with respect to the protection of our intellectual property; and
- the effects of COVID-19 on our business.

All forward-looking statements reflect our beliefs and assumptions based on information available at the time the assumption was made. These forward-looking statements are not based on historical facts but rather on management's expectations regarding future activities, results of operations, performance, future capital and other expenditures (including the amount, nature and sources of funding thereof), competitive advantages, business prospects and opportunities. By its nature, forward-looking information involves numerous assumptions, inherent risks and uncertainties, both general and specific, known and unknown, that contribute to the possibility that the predictions, forecasts, projections or other forward-looking statements will not occur. In evaluating forward-looking statements, readers should specifically consider various factors, including the risks outlined under the heading "**Risk Factors**" in this MD&A. Some of these risks and assumptions include, among others:

- substantial fluctuation of losses from quarter to quarter and year to year due to numerous external risk factors, and anticipation that we will continue to incur significant losses in the future;
- uncertainty as to our ability to raise additional funding to support operations;
- our ability to generate product revenue to maintain our operations without additional funding;
- the risks associated with the development of our services and technologies which are at early stages of development;
- competition from other biotechnology and pharmaceutical companies;
- our reliance on the capabilities and experience of our key executives and scientists and the resulting loss of any of these individuals;
- our ability to fully realize the benefits of acquisitions;
- our ability to adequately protect our intellectual property and trade secrets;
- our ability to source and maintain licenses from third-party owners; and
- the risk of patent-related litigation.

Although the forward-looking statements contained in this MD&A are based upon what our management believes to be reasonable assumptions, we cannot assure readers that actual results will be consistent with these forward-looking statements. Any forward-looking statements represent our estimates only as of the date of this MD&A and should not be relied upon as representing our estimates as of any subsequent date. We undertake no obligation to update any forward-looking statement or statements to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events, except as may be required by securities legislation.

Management's Responsibility for Financial Statements

The information provided in this report, including the interim and audited financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of the future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying audited financial statements.

Management maintains a system of internal controls to provide reasonable assurance that the Company's assets are safeguarded and to facilitate the preparation of relevant and timely information.

1.2 Nature of Business and Overall Performance

Egret Bioscience Ltd. (the "Company") was incorporated on July 1, 2020 under the laws of the province of British Columbia. The Company's head office and registered and records office is located at 1B – 1385 Stevens Road, West Kelowna, British Columbia V1Z 2S9. The Company is a Kelowna based business that provides contract-based research for the detection and screening of pathogens, analytical testing services for mid-stream cannabinoid potency and stability testing. Egret has also optimized nodal tissue culture methods and protocols for cannabis, consisting of a proprietary medium and tissue culture tubes and boxes for the micropropagation of clean cannabis stock.

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic. This contagious disease outbreak and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, leading to an economic downturn. The impact on the Company is not currently determinable, but management continues to monitor the situation.

On September 8, 2020, the Company entered into a letter of intent ("**LOI**") with Lexston Life Sciences Corp. (formerly Lexston Capital Corp.) ("**Lexston**"), a company incorporated in the province of British Columbia. Under the terms of the LOI, Lexston will acquire all the outstanding common shares of Egret in exchange for 23,000,000 common shares of the Company, of which 8,000,000 common shares are issuable to Egret upon completion of $120,000 of financing by Egret, and an additional contingent consideration of 10,000,000

common shares of Egret if it can obtain certain performance milestones within the Agreement. The Agreement is subject to approval of a listing on the Canadian Stock Exchange.

As part of the LOI, on September 30, 2020, Lexston advanced $500,000 to the Company which is secured by a general security agreement over Egret's assets, bears no interest, and is due on demand. The Company signed a share exchange agreement with Egret on September 25, 2020, which was amended on October 20, 2020, December 2, 2020 and January 6, 2021. Upon completion of the Acquisition Transaction, the resulting issuer will continue on with the business of the Company.

On February 4, 2021, Lexston issued 23,000,000 common shares to the shareholders of the Company and the transaction is pending final review and approval from the Canadian Securities Exchange.

As at November 30, 2020, the Company has limited revenues, has generated negative cash flows from operating activities, and has an accumulated deficit of $72,839. The Company expects to incur further losses in the development of its operations. The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon obtaining additional financing and generating revenues enough to cover its operating costs. These factors indicate the existence of material uncertainties that may cast significant doubt on the Company's ability to continue as a going concern.

The interim financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and thus be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in these financial statements.

1.3 Selected Annual Information

N/A

1.4 Results of Operations

During the period from July 1, 2020 (date of incorporation) to November 30, 2020, the Company's net loss and comprehensive loss was $72,839. The Company recorded revenues of $38,595, cost of sales was $24,529 to earn a gross profit of $14,066, a 36% gross margin. The Company's operating expenses were $86,905. As the Company was incorporated on July 1, 2020, there are no results to compare the current results to. The loss per share was $0.01 for the period from July 1, 2020 to November 30, 2020. Operating expenses were mainly attributable to:

a. Consulting fees for the period from July 1, 2020 (date of incorporation) to November 30, 2020 was $22,000. Consulting fees for the current period were required for up to three consultants to assist with setting up the lab facility, identifying and acquiring clients and laboratory research services.

b. Professional fees for the period from July 1, 2020 (date of incorporation) to November 30, 2020 was $6,308 which included legal and accounting services incurred in order to be able to incorporate the Company, prepare employment/sales agreements, and enter monthly accounting among other requirements.

c. Salaries and benefits for the period from July 1, 2020 (date of incorporation) to November 30, 2020 were $54,371 and included the services of up to five employees during the five-month period.

There can be no assurance that the Company will be able to continue to raise funds, in which case the Company may be unable to meet its obligations. Should the Company be unable to realize its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded in the financial statements.

There are no legal proceedings, contingent liabilities, defaults under debt or other contractual obligations, breach of any laws or special resolutions during the period ended November 30, 2020 or as of February 12, 2021.

At November 30, 2020, the Company had a working capital deficiency of $32,424. The Company anticipates that additional funding will be in the form of advances from Lexston. The Company may also seek to obtain short term loans from the director of the Company.

1.5 Summary of Quarterly Results

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

	Q2 Nov. 30, 2020 $	Q1 Aug. 31, 2019 $	Q4 May 31, 2020 $	Q3 Feb 29, 2020 $	Q2 Nov. 30, 2019 $	Q1 Aug. 31, 2019 $	Q4 May 31, 2019 $	Q3 Feb. 28, 2019 $
Total revenues	27,045	11,550	-	-	-	-	-	-
Net income (loss)	(74,460)	1,621	-	-	-	-	-	-
Net income (loss) per share	(0.01)	0.00	-	-	-	-	-	-

The Company was incorporated July 1, 2020, therefore did not have expenditures prior to that date. The revenues and expenses incurred by the Company are those typical of a start-up company that is looking to increase revenue streams while reducing expenses. In some quarters, more expenses are incurred than in others as a result of non-recurring activities or events.

1.6 Liquidity

The interim financial statements have been prepared assuming the Company will continue on a going-concern basis. The Company has incurred losses since inception and the ability of the Company to continue as a going-concern depends upon its ability to develop profitable operations and to continue to raise adequate financing. Management is actively targeting sources of additional financing through alliances with financial, biotechnological and pharmaceutical enterprises, or other business and financial transactions which would assure continuation of the Company's operations and technological programs. In order for the Company to meet its liabilities as they come due and to continue its operations, the Company is solely dependent upon its ability to generate such financing.

There can be no assurance that the Company will be able to continue to raise funds in which case the Company may be unable to meet its obligations. Should the Company be unable to realize its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded in the financial statements.

The interim financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

a) The Company had cash of $468,991 as at November 30, 2020. The Company has working capital deficiency of $32,424 as at November 30, 2020.

Cash Flows from Operating Activities

During the period from July 1, 2020 (date of incorporation) to November 30, 2020, the Company used cash of $71,424 for operating activities, which included $40,474 for prepaid expenses and deposits and general operating expenses.

Cash Flows from Investing Activities

The Company purchased laboratory equipment of $1,600 during the period ended November 30, 2020.

Cash Flows from Financing Activities

During the period from July 1, 2020 (date of incorporation) to November 30, 2020, the Company received proceeds from financing activities of $42,015 from a private placement of common shares and $500,000 from loan proceeds received from Lexston. As at November 30, 2020, the Company had $78,000 of share subscriptions receivable related to proceeds that were receivable from the private placement of common shares that was completed during the period ended November 30, 2020. As at the date of this report, the Company has received all share subscriptions receivable and has $3,000 which was over-subscribed and will be returned to the investors.

The Company currently has a cash "burn" rate of approximately $30,000 per month for operating activities.

The Company is not subject to any externally imposed capital requirements.

We manage the capital structure and adjust it considering changes in economic conditions and the risk characteristics of the underlying assets. As a young start-up company, issuance of equity has been the primary source of capital to date. Debt and/or equity financing may be pursued in the future as deemed appropriate to balance debt and equity. To maintain or adjust the capital structure, our Company may issue new shares, take on debt or sell assets to reduce debt.

While our management plans to generate revenues and to continue financing our Company through the issuances of additional equity securities or debt instruments, there can be no assurance that enough revenue or financing will occur to meet our cash needs for the next 12 months. The ability to achieve our projected future operating results is based on several assumptions which involve significant judgments and estimates, which cannot be assured. If we are unable to achieve our projected operating results, our liquidity could be adversely impacted, and we may need to seek additional sources of financing. Our operating results could adversely affect our ability to raise additional capital to fund our operations and there is no assurance that sufficient debt or equity financing will be available, on acceptable terms, or in a timely basis.

1.7 Capital Resources

The Company has historically relied upon equity financings to satisfy its capital requirements and will continue to depend heavily upon equity capital to finance its activities. There can be no assurance the Company will be able to obtain required financing in the future on acceptable terms.

The Company anticipates it will require additional capital in the near future to finance its proposed property acquisition and for general working capital. This capital is to be derived from the exercise of outstanding warrants and/or the completion of private placements. The Company may also seek to obtain short term loans from directors of the Company.

1.8. Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements to which the Company is committed.

1.9 Transactions with Related Parties

As at November 30, 2020, the Company owes $20,669 to the Dr. Philippe Henry ("Dr. Henry"), Chief Executive Officer and Director of the Company. The amount owing is unsecured, non-interest bearing and due on demand. During the period from July 1, 2020 (date of incorporation) to November 30, 2020, the Company incurred $16,250 of salaries and benefits to the Dr. Henry.

1.10 Second Quarter

The Company's second quarter had revenues of $ 27,045 for the three-month period ended November 30, 2020 compared to the period from July 1, 2020 (date of incorporation) to August 31, 2020 of $11,550. The Company entered into a Letter of Intent with Lexston Life Sciences Corp. and secured a $500,000 financing required for working capital in order to be able to secure facilities and equipment for operations. Please refer to Section 1.2 for details of the transaction with Lexston.

The Company also issued 8,000,000 Class A common shares for total proceeds of $120,000 in accordance with the terms of the LOI with Lexston.

1.11 Proposed Transactions

In the normal course of business, the Company evaluates property/business acquisition transactions and, in some cases, makes proposals to acquire such properties/businesses. These proposals, which are usually subject to Board, regulatory and, sometimes, shareholder approvals, may involve future payments, share issuances and other future obligations. These future obligations are usually contingent in nature and generally the Company is only required to incur the obligation if it wishes to continue with the transaction. As of this date, the Company has potential transactions that it is examining. Management is uncertain whether any of these proposals will ultimately be completed.

1.12 Critical Accounting Estimates

The preparation of the Company's interim financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses, and the disclosure of contingent assets and contingent liabilities at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next fiscal year are described below. The Company based its assumptions and estimates on parameters available when the interim financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Significant areas requiring the use of management estimates include the collectability of accounts receivable, the useful lives and carrying value of property and equipment, and recoverability of unrecognized deferred income tax assets.

Significant judgments of the Company include:

- Assessment of whether the going concern assumption is appropriate which requires management to take into account all available information about the future, which is at least, but not limited to, 12 months from the end of the reporting period; and
- Costs to develop products and technologies that will be sold are capitalized to the extent that the criteria for recognition as intangible assets in IAS 38, *Intangible Assets*, are met. Those criteria require that the product is technically and economically feasible, which management assesses based on the attributes of the development project, perceived user needs, industry trends and expected future economic conditions. Management considers these factors in aggregate and applies significant judgment to determine whether the product is feasible. As at November 30, 2020, the Company has not capitalized any product development costs as the capitalization criteria under IAS 38 has not been met.

1.13 Changes in Accounting Standards

Certain new standards, interpretations, amendments and improvements to existing standards were issued by IASB. Accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

1.14 Financial Instruments and Other Instruments

The carrying value of financial instruments which include cash, accounts receivable, accounts payable and accrued liabilities, amounts due to related parties, and loan payable approximate fair value because of the short-term maturity of those instruments. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

1.15 Other MD&A Requirements

Disclosure of Outstanding Share Capital

a) Authorized:

Unlimited number of Class A common shares without par value

b) Issued:

	SHARE CAPITAL	
	NUMBER	**AMOUNT**
Balance, July 1, 2020 (date of incorporation)	**–**	**$ –**
Issued for cash		
Incorporation share issuance	100	1
Issuance of founder's shares	14,990,900	14
Issuance of common shares from private placement	8,000,000	120,000
Balance, November 30, 2020 and February 12, 2021	**23,000,000**	**$ 120,015**

On February 4, 2021, Lexston issued 23,000,000 common shares to the shareholders of Egret in exchange for 100% of the Class A common shares outstanding. The transaction is pending final review and approval from the Canadian Securities Exchange.

c) Stock Options:

As at November 30, 2020 and February 12, 2021, there were no stock options outstanding.

d) Share Purchase Warrants:

As at November 30, 2020 and February 12, 2021, there were no share purchase warrants outstanding.

Internal Control over Financial Reporting

National Instrument 52-109 requires the Chief Executive Officer and Chief Financial Officer "CEO" and "CFO" to certify that they are responsible for establishing and maintaining internal control over financial reporting ("ICFR") for the Company and that those internal controls have been designed and are effective in providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS.

The CEO and CFO are also responsible for disclosing any changes to the Company's internal controls during the most recent period that have materially affected, or are reasonably likely to materially affect, its internal control over financial reporting. As the Company has not yet appointed a CEO or CFO, Dr. Henry, sole director, is assuming these duties until these positions have been selected.

Based on a review of its internal control procedures at the end of the period covered by this MD&A, management believes its internal controls and procedures are appropriately designed and were operating effectively as at November 30, 2020 and to February 12, 2021.

Our auditors, Saturna Group Chartered Professional Accountants, LLP, were not required to and have not reviewed our internal controls over financial reporting and has not attested to the nature of our compliance.

Disclosure Controls

Management is also responsible for the design and operation of disclosure controls and procedures to provide reasonable assurance that material information related to the Company is made known to the Company's certifying officers. Dr. Henry has evaluated the design and effectiveness of the Company's disclosure controls and procedures as of the date of this report and have concluded that these controls and procedures are effective.

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 the 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 Lexston Prospectus. 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 factors:

Risks Related to the Company's Business

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

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

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

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

addition, the management of the Company may be periodically interrupted or delayed as a result of its officers' other business interests.

The Company has no operating history

The Company has no operating history and may not succeed. The Company is subject to all risks inherent in a developing business enterprise. The Company's likelihood of continued success must be considered in light of the problems, expenses, difficulties, undercapitalization, cash shortages, limitations with respect to personnel, financial and other resources, lack of revenues, complications, and delays frequently encountered in connection with the competitive and regulatory environment in which it operates. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of the early stage of operations.

History of Losses

The Company has incurred losses in the period from inception to April 30, 2020. The Company may not be able to achieve or maintain profitability and may continue to incur significant losses in the future. In addition, the Company expects to continue to increase operating expenses as it implements initiatives to continue to grow its business. If the Company's revenues do not increase to offset these expected increases in costs and operating expenses, it will not be profitable.

Reliance on Management

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

Insurance and Uninsured Risks

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

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

The Company Will Be an Entrant Engaging in a New Industry

The biotechnology healthcare industry is fairly new. There can be no assurance that an active and liquid market for shares of the Company will develop and shareholders may find it difficult to resell their shares. Accordingly, no assurance can be given that the Company will be successful in the long term.

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 our technologies 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.

Directors and Officers

Philippe Henry, PhD	Director

The Company is dependent on one director. Loss of that person will have an adverse effect on the Company. The Company does not maintain "key-man" insurance with respect to any of its management.

Conflicts of Interest

The director of the Company may act as officers and/or directors of, or is associated with other companies that acquire interests in businesses. Such associations may give rise to conflicts of interest. The director is required by law, however, to act honestly and in good faith with a view to the best interests of the Company and its shareholders and to

disclose any personal interest which they may have in any material transaction which is proposed to be entered into with the Company and to abstain from voting as a director for the approval of any such transaction.

Outlook

The priorities of the Company are related to regulatory approval of the Acquisition Transaction, filing of its Prospectus and listing on the CSE.

Other Information

Additional information is available on SEDAR at www.sedar.com.

BY ORDER OF THE BOARD

"Philippe Henry"

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Dr. Philippe Henry
Director

February 12, 2021

Schedule C

Lexston Audit Committee Charter

LEXSTON LIFE SCIENCES CORP.

AUDIT COMMITTEE CHARTER

1. PURPOSE

The main purpose of the Audit Committee (the "Committee") of the Board of Directors (the "Board") of Lexston Life Sciences Corp. ("Lexston" or the "Company") is to assist the Board in fulfilling its statutory responsibilities in relation to internal control and financial reporting, and to carry out certain oversight functions on behalf of the Board, including the oversight of:

(a) the integrity of the Company's financial statements and other financial information provided by the Company to securities regulators, governmental bodies and the public to ensure that the Company's financial disclosures are complete, accurate, in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations by the International Financial Reporting Interpretations Committee ("IFRIC"), and fairly present the financial position and risks of the Company;

(b) assessing the independence, qualifications and performance of the Company's independent auditor (the "Auditor"), appointing and replacing the Auditor, overseeing the audit and non-audit services provided by the Auditor, and approving the compensation of the Auditor;

(c) Senior Management (as defined below) responsibility for assessing and reporting on the effectiveness of internal controls;

(d) financial matters and management of financial risks;

(e) the prevention and detection of fraudulent activities; and

(f) investigation of complaints and submissions regarding accounting or auditing matters and unethical or illegal behavior.

The Committee provides an avenue for communication between the Auditor, the Company's executive officers and other senior managers ("Senior Management") and the Board, and has the authority to communicate directly with the Auditor. The Committee shall have a clear understanding with the Auditor that they must maintain an open and transparent relationship with the Committee. The Auditor is ultimately accountable to the Committee and the Board, as representatives of the Company's shareholders.

2. COMPOSITION

The Committee shall be comprised of three directors. Each Committee member shall:

(a) satisfy the laws governing the Company;

(b) subject to the exemptions provided in Part 6 of National Instrument 52-110 Audit Committees ("NI 52-110"), be "independent" in accordance with Sections 1.4 and 1.5 of NI 52-110, which sections are reproduced in Appendix "A" of this charter; and

(c) be "financially literate" in accordance with the definition set out in Section 1.6 of NI 52-110, which definition is reproduced in Appendix "A" of this charter.

For purposes of subparagraph (b) above, the position of non-executive Chair of the Board is considered to be an executive officer of the Company.

Committee members and the chair of the Committee (the "Committee Chair") shall be appointed by the Board. The Board may remove a Committee member at any time in its sole discretion by a resolution of the Board.

If a Committee member simultaneously serves on the audit committees of more than three public companies, the Committee shall seek the Board's determination as to whether such simultaneous service would impair the ability of such member to effectively serve on the Committee and ensure that such determination is disclosed.

3. MEETINGS

The Committee shall meet at least once per financial quarter and as many additional times as the Committee deems necessary to carry out its duties effectively.

The Committee shall meet:

(a) within 60 days following the end of each of the first three financial quarters to review and discuss the unaudited financial results for the preceding quarter and the related management's discussion and analysis ("MD&A"); and

(b) within 120 days following the end of the Company's fiscal year end to review and discuss the audited financial results for the year and related MD&A.

As part of its job to foster open communication, the Committee shall meet at least once each financial quarter with Senior Management and the Auditor in separate executive sessions to discuss any matters that the Committee or each of these groups believe should be discussed privately.

A majority of the members of the Committee shall constitute a quorum for any Committee meeting. No business may be transacted by the Committee except at a meeting of its members at which a quorum of the Committee is present or by unanimous written consent of the Committee members.

The Committee Chair shall preside at each Committee meeting. In the event the Committee Chair is unable to attend or chair a Committee meeting, the Committee will appoint a chair for that meeting from the other Committee members.

The Corporate Secretary of the Company, or such individual as appointed by the Committee, shall act as secretary for a Committee meeting (the "Committee Secretary") and, upon receiving a request to convene a Committee meeting from any Committee member, shall arrange for such meeting to be held.

The Committee Chair, in consultation with the other Committee members, shall set the agenda of items to be addressed at each Committee meeting. The Committee Secretary shall ensure that the

agenda and any supporting materials for each upcoming Committee meeting are circulated to each Committee member in advance of such meeting.

The Committee may invite such officers, directors and employees of the Company, the Auditor, and other advisors as it may see fit from time to time to attend at one or more Committee meetings and assist in the discussion and consideration of any matter. For purposes of performing their duties, members of the Committee shall, upon request, have immediate and full access to all corporate information and shall be permitted to discuss such information and any other matters relating to the duties and responsibilities of the Committee with officers, directors and employees of the Company, with the Auditor, and with other advisors subject to appropriate confidentiality agreements being in place.

Unless otherwise provided herein or as directed by the Board, proceedings of the Committee shall be conducted in accordance with the rules applicable to meetings of the Board.

4. DUTIES AND RESPONSIBILITIES

Subject to the powers and duties of the Board and the Articles of the Company, in order to carry out its oversight responsibilities, the Committee shall:

4.1 Financial Reporting Process

(a) Review with Senior Management and the Auditor any items of concern, any proposed changes in the selection or application of accounting principles and policies and the reasons for the change, any identified risks and uncertainties, and any issues requiring the judgement of Senior Management, to the extent that the foregoing may be material to financial reporting.

(b) Consider any matter required to be communicated to the Committee by the Auditor under generally accepted auditing standards, applicable law and listing standards, if applicable, including the Auditor's report to the Committee (and the response of Senior Management thereto) on:

(i) accounting policies and practices used by the Company;

(ii) alternative accounting treatments of financial information that have been discussed with Senior Management, including the ramifications of the use of such alternative treatments and disclosures and the treatment preferred by the Auditor; and

(iii) any other material written communications between the Auditor and Senior Management.

(c) Discuss with the Auditor their views about the quality, not just the acceptability, of accounting principles and policies used by the Company, including estimates and judgements made by Senior Management and their selection of accounting principles.

(d) Discuss with Senior Management and the Auditor:

(i) any accounting adjustments that were noted or proposed (immaterial or otherwise) by the Auditor but were not reflected in the financial statements;

(ii) any material correcting adjustments that were identified by the Auditor in accordance with generally accepted accounting principles ("GAAP") or applicable law;

(iii) any communication reflecting a difference of opinion between the audit team and the Auditor's national office on material auditing or accounting issues raised by the engagement; and

(iv) any "management" or "internal control" letter issued, or proposed to be issued, by the Auditor to the Company.

(e) Discuss with Senior Management and the Auditor any significant financial reporting issues considered during the fiscal period and the method of resolution, and resolve disagreements between Senior Management and the Auditor regarding financial reporting.

(f) Review with Senior Management and the Auditor:

(i) any off-balance sheet financing mechanisms being used by the Company and their effect on the Company's financial statements; and

(ii) the effect of regulatory and accounting initiatives on the Company's financial statements, including the potential impact of proposed initiatives.

(g) Review with Senior Management and the Auditor and legal counsel, if necessary, any litigation, claim or other contingency, including tax assessments, that could have a material effect on the financial position or operating results of the Company, and the manner in which these matters have been disclosed or reflected in the financial statements.

(h) Review with the Auditor any audit problems or difficulties experienced by the Auditor in performing the audit, including any restrictions or limitations imposed by Senior Management, and the response of Senior Management, and resolve any disagreements between Senior Management and the Auditor regarding these matters.

(i) Review the results of the Auditor's work, including findings and recommendations, Senior Management's response, and any resulting changes in accounting practices or policies and the impact such changes may have on the financial statements.

(j) Review and discuss with Senior Management the audited annual financial statements and related MD&A and make recommendations to the Board with respect to approval thereof before their release to the public.

(k) Review and discuss with Senior Management and the Auditor all interim unaudited financial statements and related interim MD&A.

(l) Approve interim unaudited financial statements and related interim MD&A prior to their filing and dissemination.

(m) In connection with Sections 4.1 and 5.1 of National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), obtain confirmation from the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO") (and considering the Auditor's comments, if any, thereon) to their knowledge:

(i) that the audited financial statements, together with any financial information included in the annual MD&A and annual information form, fairly present in all material respects the Company's financial condition, financial performance and cash flows; and

(ii) that the interim financial statements, together with any financial information included in the interim MD&A, fairly present in all material respects the Company's financial condition, financial performance and cash flows.

(n) Review news releases to be issued in connection with the audited annual financial statements and related MD&A and the interim unaudited financial statements and related interim MD&A, before being disseminated to the public, if the Company is required to do so under applicable securities laws, paying particular attention to any use of "pro-forma" or "adjusted" non-GAAP, information.

(o) Review any news release containing earnings guidance or financial information based upon the Company's financial statements prior to the release of such statements, if the Company is required to disseminate such news releases under applicable securities laws.

(p) Review the appointment of the CFO and have the CFO report to the Committee on the qualifications of new key financial personnel involved in the financial reporting process.

4.2 Internal Controls

(a) Consider and review with Senior Management and the Auditor the adequacy and effectiveness of internal controls over accounting and financial reporting within the Company and any proposed significant changes in them.

(b) Consider and discuss any Auditor's comments on the Company's internal controls, together with Senior Management responses thereto.

(c) Discuss, as appropriate, with Senior Management and the Auditor any major issues as to the adequacy of the Company's internal controls and any special audit steps in light of material internal control deficiencies.

(d) Review annually the disclosure controls and procedures.

(e) Receive confirmation from the CEO and the CFO of the effectiveness of disclosure controls and procedures, and whether there are any significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information or any fraud, whether or not material, that involves Senior Management or other employees who have a significant role in the Company's internal control over financial reporting. In addition, receive confirmation from the CEO and the CFO that they are prepared to sign the annual and quarterly certificates required by Sections 4.1 and 5.1 of NI 52-109, as amended from time to time.

4.3 The Auditor

Qualifications and Selection

(a) Subject to the requirements of applicable law, be solely responsible to select, retain, compensate, oversee, evaluate and, where appropriate, replace the Auditor. The Committee shall be entitled to adequate funding from the Company for the purpose of compensating the Auditor for authorized services.

(b) Instruct the Auditor that:

(i) they are ultimately accountable to the Board and the Committee, as representatives of s hareholders; and

(ii) they must report directly to the Committee.

(c) Ensure that the Auditor have direct and open communication with the Committee and that the Auditor meet with the Committee once each financial quarter without the presence of Senior Management to discuss any matters that the Committee or the Auditor believe should be discussed privately.

(d) Evaluate the Auditor's qualifications, performance, and independence. As part of that evaluation:

(i) at least annually, request and review a formal report by the Auditor describing: the firm's internal quality-control procedures; any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues;

(ii) annually review and confirm with Senior Management and the Auditor the independence of the Auditor, including all relationships between the Auditor and the Company, including the amount of fees received by the Auditors for the audit services, the extent of non-audit services and fees therefor, the extent to which the compensation of the audit partners of the Auditor is based upon selling non-audit services, the timing and process for implementing the rotation of the lead audit partner, reviewing partner and other partners providing audit services for the Company, and whether there should be a regular rotation of the audit firm itself; and

(iii) annually review and evaluate senior members of the audit team of the Auditor, including their expertise and qualifications. In making this evaluation, the Committee should consider the opinions of Senior Management.

Conclusions on the independence of the Auditor should be reported by the Committee to the Board.

(e) Approve and review, and verify compliance with, the Company's policies for hiring of employees and former employees of the Auditor and former auditors. Such policies shall include, at minimum, a one-year hiring "cooling off" period.

Other Matters

(a) Meet with the Auditor to review and approve the annual audit plan of the Company's financial statements prior to the annual audit being undertaken by the Auditor, including reviewing the year-to-year co-ordination of the audit plan and the planning, staffing and extent of the scope of the annual audit. This review should include an explanation from the Auditor of the factors considered by the Auditor in determining their audit scope, including major risk factors. The Auditor shall report to the Committee all significant changes to the approved audit plan.

(b) Review and pre-approve all audit and non-audit services and engagement fees and terms in accordance with applicable law, including those provided to the Company's subsidiaries by the Auditor or any other person in its capacity as independent auditor of such subsidiary. Between scheduled Committee meetings, the Committee Chair, on behalf of the Committee, is authorized to pre-approve any audit or non-audit services and engagement fees and terms up to $50,000. At the next Committee meeting, the Committee Chair shall report to the Committee any such pre-approval given.

(c) Establish and adopt procedures for such matters.

4.4 Compliance

(a) Monitor compliance by the Company with all payments and remittances required to be made in accordance with applicable law, where the failure to make such payments could render the Company's directors personally liable.

(b) Receive regular updates from Senior Management regarding compliance with laws and regulations and the process in place to monitor such compliance, excluding, however, legal compliance matters subject to the oversight of the Corporate Governance and Nominating Committee of the Board, if any. Review the findings of any examination by regulatory authorities and any observations by the Auditor relating to such matters.

(c) Establish and oversee the procedures in the Company's Whistleblower Policy to address:

(i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting or auditing matters or unethical or illegal behaviour; and

(ii) confidential, anonymous submissions by employees of concerns regarding questionable accounting and auditing matters or unethical or illegal behaviour.

(d) Ensure that political and charitable donations conform with policies and budgets approved by the Board.

(e) Monitor management of hedging, debt and credit, make recommendations to the Board respecting policies for management of such risks, and review the Company's compliance therewith.

(f) Approve the review and approval process for the expenses submitted for reimbursement by the CEO.

(g) Oversee Senior Management's mitigation of material risks within the Committee's mandate and as otherwise assigned to it by the Board.

4.5 Financial Oversight

(a) Assist the Board in its consideration and ongoing oversight of matters pertaining to:

(i) capital structure and funding including finance and cash flow planning;

(ii) capital management planning and initiatives;

(iii) property and corporate acquisitions and divestitures including proposals which may have a material impact on the Company's capital position;

(iv) the Company's annual budget;

(v) the Company's insurance program;

(vi) directors' and officers' liability insurance and indemnity agreements; and

(vii) matters the Board may refer to the Committee from time to time in connection with the Company's capital position.

4.6 Other

(a) Perform such other duties as may be assigned to the Committee by the Board.

(b) Annually review and assess the adequacy of its charter and recommend any proposed changes to the other committees of the Company.

(c) Review its own performance annually, and provide the results of such evaluation to the Board for its review.

5. AUTHORITY

The Committee shall have the resources and authority appropriate to discharge its duties and responsibilities, including the authority to:

a) select, retain, terminate, set and approve the fees and other retention terms of special or independent counsel, accountants or other experts, as it deems appropriate; and

b) obtain appropriate funding to pay, or approve the payment of, such approved fees, without seeking approval of the Board or Senior Management.

6. ACCOUNTABILITY

The Committee Chair shall make periodic reports to the Board, as requested by the Board, on matters that are within the Committee's area of responsibility.

The Committee shall maintain minutes of its meetings with the Company's Corporate Secretary and shall provide an oral report to the Board at the next Board meeting that is held after a Committee meeting.

Appendix "A"

Definitions from National Instrument 52-110 Audit Committees

Section 1.4 Meaning of Independence

(1) An audit committee member is independent if he or she has no direct or indirect material relationship with the issuer.

(2) For the purposes of subsection (1), a "material relationship" is a relationship which could, in the view of the issuer's board of directors, be reasonably expected to interfere with the exercise of a member's independent judgement.

(3) Despite subsection (2), the following individuals are considered to have a material relationship with an issuer:

(a) an individual who is, or has been within the last three years, an employee or executive officer of the issuer;

(b) an individual whose immediate family member is, or has been within the last three years, an executive officer of the issuer;

(c) an individual who:

(i) is a partner of a firm that is the issuer's internal or external auditor,

(ii) is an employee of that firm, or

(iii) was within the last three years a partner or employee of that firm and personally worked on the issuer's audit within that time;

(d) an individual whose spouse, minor child or stepchild, or child or stepchild who shares a home with the individual:

(i) is a partner of a firm that is the issuer's internal or external auditor,

(ii) is an employee of that firm and participates in its audit, assurance or tax compliance (but not tax planning) practice, or

(iii) was within the last three years a partner or employee of that firm and personally worked on the issuer's audit within that time;

(e) an individual who, or whose immediate family member, is or has been within the last three years, an executive officer of an entity if any of the issuer's current executive officers serves or served at that same time on the entity's compensation committee; and

(f) an individual who received, or whose immediate family member who is employed as an executive officer of the issuer received, more than $75,000 in direct compensation from the issuer during any 12 month period within the last three years.

(4) Despite subsection (3), an individual will not be considered to have a material relationship with the issuer solely because

(a) he or she had a relationship identified in subsection (3) if that relationship ended before March 30, 2004; or

(b) he or she had a relationship identified in subsection (3) by virtue of subsection (8) if that relationship ended before June 30, 2005.

(5) For the purposes of clauses (3)(c) and (3)(d), a partner does not include a fixed income partner whose interest in the firm that is the internal or external auditor is limited to the receipt of fixed amounts of compensation (including deferred compensation) for prior service with that firm if the compensation is not contingent in any way on continued service.

(6) For the purposes of clause (3)(f), direct compensation does not include:

(a) remuneration for acting as a member of the board of directors or of any board committee of the issuer, and

(b) the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the issuer if the compensation is not contingent in any way on continued service.

(7) Despite subsection (3), an individual will not be considered to have a material relationship with the issuer solely because the individual or his or her immediate family member

(a) has previously acted as an interim chief executive officer of the issuer, or

(b) acts, or has previously acted, as a chair or vice-chair of the board of directors or of any board committee of the issuer on a part-time basis.

(8) For the purpose of Section 1.4, an issuer includes a subsidiary entity of the issuer and a parent of the issuer.

Section 1.5 Additional Independence Requirements

(1) Despite any determination made under Section 1.4, an individual who

(a) accepts, directly or indirectly, any consulting, advisory or other compensatory fee from the issuer or any subsidiary entity of the issuer, other than as remuneration for acting in his or her capacity as a member of the board of directors or any board committee, or as a part-time chair or vice-chair of the board or any board committee; or

(b) is an affiliated entity of the issuer or any of its subsidiary entities, is considered to have a material relationship with the issuer.

(2) For the purposes of subsection (1), the indirect acceptance by an individual of any consulting, advisory or other compensatory fee includes acceptance of a fee by

(a) an individual's spouse, minor child or stepchild, or a child or stepchild who shares the individual's home; or

(b) an entity in which such individual is a partner, member, an officer such as a managing director occupying a comparable position or executive officer, or occupies a similar position (except limited partners, non-managing members and those occupying similar positions who, in each case, have no active role in providing services to the entity) and which provides accounting, consulting, legal, investment banking or financial advisory services to the issuer or any subsidiary entity of the issuer.

(3) For the purposes of subsection (1), compensatory fees do not include the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the issuer if the compensation is not contingent in any way on continued service.

Section 1.6 Meaning of Financial Literacy

For the purposes of this Instrument, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the issuer's financial statements.

CERTIFICATE OF THE CORPORATION

DATE: May 20, 2021

This amended and restated Prospectus constitutes full, true and plain disclosure of all material facts relating to the securities previously issued by the Issuer as required by the securities legislation in British Columbia and Alberta.

(Signed) *"Jagdip Bal"*

Jagdip Bal
President, Chief Executive Officer & Director

(Signed) *"Dimitrios Mitrakos"*

Dimitrios Mitrakos
Chief Financial Officer & Corporate Secretary

(Signed} ***"Philippe Henry"***

Philippe Henry
Chief Science Officer & Director

ON BEHALF OF THE BOARD OF DIRECTORS

(Signed) *"Harinder Bains"*

Harinder Bains
Director

(Signed) *"Jatinder Manhas"*

Jatinder Manhas
Director

CERTIFICATE OF EGRET BIOSCIENCE LTD.

DATE: May 20, 2021

This amended and restated Prospectus constitutes full, true and plain disclosure of all material facts relating to the securities previously issued by the Issuer as required by the securities legislation in British Columbia and Alberta

Signed ***"Philippe Henry"***

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Philippe Henry

The sole Director and Chief Executive Officer

CERTIFICATE OF PROMOTERS

DATE: May 20, 2021

This amended and restated Prospectus constitutes full, true and plain disclosure of all material facts relating to the securities previously issued by the Issuer as required by securities legislation of British Columbia and Alberta.

(Signed) *"Jagdip Bal"*

Jagdip Bal
President, Chief Executive Officer, Director & Promoter

(Signed) "***Philippe Henry***"

Philippe Henry
Chief Science Officer, Director & Promoter

(Signed) "Andrew Prowse"

Andrew Prowse
Promoter

(Signed) **"Clinton Sharples"**

Clinton Sharples
Promoter

(Signed) **"*Kyle Remenda*"**

Kyle Remenda
Promoter