

MANAGEMENT'S DISCUSSION AND ANALYSIS

General

The following Management's Discussion and Analysis (the "**MD&A**") of the consolidated financial position and results of operations for Nurosene Health Inc. (formerly Nurosene Inc.) ("**Nurosene**", the "**Company**", "**we**" or "**us**") for the financial statements for the three and nine month periods ended June 30, 2021 and 2020 (the "**Financial Statements**"). It is supplemental to, and should be read in conjunction with the Company's annual audited financial statements and the accompanying notes for the year ended September 30, 2020. This section may contain Forward-Looking Information that involve numerous risks and uncertainties. The forward-looking information is not historical fact, but rather is based on the Company's current plans, objectives, goals, strategies, estimates, assumptions and projections about its industry, business and future financial results. Actual results could differ materially from those discussed in such forward-looking information. See "Forward-Looking Statements". All dollar figures included therein and in the following MD&A are expressed in Canadian dollars unless stated otherwise. Capitalized terms contained in this MD&A are as defined in the Prospectus.

The Company's consolidated financial statements and the financial information contained in this MD&A are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee.

Forward-Looking Statements

Certain statements in this MD&A constitute forward-looking statements or information (collectively, "**Forward-Looking Information**"), which means disclosure regarding possible events, conditions, acquisitions, or results of operations that is based on assumptions about future conditions and courses of action and include future-oriented financial information with respect to prospective results of operations, financial position or cash flows that is presented either as a forecast or a projection, and also includes, but is not limited to, statements with respect to the future financial and operating performance of the Company. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "proposes", "expects", "is expected", "budget", "scheduled", "estimates", "potential", "strategies", "forecasts", "intends", "anticipates", or "believes" or variations (including negative variations) of such words or phrases, or statements that certain actions, events or results "could", "would", "might" or "will" be taken, occur or be achieved.

Forward-looking statements included or incorporated by reference in this MD&A include, but are not limited to, statements with respect to: continued development of Company's business; the Company's growth strategy; regulatory and related approvals; the Company's planned milestones and timing of same; product launch and expansion activities; research activities; and liquidity, working capital, and capital expenditures.

Forward-Looking Information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the Forward-Looking Information. As a result, actual actions, events or results may differ materially from those described in Forward-Looking Information, and there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended including, without limitation, those referred to in the Prospectus under the heading "Risk Factors" and elsewhere. Although Forward-Looking Information contained in this MD&A is based upon what management of the Company believes are reasonable assumptions, the Company cannot assure investors that actual results will be consistent with the Forward-Looking Information.

Forward-looking information contained herein is as of the date of this MD&A, and the Company disclaims any obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise, except as required by law. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated. Accordingly, readers should not place undue reliance on forward-looking information due to the inherent uncertainty therein. Material risk factors that could cause actual results to differ materially from the forward-looking information are contained under the heading "Risk Factors".

The discussion and analysis in this MD&A is based on information available to management as of August 25, 2021.

Description of Business

Nurosene is a healthtech company with a focus on mental wellness. The Company currently offers two distinct solutions: a line of proprietary nutraceuticals that target recovery, stress and energy levels, as well as a mobile application that helps users develop habits that are conducive to brain health through its content, that include a variety of activities designed to improve mental function, and allows them to track their progress over time. Our goal is to help users by offering actionable and adaptable strategies to improve daily mental health and overall brain performance.

Nurosene has developed an ecosystem of integrated solutions which is the cornerstone of our mental health strategy. Within the ecosystem we have 3 primary facets:

Our products: We have developed a Mobile Application (as defined below) that gives our users access to practical, habit forming activities. The Mobile Application can be used in conjunction with our line of proprietary nutraceutical supplements.

Predictive Healthcare: We are working to leverage machine learning and artificial intelligence to collect trends and patterns to help better predict outcomes for our Mobile Application users. We plan to analyze trends and patterns in user behavioural data to generate insights to guide the development roadmap of our Mobile Application.

Alternative Therapies and Research: The Company plans to identify and partner with third party research institutions to conduct studies with respect to how novel treatments and alternative therapies could affect mental wellness, cognition and performance over time. Through these partnerships, the Company hopes to discover novel methods, treatments or molecules that it can incorporate into future features in its Mobile Application or its line of nutraceutical products.^{1,2}

The Company was incorporated under the *Business Corporations Act* (Ontario) on May 8, 2019 under the name "2695174 Ontario Inc." On June 19, 2020, the Company changed its name from "2695174 Ontario Inc." to "Nurosene Inc.". On March 26, 2021, the Company completed a continuance from the *Business Corporations Act* (Ontario) to the *Business Corporations Act* (British Columbia). In connection with the continuance, the Company changed its name to "Nurosene Health Inc."

The Company's head office is located at 1655 Dupont Street, Suite 101, Toronto, Ontario M6P 3S9 and its registered office is located at 2800 Park Place, 666 Burrard Street, Vancouver, BC V6C 2Z7.

COVID-19

The COVID-19 global pandemic has resulted in government-imposed restrictions on non-essential business and travel. The Company has been able to navigate these challenges, implementing work from home policies for all individuals associated with the Company. Individuals are able to work effectively on a remote basis and orchestrate business proceedings through conference calls and online.

The restrictions have not halted the operations of the Company's third-party contract manufacturers, in any manner that has impacted manufacturing supply of inventory to the Company. During the pandemic, the Company's contract manufacturing partners have been able to manufacture finished products for the Company and is responsible for meeting all government imposed operating protocols to continue production during the pandemic.

¹ Execution of the Company's research plans and ultimate product and service generation as a result of such research are based on certain assumptions, including the ability to identify and partner with third party institutions to conduct research, successful outcomes from such research, ability to generate useful products and services from such research, among others. Each of these assumptions involves known and unknown risks, including risks inherent in research and product development, as well as those additional risk factors set out under "Risk Factors" in the Prospectus.

² Please see the Subsequent Events section below, for further details regarding the term sheet entered into with NetraMark.

Development of the Mobile Application is largely unaffected by the COVID-19 pandemic, with developers able to work online from home. The Mobile Application continues to progress as individuals are able work from home and meet online. The Company has ensured that the tools and resources required to maintain productivity have been provided to individuals on the project.

Nutraceutical research and development initiatives continue to be explored. The Company seeks potential research partners that conduct testing and laboratory research in controlled environments. This includes having sanitary environments that control for foreign pathogens. Research and development opportunities, including participation in clinical trials, continue to be explored to support the ongoing objectives of the Company despite the COVID-19 pandemic.

Marketing and promotional strategies have been built around online platforms such as social media and influencer platforms. The pandemic has not had a negative impact on this strategy as the market is reached via digital devices.

The Company continues to make progress on all business objectives despite the restrictions and limitations of the COVID-19 pandemic. The Company continues to progress in an environment where appropriate measures and protocols are in place to address and overcome the challenges imposed by the pandemic. The Company has not been significantly impacted by the pandemic with progress towards milestones and objectives continuing to be met. The Company believes the plans for the use of proceeds will not be materially impacted by the pandemic, as the Company has been successful in continuing the business and pursuit of business objectives with all personnel working remotely.

The Company continues to monitor the current operating environment imposed by the pandemic and will take a proactive approach to addressing challenges and restrictions.

Operational Highlights

- Successfully closed an oversubscribed initial public offering and began trading on the CSE under the ticker symbol “MEND”, with gross proceeds of \$9.2 million.
- Developed an advisory council of thought leaders with unique and diverse expertise in the areas of technology, medicine and athletics.
- Launched a proprietary line of precision nutraceutical supplements available via e-commerce and secured a network of retail distribution partners.
- Welcomed Joseph Loren as VP of Engineering to lead the Company's ongoing development efforts of the Nuro application
- In July, received approval from Health Canada for the distribution of nutraceutical supplements across the Canadian market.
- In August, effectively entered a non-binding letter of intent with Netramark Corp., an AI and pharma-tech company.

In August, September and October, 2020, the Company completed a non-brokered private placement of 5,658,250 Common Shares at a price of \$0.40 per Common Share for aggregate gross proceeds of approximately \$2,263,300 (the “\$0.40 Private Placement”) which closed in four tranches between August and October 2020 (August 20, 2020, September 8, 2020, September 23, 2020, and October 1, 2020). In connection with the \$0.40 Private Placement, the

Company issued 185,788 finder's warrants entitling the holders thereof to purchase an aggregate of 185,788 Company Shares at a price of \$0.40 for a period of two years from the date of issuance.

On June 9, 2021, the Company commenced trading on the Canadian Securities Exchange under the symbol: "MEND". Trading commenced after the Company successfully closed its oversubscribed initial public offering, issuing a total of 10,222,221 shares priced at \$0.90 for gross proceeds of \$9.2 million.

Business Developments

During the three months ended June 30, 2021, the Company has made the following progress with regards to key operational projects and milestones:

Nutraceutical Product Development

1) Launch of first two nutraceutical supplements: Nuro Drive and Nuro Restore

The Company launched its online E-Commerce platform, officially offering an initial line of two nutraceutical products to the US market. The E-Commerce platform was officially launched towards the end of the quarter, offering the Company's proprietary line of precision nutraceuticals, Nuro Drive and Nuro Restore.

Subsequent to the quarter, the Company has received Health Canada approval for both products to be sold in Canada. As a result, the Company is in the process of launching these products to the Canadian market through E-Commerce and retail channels.

2) Bring additional nutraceutical products to market

The activities to accomplish this objective are:

- *Development of formulations:* As an initial step, the Company will select the most appropriate mix of active ingredients based on availability of supply, cost of production and regulatory constraints. The Company is in the process of developing these formulations and estimates that it will incur further costs of approximately \$50,000 in connection with this activity, primarily for consulting fees to the Chief Innovation Officer and other personnel pursuant to their respective service agreements.
- *Bottles and labels design:* Design of the product bottles and labels involves graphic design, printing, and quality assurance. Costs include consulting fees to ensure label compliance with FDA and Health Canada. The Company is in initial stages of bottle and label design, and anticipates these costs to continue as new product innovations continue. During the quarter, the Company substantially completed bottle and label design for a third nutraceutical supplement, Nuro "Brain & Biome". The Company estimates the costs associated with completion of this activity to be approximately \$30,000, based on costs incurred to develop Nuro Drive and Nuro Restore.
- *On-going stability testing:* The Company uses a third-party laboratory to perform stability tests to determine product shelf life and stability of the ingredients over time, within the formulated products. The Company intends to perform these tests for each product at least once annually, and expects this to cost \$20,000 on aggregate.

As at June 30, 2021, three additional products, currently branded as "Regen" and "Defend", have been scheduled for development to commence in Q4 of the 2021 Financial Year. During the quarter, the Company substantially finalized development of "Brain & Biome" and production of finished goods is expected in Q4 of the 2021 Financial

Year. During the quarter, the Company continued developing the formulations of the “Regen” and “Defend” products, and as of the date of this MD&A, has not incurred material costs to develop the formulations and packaging design for these products, as materials for existing products can be leveraged towards future products.

We estimate the remaining costs to complete product development on the remaining two products to be approximately \$100,000, and include development of formulation, raw materials, bottles and labels design, and on-going stability testing. Development of these formulations by the Company began in calendar Q2 2021, and Management expects product development to be complete by Q4 of the 2021 Financial Year. The Company will design the new product bottles and labels, and be responsible for on-going stability testing. There are no agreements with a Contract Manufacturer, or other third party, for the development of these additional products.

Material factors and assumptions underlying this timeline include but are not limited to i) the continued availability of raw materials for product development and testing, and ii) a continued relationship with our contract manufacturer to ensure quality assurance protocols are met prior to launching any future formulations.

Each of these assumptions involves known and unknown risks, including risks related to sourcing materials, third party contractor risk, risks associated with product development, as well as those additional risk factors set out under "Risk Factors".

Mobile Application Development

The Company continued development on its mobile application during the three months ended June 30, 2021, including fully transitioning development to an independent team from the preceding third party developer, TribalScale.

During the three and nine month periods ended June 30, 2021, the Company incurred \$614,815 (March 31, 2020: \$nil) and \$1,418,965 (March 31, 2020: \$nil) respectively, including consulting fees to TribalScale and internal development costs. These costs met the capitalization criteria under IAS 38, as technical and economic feasibility had been established during the year ended September 30, 2020, and the mobile application is intended to generate future economic benefits.

The Company completed the mobile application in fiscal Q2 2021 and V1 was publicly released on iOS and Android in April 2021. The total cash cost, to complete V1 of the project, of \$669,422 consisted solely of consulting fees paid to TribalScale.

During fiscal Q3 2021, the Company concluded on the second Statement of Work (“SOW2”) with TribalScale, which included development of improvements and additional features within the mobile application.

As at the date of this MD&A, the Company continues development of a subsequent release (“V2”), which will include refinements and additional features to the Mobile Application. Development of V2 commenced during the quarter and the Company plans to accomplish the following:

- simplifying and streamlining various screens on the application, including intake forms, activities, and visualizations;
- establish a dashboard for users to review their weekly and monthly completion of activities;
- develop a recommendation engine to suggest activities to users;
- integrate and pilot data collection tools that leverage existing hardware features that exist on many smartphones in the market, such as facial capture and gyroscope data. We intend to use this data to gain a better understanding of user behaviour and how they interact with the Mobile Application; and
- further development of content, including additional activities

The cost of this milestone will be dependent on engineering time and additional internal development costs that are to be incurred following the completion of TribalScale SOW 2. The Company estimates the total cost to complete this objective to be \$450,000 and expects to incur the cost evenly over the duration of development until the launch of V2 in calendar Q4 2021.

Development of further functionality of the Mobile Application

The Company plans to further expand the features of the Mobile Application and hire in-house developers. Following the completion of V2 of the Mobile Application, the Company will consider user behaviour and plans to expand the functionality and features of the Mobile Application on an on-going basis going forward. The timeline for such development is expected to commence in calendar Q4 of 2021 and the Company anticipates this milestone to continue for at least 12 months.

In further developing the mobile application, the Company has accomplished the following:

- Hired in-house developers consisting of two (2) front-end developers and two (2) back-end developers;
- Hire two additional data scientists to develop a natural language processing algorithm to analyze user inputs through the Mobile Application's journal feature;
- Engage a data analytics firm to process and organize the raw data generated from the Mobile Application into a format that can be used for further analysis by research partners. The Company expects such a process to be ongoing as data is continuously generated over time, and as such, the Company expects to incur costs of approximately \$30,000 per month for a period of 12 months to accomplish this.
- Produce additional content in-house for the Mobile Application in the form of additional activities, videos, podcasts, and blogs. Costs of production would include graphic design, content shooting, post-production, publishing, travel and administrative costs. These costs are estimated to be approximately \$140,000 over a period of 12 months, to ensure the Mobile Application has up-to-date content. These cost estimates are based on costs incurred to date to produce the existing activities, videos and blogs on the Mobile Application.

The timeline for such development is expected to commence in calendar Q4 of 2021 and the Company anticipates this milestone to continue for at least 12 months. During the course of that 12 months, the Company will continually review the Mobile Application functionality against user trends and feedback, with further Mobile Application design based off of real-use data. The full scope of the project relating to further development of functionality of the Mobile Application is presently unknown, as the Company plans to review and analyze user trends and feedback in real time following launch of V2 of the Mobile Application. In addition, the Company plans to review and consider the results of its research projects in further development of functionality of the Mobile Application. The Company does not expect to incur any costs with respect to this objective until V2 of the Mobile Application is launched.

Completion of this milestone in the timeline indicated is based on certain material factors and assumptions, including: i) the Company's engagement of a developer or ability to hire in-house developers and data scientists; ii) there are no unforeseen technological challenges in implementing Mobile Application features and functionality; iii) no adverse changes to mobile operating systems that would prevent the Company from accessing certain hardware modules (i.e. camera, gyroscope, etc.); and iv) the Company's engagement of a suitable data analytics firm. Each of these assumptions involves known and unknown risks, including risks inherent in third party contracts and technology changes, as well as those additional risk factors set out under "Risk Factors".

Website and E-Commerce Platform

Completion of the ecommerce platform occurred during the quarter, and the Company has incurred costs of approximately \$15,000 as of the date of this MD&A, with respect to web developer and software costs.

As of the date of this MD&A, the next significant milestone for the Company is the launch of the e-commerce platform and the simultaneous launch of Nuro Drive and Nuro Restore in Canada. The e-commerce platform framework is already in place, with the offering to the Canadian market expected to be launched by the end of Q4 of the 2021 Financial Year. The launch will introduce the Company's initial product offering of Nuro Drive and Nuro Restore to the direct-to-consumer market in Canada.

No additional development costs are required for product readiness of Nuro Drive and Nuro Restore. Costs already incurred to finalize product readiness include: label design, label information in accordance with regulations, formulation, ingredients, raw materials and manufacturing. The total finished goods inventory on hand as of June 30, 2021 is measured at cost with a value of \$22,640.

The Company is currently working to establish and develop retail distribution agreements with select retailers in the United States and Canada, with the products having been issued Natural Product Numbers ("NPN") from Health Canada. The Company continues to work towards receiving approval on additional products such as Nuro "Brain & Biome". The timing of receipt of a NPN is subject to screening and approval by Health Canada. Based on correspondence with Health Canada, the Company expects to receive an NPN by Q4 of the 2021 Fiscal Year for this future nutraceutical product.

Manufacturing and Distribution

The Company's key milestones and objectives with respect to manufacturing and distribution are as follow.

1) Secure distribution through United States partner for first United States retail distribution of product

The Company engaged with a third-party distribution partner during the quarter.

This objective includes any costs associated with brokerage fees to represent our product portfolio in the United States and to manufacture inventory to support the supply chain. The broker will provide the Company with marketing, warehousing, and shipping services to distribute our Products in the United States. As of June 30, 2021, inventory for sales of Nuro Drive and Nuro Restore inventory on hand, produced by a contract manufacturer, is measured at cost with a value of \$22,640, but additional manufacturing will be required to support the United States supply chain.

The material assumptions underlying this forward-looking statement include, but are not limited to: i) that the Company's existing product line can be manufactured in sufficiently high volumes to fulfill demand, ii) that third party distributors can sufficiently scale in the key regions targeted by the Company, and iii) that distributors will offer appropriate supply chain services including warehousing and logistics. Each of these assumptions involves known and unknown risks, including risks related to manufacturing, including supply chain and third party contractor risk, and product sales/demand risks, as well as those additional risk factors set out under "Risk Factors".

2) Expand distribution across additional United States retailers

The Company is in the process of securing partnerships with large retailers in the United States, and the costs associated with this milestone include costs associated with retailer-fixtures and marketing materials and inventory to supply such retailers. The third-party distribution partner is expected to provide such opportunities. As of the date of this MD&A the Company has engaged a third party brokerage to secure retail partnerships in the United States. This milestone assumes that such partners can be identified and are willing to enter into arrangements favourable to the Company, which includes risks including third party contract risks and risks associated with product supply and demand.

3) *Secure first Canada based retail distribution*

The Company is in the process of securing a retail distribution partner including any costs associated with hiring a brokerage to represent our product portfolio in Canada, manufacturing the initial quantities for sale and logistics costs to a third-party warehouse. The selected broker will provide the Company with marketing, warehousing, and shipping services to distribute our Products in Canada. We expect to commence searching for a Canadian broker in Q4 of the 2021 Financial Year, to enter into a partnership by calendar Q1 of the 2022 Financial Year, with a cost of approximately \$300,000. This statement is based on the following material factors and assumptions: i) the Company assumes that it will have received all the necessary regulatory clearances from Health Canada prior to engaging the broker, and ii) ability to secure appropriate retail distribution on terms satisfactory to the Company. Each of these assumptions involves known and unknown risks, including risks related to regulatory approvals, third party contract risks, and product sales/demand risks, as well as those additional risk factors set out under "Risk Factors" listed within the Prospectus.

Research Projects and Partnerships

The Company plans to commence an initial research study with a research partner in Q4 2021. The Company plans to commence two additional research studies in Q1 2022, as discussed further below under "Identify and begin two further research studies". The Company's main objectives in conducting these research studies includes: (i) validation of the Company's product formulations for Nuro Drive and Nuro Restore, (ii) utilizing user data gathered through the Mobile Application to improve functionality and aid in further development of the Mobile Application, and (iii) validating the actionable strategies provided to users through the Mobile Application, for example, the efficacy of suggested activities.

The Company does not expect any nutraceutical products to be created or commercialized directly as the result of any research and development partnerships, however the Company plans to undertake research projects that may provide insights and information to further refine actionable strategies that can be used by Mobile Application users, to aid in further development of the Mobile Application, and to validate the Company's product formulations.

The Company's key milestones and objectives with respect to research projects and partnerships are as follow.

1) *Initiate first clinical research study with accredited partner institution*

This objective includes the cost of setting up a study with an accredited partner institution and any costs associated with the execution of the study including; materials, licenses, key personnel, facility rental as well as legal and administrative costs. The Company has estimated the cost of onboarding an initial research partner based on initial negotiations including prospective costs of the initial research study. To, date the Company has not incurred any costs related to this objective. The Company expects such an arrangement with a partner will require the Company to fund, in part or in full, the costs incurred to perform the study. The nature and economics of research studies may vary on a study- by -study basis.

The Company began searching for a research partner during the quarter and expects to commence our first study by Q4 of the 2021 Financial Year. The Company expects the duration of the initial study to be approximately eight months. The Company anticipates a cost of approximately \$200,000 for this initial study. The Company is evaluating various potential initiatives, for example exploring whether data gathered from passive smartphone sensors can be used to predict disorders such as social anxiety. At the end of the eight-month period, the Company expects to obtain evidence through the completion of this initial study, as to whether a correlation exists between user metrics being tracked on the Mobile Application (through the nutraceutical intake form and periodic surveys) and mental wellness outcomes. The Company anticipates that the results of this initial study will help validate both the product formulations of Nuro Drive and Nuro Restore, as well as whether the actionable strategies suggested by the Mobile Application are effective in improving mental wellness outcomes.

We are dedicating efforts into creating partnerships focused on conducting studies to validate and refine our

product offering, including our supplements and Mobile Application. Research and development shall be conducted through partnerships between the Company and potential research partners, such as data analytics firms or researchers (either in academia or a private institution). Research partnerships will involve leveraging internal data gathered through the Mobile Application to improve future functionality and development of the Mobile Application, as well as to validate the actionable strategies provided to users through the supplements and Mobile Application. The Company will need to secure an agreement with a research partner in order for its potential research projects to commence. The Company anticipates providing the research partner with data gathered through the Mobile Application, or partnering with a research partner that will utilize or gather its own data, to be used in research studies over the course of months or years, with the results of such research being utilized for further development of the Mobile Application and/or validation of the Company's products.

The steps to initiate a research partnership include:

- 1) identifying a qualified partner with expertise in the area of focus;
- 2) developing and approving a budget, and defining the scope of research;
- 3) commencing the study, and supplying the partner with data collected from our Mobile Application and defining the parameters through which the partner would be producing findings, or establishing the methodology through which the partner would be gathering novel data;
- 4) receiving quarterly updates and communication from the partner until the study is complete.

Once a research partner has been engaged the Company expects to pay the research partner evenly over the duration of the project to conduct the study, and estimates the cost to be approximately \$25,000 per month. The Company does not expect to incur significant costs until a study is commenced.

The Company does not expect any nutraceutical products to be created or commercialized directly as the result of any research and development partnerships, however the Company plans to undertake research projects that may provide insights and information to further refine actionable strategies that can be used by Mobile Application users, to aid in further development of the Mobile Application, and to validate the Company's product formulations. The Company began its search in Q2 of the 2021 Financial Year and expects to secure a partnership by Q4 of the 2021 Financial Year. The Company has had initial discussions with several potential research partners as part of this process but has incurred no costs related to this milestone to date

These statements and timeline is based on the following material factors and assumptions: i) a sufficiently in-depth study can be developed within the Company's budget; ii) continued interest exists in academia and the research community to further explore such topics; and iii) candidates for research subjects can be identified and iv) efficacy of the research conducted. Each of these assumptions involves known and unknown risks, including risks related to research efficacy, development and interest in the areas in which the Company plans to conduct research, and engaging appropriate research partners, as well as those additional risk factors set out under "Risk Factors" listed within the Prospectus.

2) Identify and begin 2 further research studies

The Company plans to begin searching for additional research partners in calendar Q4 2021 and expects to commence the additional two research studies by calendar Q1 2022. The steps to complete these follow-on research studies are consistent with the initial study. Each of these follow-on studies are expected to cost \$500,000, and the Company expects to pay the research partner evenly over the duration of the study once commenced. Management anticipates that these studies will take an estimated six to twelve months to complete.

Costs are expected to consist of costs to set up a study with an accredited partner institution and any costs associated with the execution of the study including; materials, licenses, key personnel, facility rental as well as legal and administrative costs. The Company has estimated the costs associated with conducting the research

studies based on initial negotiations with potential research partners, which have included discussions regarding costs of onboarding the research partner and projected costs associated with conducting the additional research studies.

The Company expects to expand the scope of its research conducted through the second and third research projects, and as a result, expects the second and third research projects to cost more than its initial study. The Company expects that the expanded scope will involve larger data sets (as a result of further user information gathered through the Mobile Application) and more complex hypothesis being tested (as a result of further development of the functionality of the Mobile Applications and the complexity of activities conducted therein by users). The Company plans to focus these additional studies on research into how data generated from new collection methods developed in V2 of the Mobile Application (such as facial capture and gyroscope data) can be used to suggest actionable strategies (including the use of nutraceutical supplements) to users of the Mobile Application, and expects at the conclusion of the studies to obtain evidence as to whether a correlation exists between data gathered through these new collection methods and mental wellness outcomes.

This objective is predicated on and assumes the successful commencement of our initial study and the completion of V2 of the Mobile Application. Additional risk factors set out under “Risk Factors” listed within the Prospectus, are also applicable to this milestone.

Sales and Marketing

The Company’s key milestones and objectives with respect to Sales and Marketing are as follow.

1) Development and launch of new corporate and e-commerce website

This objective includes the cost of hiring a design agency, web developers, any software costs, and the cost of hiring a firm to enhance and manage our corporate and e-commerce website. The Company anticipates these initiatives to cost \$10,000 per month. Development of the Company’s corporate website began and was completed during the quarter. Development of the e-commerce platform to offer products to the Canadian market is expected before the end of Q4 of the 2021 Financial Year and will leverage the development completed for the current e-commerce store. This timeline is based on certain material factors or assumptions including, but not limited to i) the continued availability of qualified personnel to develop and maintain the platform, and ii) the availability of e-commerce solutions, such as Shopify, that can provide the Company the tools to build its online storefront.

2) Marketing campaigns launch via extensive digital marketing promotions

This objective includes the cost of hiring an agency to manage our campaigns, and a monthly promotional marketing spend on: Instagram, Facebook, and YouTube. These campaigns are expected to commence Q4 of 2021 Financial Year with an anticipated cost of \$250,000, and will be recurring as we continue our marketing and advertising efforts. The Company will allocate funds under this milestone as the Company’s business progresses and as it deems appropriate, and as such, the anticipated use of proceeds earmarked for this milestone may be reduced or adjusted accordingly. These statements and the timeline are based on the following material factors and assumptions: i) the commencement of product sales by calendar Q4 of the 2021 Financial Year; ii) social media continues to be a channel through which the Company can acquire customers at a sufficiently low cost; and iii) no changes to the terms of use on these social media platforms that preclude the Company from engaging in such promotional activities.

3) Hire influencer marketing / business development manager to execute marketing campaigns

This objective includes the cost of hiring a manager to oversee and execute our influencer marketing campaigns. The Company anticipates that the costs for these campaigns will be approximately \$120,000. We expect these costs to commence in Q4 of the 2021 Financial Year, and will be recurring as we continue our marketing and

advertising efforts. This statement and timeline is based on the following material factors and assumptions: i) the commencement of product sales before Q4 of the 2021 Financial Year; ii) influencer marketing continues to be a channel through which the Company can acquire customers at a sufficiently low cost; iii) qualified personnel exist and can be identified for the business development manager role, and are willing to enter into arrangements favourable to the Company.

4) *Drive marketing campaigns across professional sports teams and college teams and at elite performance centers*

This objective includes the cost of marketing the campaigns via; social media, press and media outlets, partnerships with PR companies, and partnerships with influencer athletes. We expect these costs to commence in Q4 of the 2021 Financial Year with an estimated cost of \$1,000,000, and will be recurring as we continue our marketing and advertising efforts. This statement and timeline is based on the following material factors and assumptions: i) the continued availability of personnel to manage these campaigns; and ii) influencer athletes exist and can be identified, and are willing to enter into arrangements favourable to the Company.

Each of the assumptions listed under the heading "Sales and Marketing" involves known and unknown risks, including risks related to regulatory approvals, third party contract risks, product sales/demand risks, ability to contract with third parties, including sports teams, and risks associated with partnering with influencer or third parties, as well as those additional risk factors set out under "Risk Factors" listed within the Prospectus, are also applicable to this milestone.

Factors Affecting the Company's Performance and Future Success

The Company's performance and future success depends on a number of factors. These factors are also subject to a number of inherent risks and challenges, some of which are discussed below. See "Caution Regarding Forward-Looking Statements" and "Risk Factors" in the Prospectus.

COVID-19

Due to the disruption of the COVID-19 crisis, the Company's business activities might be subject to certain level of impact. Management continues to evaluate the impact of the COVID-19 pandemic on the industry and has concluded that while it is reasonably possible that the virus could have a negative effect on the Company's financial position and results of its operations, the specific impact is not readily determinable as of the date of the issuance of the June 30, 2021 financial statements.

Selected Financial Information

Key financial statement items are summarized in the tables below:

| | For the quarter Ended June 30, 2021 | For the quarter Ended March 31, 2021 | For the quarter Ended December 31, 2020 | For the year ended September 30, 2020 | From May 8, 2019 (date of incorporation) to September 30, 2019 |
|---------------------------------|-------------------------------------|--------------------------------------|---|---------------------------------------|--|
| | (\$) | (\$) | (\$) | (\$) | (\$) |
| Revenue | - | - | - | - | - |
| Net loss and comprehensive loss | (1,417,162) | (719,097) | (238,096) | (292,464) | (1) |
| Net loss per share | (0.06) | (0.03) | (0.01) | (0.06) | (0.01) |

| | As at June 30, 2021 | As at March 31, 2021 | As at December 30, 2020 | As at September 30, 2020 | As at September 30, 2019 |
|---|------------------------|-------------------------|-------------------------------|--------------------------------|--------------------------------|
| | (\$) | (\$) | (\$) | (\$) | (\$) |
| Total assets | 9,838,141 | 2,091,387 | 2,620,571 | 1,969,533 | Nil |
| Working capital | 7,488,656 | 610,695 | 2,124,809 | 1,826,541 | Nil |
| Total non-current financial liabilities | Nil | Nil | Nil | Nil | Nil |
| Cash dividends declared | Nil | Nil | Nil | Nil | Nil |

Since inception, the Company has incurred losses while advancing the research and development of its products. The net loss and comprehensive loss for the quarter ended June 30, 2021 was \$1,417,162 (June 2020: \$nil). The loss was primarily due to sales, general and administrative expenses of \$1,066,524 and share based compensation expense of \$350,638.

As of the quarter ended June 30, 2021, the Company has not generated any significant revenue from operations. The Company expects to continue to incur costs related to business developments that may generate revenue in the future.

- a) The Company has started to capitalize development costs related to the engineering of the mobile application. During the three and nine month periods ended June 30, 2021, the Company incurred \$614,845 (June 30, 2020: \$nil) and \$1,418,965 (June 30, 2020: \$nil) respectively, which consisted of consulting fees incurred with TribalScale, the Company's application development partner, and internal development costs.
- b) There have been no deferred development costs to date.
- c) Sales, general and administrative expenses in the amount of \$1,961,809 have been incurred during the current financial year to support Company in expanding the scope of operations in developing its business, largely in the form of consulting and professional fees. Please see the *Results of Operations: Sales, general and administrative expenses* section below.

Results of Operations

Expenses

The following table presents selected financial results related to the Company's expenses:

| | For the three months ended June, 2021 | For the three months ended March 31, 2020 | Variance |
|-----------------------------------|---|--|-----------|
| | (\$) | (\$) | (\$) |
| Sales, general and administrative | 1,066,524 | 1 | 1,066,524 |
| Share based compensation | 350,638 | - | 350,638 |

Expenses such as sales, general and administration and share based compensation increased significantly during the quarter ended June 30, 2021 from the comparative period in the prior year. The results of the three months are comparable to the results of the previous quarter and the full year ended September 30, 2020 as the level of activity was conducted over comparative period, primarily the latter part of the 2020 fiscal year.

The increase in expenses during the current quarter, when comparing to these prior quarters, was attributable to the commencement of formulation and branding of the two proprietary nutraceutical supplements. The Company increased spending on marketing and promotional costs during the quarter by \$401,311 (June 30, 2020: \$nil) to a

total of \$727,900 for the nine month period, compared to a total of \$256,966 in Q2, 2021 and 4,500 in the year ended September 30, 2020. These costs were incurred to build the Company brand and overall awareness through initial campaigns through various platforms. The Company expects to conduct additional campaigns in Q4 with additional focus on each product and platform.

The Company has initiated preliminary campaigns to start creating brand awareness through social media paid campaigns, as well creation of content for future campaigns. These campaigns were launched in Q2 of the 2021 calendar year. We will continue efforts through additional campaigns, please see the *Sales and Marketing* section in the *Business Developments* heading above.

The Company increased spending in consulting fees during the quarter by \$311,136 (June 30, 2020: \$nil) to \$412,896 compared to \$412,896 in Q1 and \$135,613 in the year ended September 30, 2020. This increase was largely due engaging additional consulting personnel.

Research and development

During the three and nine month periods ended June 30, 2021, the Company incurred \$614,815 (June 30, 2020: \$nil) and \$1,418,965 (June 30, 2020: \$nil) respectively, which consisted of consulting fees incurred with TribalScale, the Company's application development partner, and internal development costs. These costs consist of engineering, design, project management, quality assurance, and support services. The Company began capitalizing development costs, during the 2021 Financial Year, as they met the capitalization criteria under IAS 38.

Sales, general and administrative expenses

The following table sets out the sales, general and administrative expenses of the Company for the quarter ended June 30, 2021 and 2020:

| | For the three months ended June 30, 2021 | For the three months ended June 30, 2020 | For the nine months ended June 30, 2021 | For the nine months ended June 30, 2020 |
|---------------------------|---|---|--|--|
| | (\$) | (\$) | | |
| Advertising and promotion | 401,311 | - | 727,900 | - |
| Consulting fees | 311,136 | - | 799,434 | - |
| Professional fees | 59,223 | - | 113,609 | - |
| Office and miscellaneous | 294,854 | - | 320,866 | - |
| Total | 1,066,524 | - | 1,961,809 | - |

Summary of Quarterly Results

The following table sets forth a comparison of the Company's revenues and earnings on a quarterly basis since incorporation:

| | 30-Jun-21 | 31-Mar-21 | 31-Dec-20 | 30-Sep-20 | 30-Jun-20 | 31-Mar-20 |
|---------------------------------------|-------------|-----------|-----------|-----------|-----------|-----------|
| | (\$) | (\$) | (\$) | (\$) | (\$) | (\$) |
| Revenue | - | - | - | - | - | - |
| Net loss | (1,417,162) | (719,097) | (238,096) | (180,265) | (112,199) | - |
| Net loss per share, basic and diluted | (0.06) | (0.03) | (0.01) | (0.01) | (0.07) | - |

| | Dec-31-19 | 30-Sep-19 | 30-Jun-19 |
|---------------------------------------|-----------|-----------|-----------|
| | (\$) | (\$) | (\$) |
| Revenue | - | - | - |
| Net loss | - | - | (1) |
| Net loss per share, basic and diluted | - | - | (0.10) |

The Company has incurred costs related to sales, general and administrative expenses resulting in a net loss in the third quarter of the 2021 financial year. Other significant costs incurred include transaction costs, research and development costs, and share based compensation. The Company became active in June 2020, with no activity or losses being incurred previously.

The loss incurred by the Company for the 3 months ended June 30, 2020 are attributable to general and administrative costs related to Company set-up and consulting fees to initiate business processes.

The Company's net loss increased during the 3 months ended September 30, 2020 from the 3 months ended June 30, 2020 due to increased expenses largely due to an increase in non-recurring transaction costs of \$55,755 consisting of professional fees, as the Company pursued a reverse take-over transaction that has since been terminated.

The increase in net loss in the three months ended June 30, 2021 is largely due to an increase in consulting fees and general office and admin of \$212,186 from the three months ended March 31, 2021 as the Company continued to develop its internal infrastructure and administrative functions. Other costs attributable to this increase in net loss are due to an increase in marketing Costs of \$144,345 during the three months ended June 30, 2021 compared to the three months ended March 31, 2021. Company focused efforts on building its brand and engaging consultants to facilitate pursuit of the Company's business objectives.

Liquidity and Capital Resources

The Company's total cash balance as at June 30, 2021 was \$8,042,951 (June 30, 2020: \$nil). For the quarter ended June 30, 2021 cash flows used in operating activities were \$988,641 (June, 2020: \$nil) due to the Company's focus on formulation and branding of our first two product lines, development of the Mobile Application, and other working capital items. The Company expects improvements to operating cash flow as the Company commences the sales of its supplements towards the end of 2021 and into 2022.

As at June 30, 2021, the Company's total working capital was \$7,488,656 (June 30, 2020: \$nil). The Company expects to be able to meet its on-going obligations primarily through capital raises and the issuance of equity until such time that revenue can be generated through product sales. The Company has no long-term debt obligations with working capital liabilities limited to trade payables.

The Company intends to continue funding business developments including product development, mobile application development and development of the website and E-commerce platform (see *Business Development* section) through cash that is available and on hand.

The Company incurred an additional \$614,845 during fiscal Q3 2021 to develop the application further. As at the date of this MD&A, the Company is working on the development of V2 (see *Business Developments – Mobile Application Development*).

The Company's objective when managing capital are to safeguard the Company's ability to continue as a going concern and ensure sufficient liquidity in order to provide adequate returns for shareholders. The Company does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company manages its capital structure and makes adjustments in light of the changes in its economic environment and the risk characteristics of the Company's assets.

Management believes that current available funds, as well as the option to raise funds through the issuance of shares, will allow the Company to satisfy its requirements for investment and working capital management.

Outstanding share data

The Company's authorized share capital consists of an unlimited number of common shares without par value. For information regarding outstanding share capital of the Company, please see the table presented below as at August 25, 2021.

| | |
|------------------------------------|-------------------|
| Common shares | 33,237,502 |
| Options | 2,506,000 |
| Warrants | 756,031 |
| Fully diluted share capital | 36,499,533 |

The objective of the Company is to generate a return on investment to shareholders through capital appreciation. The Company intends to reinvest future earnings, if any, into operations to finance expansion of the business and does not intend to pay dividends in the foreseeable future.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements from the date of its incorporation to the date of this MD&A.

Related Party Transactions

Parties are considered related if the party has the ability, either directly or indirectly, to control the other party or exercise significant influence over the other party in making operating and financial decisions. This would include the Company's senior management. Parties are also related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities. A transaction is a related party transaction when there is a transfer of resources or obligations between related parties. Unless otherwise stated, none of the transactions incorporated special terms and conditions and no guarantees were given or received. During the quarter ended June 30, 2021, a total of nil common shares were issued to key management (June 2020: nil).

Significant Accounting Policies and Judgements

See *note 3* of the Financial Statements for the year ended September 30, 2020 and the period from May 8, 2019 (date of incorporation) to September 30, 2019 for more information.

Changes in Accounting Policies Including Initial Adoption

See *note 3* of the Financial Statements for the year ended September 30, 2020 and the period from May 8, 2019 (date of incorporation) to September 30, 2019 for more information.

Financial Instruments

See *note 8* of the Financial Statements for the year ended September 30, 2020 and the period from May 8, 2019 (date of incorporation) to September 30, 2019 for more information.

Subsequent Events

On August 9, 2021, the Company announced that it had entered into an arm's length non-binding term sheet ("Term Sheet") with NetraMark Corp. ("NetraMark"), a private Ontario corporation, to acquire all of its issued and outstanding shares ("Transaction"). NetraMark is an AI and pharma-tech company, and has developed proprietary solutions for pharmaceutical and biotechnology companies. The Company will not be assuming any long-term debt, and no finder's and/or other fees are payable, in conjunction with the Transaction. The non-binding Term Sheet was

executed on July 9, 2021 and both parties completed their mutual due diligence investigations, and waived all remaining due diligence conditions, on August 6, 2021. It is currently contemplated that all of the required parties will enter into a definitive agreement on or before September 15, 2021 (subject to extension by mutual agreement between the parties) which will contain customary terms and conditions for transactions of this nature.

Risk Factors

There are various risk factors that could cause the Company's future results to differ materially from those described in this MD&A. The risks and uncertainties described below are those the Company currently believes to be material, but they are not the only ones the Company faces. If any of the following risks, or any other risks and uncertainties that the Company has not yet identified or that it currently considers not to be material, actually occur or become material risks, the Company's business, financial condition, results of operations and cash flows, and consequently the price of the Shares, could be materially and adversely affected. The risks discussed below also include forward-looking statements and the Company's actual results may differ substantially from those discussed in the forward-looking statements. See "Risk Factors" elsewhere in the Prospectus.