

OPTIMI HEALTH CORP.

ANNUAL INFORMATION FORM

**FOR THE FINANCIAL YEAR ENDED
SEPTEMBER 30, 2020**

JULY 12, 2021

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EXPLANATORY NOTES

Documents Incorporated by Reference

Incorporated by reference into this Annual Information Form (“**AIF**”) of Optimi Health Corp. (the “**Company**” or “**Optimi**”) are the following documents:

1. the unaudited condensed interim consolidated financial statements of the Company for the period ended March 31, 2021 (the “**Interim Financial Statements**”), filed on SEDAR on May 25, 2021;
2. the Management’s Discussion and Analysis for the three and six months period ended March 31, 2021 (the “**Interim MD&A**”), filed on SEDAR on May 25, 2021; and
3. the material change report dated April 16, 2021 announcing the appointment of certain executives and the addition of an advisory board, filed on SEDAR on April 16, 2021.

copies of which may be obtained online from SEDAR at www.sedar.com.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this AIF to the extent that a statement contained in this AIF or in any subsequently filed document that also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any statement so modified or superseded shall not constitute a part of this AIF, except as so modified or superseded. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes.

The making of such a modifying or superseding statement shall not be deemed an admission for any purpose that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

Date of Information

Unless otherwise stated, the information in this AIF is stated as at September 30, 2020.

Presentation of Financial Information

The Company presents its financial statements in Canadian dollars. All dollar figures in this AIF are in Canadian dollars, unless otherwise indicated. All of the financial data contained in this AIF relating to the Company have been prepared in accordance with International Financial Reporting Standards (“**IFRS**”).

All financial information in this AIF has been prepared as issued by the International Accounting Standards Board.

Defined Terms

For an explanation of the capitalized terms and expressions and certain defined terms, please

refer to the “*Glossary of Terms*” at Appendix “A” of this AIF.

Forward-Looking Statements

Certain statements (collectively, “**forward-looking statements**”) in this AIF about the Company’s current and future plans, expectations and intentions, results, levels of activity, performance, goals or achievements or any other future events or developments constitute forward-looking information and/or forward-looking statements within the meaning of applicable securities legislation, securities regulation and securities rules, as amended, and the policies, notices, instruments and blanket orders in force from time to time that are applicable to an issuer (collectively, “**Securities Laws**”). The words “may”, “will”, “would”, “should”, “could”, “expects”, “plans”, “intends”, “trends”, “indications”, “anticipates”, “believes”, “estimates”, “predicts”, “likely” or “potential” or the negative or other variations of these words or other comparable words or phrases, are intended to identify forward-looking statements, although not all forward-looking statements contain these words.

Discussions containing forward-looking statements include, among other places, those under “*Business of the Company*” and “*Risk Factors*”. Forward-looking statements are based on certain assumptions and estimates made by us in light of the experience and perception of historical trends, current conditions, expected future developments including projected growth in the security and related industries, and other factors we believe are appropriate and reasonable in the circumstances, but there can be no assurance that such assumptions and estimates will prove to be correct.

Many factors could cause our actual results, level of activity, performance or achievements or future events or developments to differ materially from those expressed or implied by the forward-looking statements, including, without limitation, the factors, which are discussed in greater detail in the “*Risk Factors*” section of this AIF.

The purpose of the forward-looking statements is to provide the reader with a description of management’s expectations regarding the Company’s financial performance and may not be appropriate for other purposes. Readers should not place undue reliance on forward-looking statements made herein. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results to differ materially from those anticipated in such forward-looking statements. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by forward-looking statements contained in this AIF. Furthermore, unless otherwise stated, the forward-looking statements contained in this AIF are made as of the date of this AIF, and we have no intention and undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. The forward-looking statements contained in this AIF are expressly qualified by this cautionary statement.

BACKGROUND AND CORPORATE STRUCTURE

Name, Address and Incorporation

The Company was incorporated under the *Business Corporations Act* (British Columbia) on May 27, 2020 under the name “1251418 BC Ltd.”. The Company changed its name to “Optimi Health Corp.” on August 17, 2020. The Company’s registered and records office is located at 40440 Thunderbird Ridge B1831, Garibaldi Highlands, British Columbia, V0N 1T0. The Company’s head office is located at 201 – 1448 Commercial Drive, Vancouver, British Columbia, V5L 3X9.

Intercorporate Relationships

The Company owns all of the issued and outstanding equity securities of Optimi Labs Inc., a company incorporated under the *Business Corporations Act* (British Columbia) (“**Optimi Labs**”). Optimi Labs acts as the Company’s operating subsidiary that is in the business of pursuing the Research Exemption, Dealer’s License and the Company’s research and development initiatives related to same.

DEVELOPMENT OF THE BUSINESS

Three Year History

Since incorporation on May 27, 2020, the Company’s activities have been focused on: (i) completing the Private Placements, (ii) developing a business plan for its functional mushroom growth and health food brand, (iii) securing a lease for the Facilities in Princeton, British Columbia, (iv) developing and protecting its brand intellectual property, (v) building out the functional mushroom grow Facilities in Princeton, British Columbia, and (vi) securing third party suppliers and distribution partners for the production and sale of its products.

Financing Activities

Following incorporation, the Company was capitalized by completing the First Private Placement, which raised \$1,000,000 and was completed on July 6, 2020.

The Company closed the Special Warrant Private Placement on September 11, 2020 and issued an aggregate of 17,963,005 Special Warrants for gross proceeds of \$4,490,751. Each Special Warrant entitled the holder to acquire, without further payment, one SW Unit. Each Special Warrant was automatically deemed to be exercised at 4:00 p.m. (Vancouver time) on January 12, 2021. Following the deemed exercise of the Special Warrants into SW Units, holders of the SW Shares underlying the SW Units are entitled to all of the same rights as holders of Common Shares. As the Special Warrants converted into SW Units, there are no Special Warrants outstanding as of the date hereof. In connection with the Special Warrant Private Placement, 25,150 broker units were issued, exercisable at \$0.25 until September 11, 2021, with each unit consisting of one Common Share and one Common Share purchase warrant, each warrant exercisable at \$0.40 until September 11, 2021.

To date, funds raised from the Private Placements have been used to develop the Company’s direct-to-consumer functional mushroom business, lease the Facilities, and commence the construction of the Facilities, which will be suitable for the growth and cultivation of functional mushrooms, and as applicable, for use in connection with the Research Exemption and Dealer’s License.

Buildout of the Facilities in Princeton, British Columbia

On July 23, 2020, the Company entered into the Lease Agreement with BC Green for an area of land situated in Princeton, British Columbia. The Company has begun construction of Facilities on the land, which is expected to be completed in Q2 of 2021. A description of the Lease Agreement can be found under the heading “*Interest Of Management And Others In Material Transactions*”. Pursuant to the terms of the Lease Agreement, during the term of the Lease Agreement, as extended and renewed from time to time, the title to and ownership of the Facilities (including all alterations, additions, changes, substitutions or improvements thereto) shall be vested in Optimi and shall automatically vest in the name of BC Green at the expiry or earlier termination of the Lease Agreement.

The construction of the Facilities is currently in its first phase with building shells fully erected. The expected costs for phase 1 is \$2,300,000, of which the Company has incurred \$2,287,907 as at December 31, 2020. The second phase involves the comprehensive interior buildout of the functional mushroom cultivation facility and interior processing facility, including state of the art machinery and processing equipment, which commenced in January of 2021, with the expected completion by the end of Q2 in 2021. The expected costs for phase 2 is \$5,103,400. The Company expects the facility to be operational by the end of Q2 in 2021. The image below demonstrates construction progress as-at October 9, 2020. The overall Facility budget of \$8,226,000 includes a 10% contingency to account for any construction overages.

Research Exemption and Dealer’s License

The Company received the Research Exemption on January 13, 2021 and applied for a Dealer’s License on November 12, 2020 through its wholly owned subsidiary Optimi Labs relating to (respectively) (i) the use and scientific research on psilocybin mushrooms and (ii) the possession, distribution, sale, laboratory analysis of and research and development in respect of psilocybin. To date the Company has not received approval for the Dealer’s Licence. The Company will not engage in any business related to psilocybin or related matters other than in accordance with obtained regulatory approvals.

Trademark Protection

On September 16, 2020, the Company applied for trademark protection for “Optimi” and “Optimi Health” in Canada and the United States in order to protect the brand being developed by the Company in respect of both its functional mushroom growth business and direct-to-consumer health food business. The Company’s trademark application process is ongoing and may be expanded as the Company’s business develops.

Agreements Entered

On October 7, 2020, the Company entered into a quality agreement with Canadian Premier Supplements (“**CPS**”), pursuant to which CPS will provide certain co-packaging and production services to the Company. See “*Pathway to Revenue Generation*”.

The Company entered into a Laboratory and Services Agreement with Numinus Wellness Inc. (“**Numinus**”) dated December 11, 2020 pursuant to which Numinus will provide certain psychedelic research and development services and testing to the Company. See “*Research and Development – Optimi Labs*”.

On December 22, 2020, the Company entered into a supply agreement with North American Reishi Ltd. (“**Nammex**”) for the supply of organic mushroom extract of Chaga, Cordyceps, Lion’s Mane and Turkey Tail. See “*Pathway to Revenue Generation*”.

On December 22, 2020, the Company entered into an agreement with a business incubator at the University of Calgary relating to consulting services for reviewing, designing, planning and/or conducting clinical trial studies for the Company’s products. See “*Recent Development – Optimi Labs*” below for further details.

BUSINESS OF THE COMPANY

Our Company



The Company is developing a sophisticated mushroom brand that focuses on the health and wellness markets. With a vertically integrated approach, the Company intends to cultivate, extract, process and distribute high quality functional mushroom products at its two facilities, comprising a total of 20,000 square feet, nearing completion in Princeton, British Columbia. To fully investigate the science of mushrooms, the Company has received a research exemption under Health Canada Food and Drug Regulations (FDR) for the use of Psilocybin and Psilocin for scientific purposes via its wholly owned subsidiary Optimi Labs Inc. The Company has also applied for a dealer’s license under Canada’s Narcotic Control Regulations governing possession, distribution, sale, laboratory analysis of and research and development of Psilocybin and Psilocin formulations. The Company is committed to expert cultivation and quality production subject to and in accordance with the terms of all applicable laws and governing regulations to ensure safe, superior Canadian fungi production. The Company’s formation was preceded by an extensive effort led by the Company’s founders that produced a comprehensive business plan, as well as a product development and marketing plan. The aim is to establish a business that cultivates, extracts, processes and distributes high quality functional mushroom products. These efforts have allowed the Company to implement the initial phase of its business plan upon incorporation and prepare for the commercial launch of its functional mushroom business.





The Company has assembled a team comprised of its Board and management, who have expertise in various areas of business that are essential to providing the Company with the expertise necessary to successfully develop and market mushroom based products.






Description of Principal Products

The Company intends to grow and process functional mushrooms for its own use to develop its own functional mushroom derived products and to sell its mushrooms and related products directly to consumers, and to other natural food brands and distributors. The Company is positioning itself to meet the needs of the rapidly expanding health foods market and consumers looking to prioritize the consumption of natural, plant-based foods.

The Company’s expected fungi varieties will include lions mane, reishi, turkey tail, chaga, and cordyceps. These varieties will be used for its own use to develop its own health food products and to sell to other natural food brands and distributors. See below a description of each functional mushroom variety and related health food product.

Mushroom	Proposed Product Offering
<p>Lion's Mane</p> <ul style="list-style-type: none">• Commonly used as a nootropic, or "smart drug".• Grown on trees in nature but artificial log substrates provide equal value.• Growth cycle spans approximately three weeks. 	<ul style="list-style-type: none">• Limitless Vegan Protein, a proprietary blend of five functional mushroom extracts combined with vegan protein powder• Limitless Mushroom Extract  <ul style="list-style-type: none">• Mindful Mushroom Extract 
<p>Reishi</p> <ul style="list-style-type: none">• Known as the "Queen of mushrooms" and "mushroom of immortality", Reishi has been used for over 2,000 years by eastern societies to help promote longevity and wellbeing.• Growth cycle spans approximately five to six weeks. 	<ul style="list-style-type: none">• Limitless Vegan Protein, a proprietary blend of five functional mushroom extracts combined with vegan protein powder• Limitless Mushroom Extract  <ul style="list-style-type: none">• Longevity Mushroom Extract

Mushroom	Proposed Product Offering
	
<p>Chaga</p> <ul style="list-style-type: none"> •The mushroom is often called the king of medicinal fungi and has been used as a medicinal fungus in Asia for thousands of years. •Not yet commercially farmed – the Company anticipates purchasing wild-harvested Chaga on an as-needed basis to meet demand. •Grown on birch trees (min 10-year-old) •Harvested every 2 to 3 times over 5 to 8 year period 	<ul style="list-style-type: none"> • Limitless Vegan Protein, a proprietary blend of five functional mushroom extracts combined with vegan protein powder • Limitless Mushroom Extract  <ul style="list-style-type: none"> • Defense Mushroom Extract 
<p>Cordyceps (Militaris)</p> <ul style="list-style-type: none"> •The anamorph and farmable version of the most expensive fungi in the world Cordyceps Sinensis which typically costs \$20/kg due to its scarcity. •Growth cycle spans approximately seven to nine weeks. 	<ul style="list-style-type: none"> • Limitless Vegan Protein, a proprietary blend of five functional mushroom extracts combined with vegan protein powder • Limitless Mushroom Extract

Mushroom	Proposed Product Offering
	 <ul style="list-style-type: none">•Perform Mushroom Extract 
<p>Turkey Tail</p> <ul style="list-style-type: none">•Commonly used and grown for its health benefits.•Growth cycle spans approximately five weeks. 	<ul style="list-style-type: none">• Limitless Vegan Protein, a proprietary blend of five functional mushroom extracts combined with vegan protein powder• Limitless Mushroom Extract  <ul style="list-style-type: none">• Immunity Mushroom Extract

Mushroom	Proposed Product Offering
	

Operations

The production process involves cultivating and extracting dried mushrooms from the Facilities, which are currently under construction and are expected to be fully completed by Q2 of 2021. Production in the Facilities will focus growth efforts on high demand varieties such as lion's mane, reishi, turkey tail and cordyceps. The Facilities will contain high volume grow rooms with leading technology, climate controlled rooms, integrated environmental controls and supervision by established growers. The Facilities will allow for the production of a variety of strains and will include vertically integrated onsite processing and extraction technologies to capture maximum margin.

Until the Facilities are completed and in operation, the production process will involve purchasing raw material from international suppliers and delivering them to the Company's third party contract manufacturing organizations (currently CPS).

Mushrooms are comprised of two primary components, fruiting bodies and mycelium, both of which can be used to make the Company's concentrated health food products. The fruiting body is the spore-producing organ of a fungus, often seen as a mushroom or a toadstool. Mycelium is the vegetative part of the fungus, consisting of a network of fine white filaments. The Company's extraction process will involve a combination of boiling the mushrooms or soaking them in alcohol, after which the desired compounds are extracted into the Company's products.

Upon completion of production, the Company's products will be made ready for shipping and distribution directly to consumers, which is expected to constitute 75% of its sales, as well as to other health food brands and to distributors. The Company intends to distribute its products in Canada through its e-commerce website platform at www.optimiperformance.com, which is expected to launch in Q4 of 2021. The Company's co-packer is responsible for the processing, packaging and bottling of certain products, such as protein powder and supplements. The Company's co-packer also provides warehousing services and facilitates shipping of all online orders. In addition, the Company will seek to contract with other health food brands, and to distribution partners, farmers markets, retailers and restaurants. The Company expects to commence the sale of its third-party sourced functional mushroom products and generating revenues by the end of Q4 of 2021. The Company expects to begin sale of its internally grown functional mushrooms in the 2022 fiscal year.

Pathway to Revenue Generation

Sourcing of Products

Until the Company is able to complete the construction of the Facilities in Princeton, British Columbia, and commence growing its own mushrooms, it will source all of its products from a third party supplier. The Company has entered into a supply agreement with Nammex on December 22, 2020 for the supply of organic mushroom extract of Chaga, Cordyceps, Lion's Mane and Turkey Tail. Nammex specializes in mushroom products and is a premier supplier of organically certified mushroom extracts. The Company anticipates that Nammex will ship its products directly to the Company's co-packer, CPS, for further processing of the Company's raw functional mushrooms into the Company's product formulations. The Company anticipates to commence the sale of its products by the end of Q2 2021.

Warehousing and Distribution

On October 7, 2020, the Company entered into a quality agreement with CPS, pursuant to which CPS will provide the following co-packaging and production services to the Company: (i) formulation of the Company's products for resale using raw materials; (ii) encapsulation of all products and formulations; (iii) bottling; (iv) packaging; (v) shipping, preparation and inventory management; (vi) warehousing of the Company's products; and (vii) order fulfillment and shipping of the Company's products.

In the short-term, the Company expects to commence the sale of its third-party sourced health food concentrates and generating revenues by the end of Q2 of 2021.

Once the Company's products have been launched, it will conduct a phase of market research and use real data and analytics to calculate demand for the Company's products. During this period, the Company will also aim to solidify its strategies for pricing and increasing average order size and conversion rates, optimize its marketing strategy, and develop sales programs.

After the initial release of the Company's products and upon receiving feedback about demand, quality, deficiencies and desired features, the Company will refine its product roadmaps, incorporate improvements into the products and release improved versions of the products, to the extent necessary. At this stage the Company will have a much better understanding of product demand and market segmentation and as such will adjust its manufacturing orders accordingly. The focus will be to decrease the cost of raw material, manufacturing and packaging.

Product Targeting and Distribution

The following are the Company's key strategies for the targeting and distribution of its products:

- the Company will launch an ecommerce website, where the Company's products will be offered for sale to customers;
- the Company is developing further online distribution through marketplaces such as Amazon and Google;
- the Company is working on establishing retail distribution networks in Canada and the U.S.; and

- the Company intends to use digital marketing strategies to promote its products, including social media, influencer marketing and ad networks.

The Company's product marketing program includes plans to engage in targeted advertising, influencer marketing and social media marketing. The Company expects the product marketing efforts to be ongoing during the twelve month period following the date of this Prospectus.

Technology Platform

The Company is developing its initial technology platform which will serve as both the consumer-facing interface as well as an administrative back-end. The technology platform will include eCommerce infrastructure, basic customer service relationship (CRM) software, analytics, multiple payment gateways, checkout conversion optimization, shipping cost calculator, automated tax calculator, social media integration and product reviews. It will also include marketing assets such as email marketing, a LinkedIn business page, a Facebook business page and a Twitter account.

Specialized Skill and Knowledge

The Company has hired contractors that have specialized skill and knowledge in:

- production of functional mushrooms and mushroom derived health foods;
- quality control;
- the formulation and packaging of fungi products; and
- market research, distribution and sales of finalized products to end consumers.

The Company does not believe that there is a shortage of labour or service providers that carry this expertise. While none of the members of the management have direct experience in the functional foods or mushroom-derived product industries, they have prior experience and qualifications that will assist them as it relates to the business of the Company.

Mike Stier, the Company's Chief Executive Officer and President, through his position as President and CEO of New Leaf Ventures Inc. (a publicly traded company), has gained experience in raising capital, and building and managing public companies. Through his involvement with New Leaf Ventures Inc., Mr. Stier has an in-depth understanding of the challenges, operation and regulatory nuances affecting development stage companies in emerging industries.

Bryan Safarik, the Company's Chief Operating Officer, has experience in highly regulated industries, such as cannabis, through his position President of BC Green and has an in-depth understanding of the challenges and operational and regulatory nuances that affect these companies. Mr. Safarik also worked as the Director of Marine Operations of Ocean Fisheries Ltd. where he oversaw fishing operations, logistics, packaging and quota management. His experience will be instrumental in assisting the Company in managing and documenting extraction processes, formulation, and packaging of the Company's products, and establishing processes to distribute the products to end consumers.

Jacob Safarik, the Company's Chief Financial Officer, is a finance professional with extensive corporate accounting and audit experience, including as the CFO of BC Green. His experience

will be instrumental in assisting the Company with its financial reporting obligations.

Dane Stevens is the founder of multiple successful wholesale and direct-to-consumer jewellery businesses, as well as Cavalier Jewellers. He developed an integral understanding of effective sourcing and reliable distribution by vertically integrating all areas of the jewellery supply chain. Mr. Stevens' experience in digitalizing, modernizing, and operating in today's retail landscape will help the Company grow and prosper in its industry.

Foreign Operations

The Company's sale and distribution operations will be conducted in Canada, but some of its raw materials may be sourced from China and other international jurisdictions, and will be manufactured and packaged in Canada. As a result, there is a risk that trade restrictions or tariffs imposed may require the Company to engage a new packaging partner and/or find alternate sources of materials.

Intellectual Property

The Company applied to register the trademark "Optimi Health" and "Optimi" with the Canadian Intellectual Property Office on September 16, 2020.

Seasonality

The Company's results are subject to fluctuations associated with impact on consumer demand. At this time the Company is unable to specifically determine the manner in which consumer demand will fluctuate for its products.

Employees

As at September 30, 2020, the Company had no employees and 16 independent contractors. In the ordinary course of business, the Company outsources many operational aspects of its business to third party contractors including accounting/bookkeeping service providers, customer services providers, web designers, social media marketers, product development and processing as well as logistics, fulfillment, and inventory storage providers. Employees of these service providers provide the services to the Company as needed.

The Company entered into a Consulting Agreement dated as of September 1, 2020 with AMBE Holdings Ltd. ("**AMBE Holdings**") pursuant to which Mike Stier provides services to the Company as its Chief Executive Officer (the "**Stier Consulting Agreement**"). In consideration for the services provided, the Company paid AMBE Holdings a monthly fee of \$4,000 plus any applicable taxes. The monthly fee increased to \$5,000 per month, plus any applicable taxes, on the first business day of the month following the listing of the Company's Common Shares on the Exchange. AMBE Holdings is also eligible for bonus compensation, in the form of cash or incentive stock options on an annual basis, in the sole discretion of the Board.

The Company entered into a Consulting Agreement dated as of October 7, 2020 with Jon Schintler, an independent director, pursuant to which Mr. Schintler provides his services as a Director of the Company (the "**Schintler Consulting Agreement**"). In consideration for these services, the Company paid Mr. Schintler a monthly fee of \$2,500 through the month in which the Common Shares began trading on the Exchange, which increased to a monthly fee of \$3,000 beginning the following month.

The Company entered into a Project Development and Consulting Services Agreement with BC Green dated as of July 23, 2020 (the “**Project Development and Consulting Agreement**”). Pursuant to the Project Development and Consulting Agreement, BC Green has agreed to provide certain project consulting services in relation to the construction of the Facilities, and applicable regulatory approvals, licenses and permits required for the Company to conduct its proposed business at such facilities. The Project Development and Consulting Agreement is for a period of five years, unless terminated earlier in accordance with the terms thereof. As remuneration for the services provided, the Company will grant BC Green a total of 3,000,000 Common Shares at a deemed price of \$0.05 per share, with half of the Common Shares to be issued upon the receipt of building permits for the Facilities and half of the Common Shares to be issued upon the Company either (i) being legally recognized as a “licensed dealer” under the *Narcotic Control Regulations* (Canada), or (ii) granted an exemption to conduct commercial production, processing, manufacturing, distribution and sales activities with one or more controlled substances under the *Controlled Drugs and Substances Act* (Canada). The Company has met the above milestones and all 3,000,000 Common Shares were issued on January 25, 2021.

Advisory Board

In order to aggressively pursue the development of its business, the Company has appointed an Advisory Board including technical experts and global leaders in the health, wellness and consumer goods industries.

Chip Wilson

Chip Wilson is a Canadian businessman and philanthropist, who has founded several retail apparel companies, most notably yoga-inspired athletic apparel company Lululemon Athletica (NASDAQ: LULU). Wilson is widely considered to be the creator of the athleisure trend.

Harley Pasternak

As a fitness and nutrition specialist, Mr. Pasternak’s client roster includes Ariana Grande, Lady Gaga, Rihanna, Kim Kardashian, Halle Berry, Katy Perry, Megan Fox, Robert Downey Jr., Robert Pattinson, Adam Levine, Jessica Simpson, Charlie Puth, Gwen Stefani, Ke\$ha, Hilary Duff and Jennifer Hudson. He currently stars on the E! channel’s *Revenge Body* with Khloe Kardashian, makes regular appearances as a fitness contributor to *good morning America* on ABC, and formerly starred on ABC’s *The Revolution*, and as a judge on *Top Model*. Mr. Pasternak has made worldwide speaking appearances in over 30 countries and is a bestselling fitness and diet author published in 14 languages in over 25 countries. He holds a Master of Science in Exercise Physiology and Nutritional Sciences from the University of Toronto and an Honors Degree in Kinesiology from University of Western Ontario. He is also certified by The American College of Sports Medicine and The Canadian Society of Exercise Physiology, and served as an exercise and nutrition scientist for Canada’s Department of National Defense.

Edward Safarik

Edward is a Member in good standing of the Law Society of British Columbia and former Founder, President and CEO of Ocean Fisheries Limited. Edward offers extensive past board experience: six year board member of Genome BC, Chairman of the Fisheries Counsel of Canada, Co chair of the Food Agriculture/Fisheries Initiative on Sustainable Economic Fisheries, Founder and Chairman of the Herring Conservation & Research Society of BC

(HCRS), and a member of the Pacific Scientific Advice Review Committee (PSARC) and the Herring Industry Advisory Board (HIAB).

Elfi Daniel-Ivad

Elfi formally served as Head of Submissions, Regulatory at Eurofins Experchem Laboratories Inc. In this role, she led a team of regulatory professionals in the development of regulatory submission strategies for Natural Health Products (NHPs), OTC drugs, cosmetics, medical devices, food products, site licenses, medical establishment licenses and applicants to become licensed producers and dealers of federally controlled substances.

Leigh Grant

Over 20 years experience in the HVAC industry and indoor cannabis cultivation, Leigh specializes in the development of advanced indoor horticulture systems, for federally licensed cannabis producers. With significant expertise in indoor horticulture facility design, Leigh consulted for Broken Coast Cannabis, from inception to its latest expansions under the Aphria ownership group, and BC Green.

Dr. Azim Jamal

Subsequent to the end of the Company's most recently completed financial year, on April 14, 2021, the Company appointed Dr. Azim Jamal to its Advisory Board. Dr. Jamal is the chief executive officer and co-founder of Pacific Reach, established in 2014, and is responsible for leading all business activities for that company. He is a respected industry leader who has extensive experience overseeing a diverse portfolio of business investments including hotels, commercial properties and seniors care communities. For over 20 years, Dr. Jamal was the president and chief executive officer of Retirement Concepts. Over that time, he grew that company from two small seniors care communities in Chilliwack and Victoria to 25 communities across British Columbia, Alberta and Quebec, making Retirement Concepts one of the largest and most respected seniors care companies in Canada. In 2004, Dr. Jamal purchased the Sheraton Vancouver Guildford to diversify Pacific Reach's portfolio into alternative classes of real estate. This portfolio is now consolidated under the Pacific Reach banner and includes hotel properties such as the iconic Rosewood Hotel Georgia, multifamily and office assets located in Vancouver, Toronto, Los Angeles and Phoenix. Most recently, Dr. Jamal has joined the board of directors at a television production company, Thunderbird Studios.

Dr. Jamal is a former family physician who graduated as a medical doctor from the University of British Columbia in 1994. After practicing as a family physician in Greater Vancouver, Dr. Jamal went on to found Dermal Laser Centers -- a chain of medical aesthetic clinics, which he subsequently sold. He is a member of the Young Presidents' Organization in Vancouver, B.C., a recipient of the Ernst & Young Entrepreneur of the Year Award and a winner of the Business in Vancouver Top 40 Under 40 Outstanding Achievement Award.

Regulatory Environment

The Company's functional mushroom products in powder form are expected to be considered "food" and, as such, are expected to be principally regulated under the *Food and Drugs Act* (Canada) and the *Consumer Packaging and Labelling Act* (Canada).

The *Food and Drug Act* (Canada) ("**FDA**") and *Food and Drug Regulations* regulate food and

drugs in Canada and provide requirements on composition (including without limitation food additives, fortification, and food standards), packaging, and licensing requirements. Under this regime, the Company is not required to obtain any pre-approvals and/or licenses for its products, but must ensure that the labelling, marketing and selling of any of its products comply with the FDA, including by ensuring that the Company's products are not packaged or marketed in a manner that is misleading or deceptive to a consumer.

The *Consumer Packaging and Labelling Act* provides for a uniform method of labelling and packaging of prepackaged consumer goods in Canada. The relevant provisions include the prevention of fraudulent statements and providing for mandatory label information in which consumers may make informed decisions.

The Company's functional mushroom products in capsule form are expected to be regulated as natural health products ("**NHP**") and, as such, governed by the FDA and its *Natural Health Product Regulations* ("**NHPR**"). The Company applied for and has now received NPN licences for six products. These include five singular mushroom strain capsules (reishi, chaga, turkey tail, lion's mane and cordyceps) and one proprietary Optimi-formulated mixed-blend capsule.

The federal FDA and NHPR set out the product and site licensing requirements for NHPs. The products will need a Product Licence ("**PL**") issued by Health Canada, the federal government regulator responsible for enforcing the FDA and NHPR. To obtain a PL, the Company must attest to the safety and efficacy of the NHP by either relying on information already pre-cleared by Health Canada known as "monographs" or providing additional supporting documentation (e.g. observational studies, full-text articles, clinical trials, etc.). There are three application classes: Class I, II or III. The higher the application class, the higher the product risk and the lengthier the Health Canada assessment (i.e. Class I is the lowest risk and fastest licensing process). The determination of the application class will depend on the ingredients, claims, and monograph compliance.

In addition to the PL, the Company, its affiliates or contractors will need to obtain a Site Licence ("**SL**"). A SL is tied to the physical location in Canada where the NHPs are manufactured, packaged, labelled or imported (each a "**Regulated Activity**"). The Company can apply to obtain an SL or partner with a third-party with a valid SL engaged in such Regulated Activities on behalf of the Company. A valid SL requires providing Health Canada with evidence of Good Manufacturing Practices ("**GMP**") specified in the NHPR. For example, a quality assurance report, a Drug Establishment Licence or a GMP compliance certificate. GMPs set out standards for the state and cleanliness of the facility, the equipment, and the training and qualifications of the personnel working at the facility.

The Company has obtained its PL, and partnered with CPS to meet the SL requirement, in respect of each of its products.

The council of the Town of Princeton has expressed their full support for the Company's development of a large-scale vertically integrated functional mushroom operation, as well as (further to the Company's receipt of the Research Exemption) a controlled substance research facility, providing the Company with the flexibility to grow and scale operations as opportunities develop in the functional mushroom and psilocybin space. The Town of Princeton has also passed certain tax incentives to further support the long-term growth of the Company which will be applied to new building improvements and the building permit value of the new improvements in excess of \$500,000, or an alteration of an existing improvement where that alteration has a building permit value in excess of \$500,000 and is a permanent structure. The

incentive will be applied in the form of a tax exemption which corresponds to the increase in the assessed value of any building.

Market for Products

The Company intends to distribute its products in Canada through its e-commerce website platform at www.optimiperformance.com, which is expected to launch in Q4 2021. The Company's initial marketing focus will be to online customers in Canada.

The Company's focus on its direct-to-consumer platform will provide it with flexibility and allow for a strong connection with its potential customers. This connection should provide the Company with greater insight into how to market its products and build loyalty with its targeted customer base.

As consumers increasingly look to incorporate "functional foods" in their diets, the mushroom market is poised to grow year over year. The global mushroom market is expected to grow by 6.3% and may reach US\$50 billion by 2024, according to a research report published by Grand View Research in January of 2018. The global functional mushroom market is expected to grow to US\$34 billion by 2025 according to a report by ASD Reports published in January of 2020 and the global nutraceutical market is to grow to US\$15 billion by 2026 according to a report by Market Research Future published in July of 2020.¹

Market dynamics contributing to the rising demand for mushrooms include societal trends shifting to preventive health care, vegan and vegetarian based diets and increased awareness around the health benefits of functional foods. Accordingly, the Company believes this potential increased demand for mushroom based products will assist it in completing its business objectives over the next twelve months.

Market prices for Canadian produced specialty mushrooms have been trending steadily upwards since 2012, with Stats Canada recording record sales in 2017 of \$527.6 million, based on a Stats Canada study released in May 2019.²

Market Impact – COVID-19 Pandemic

The Company does not anticipate the COVID-19 pandemic having a material impact on its business and operations. The Company's business plan was finalized after the onset of the COVID-19 pandemic, and the anticipated effects of the pandemic were included in the Company's internal revenue and expense forecasts. Management believes that the pandemic may increase interest in natural products as a way to reduce stress and increase immune responsiveness, which has the potential to increase the Company's customer base. The Company further expects the majority of the sales of its products to occur online, which may obviate some of the risks that any current or future retail store shutdowns may involve. While the Company has not faced any challenges securing supplies for its products so far, future workforce shortages and additional sanitary measures, further international border closures that restrict or materially slow the ability of the Company or its competitors to purchase mushrooms or packaging, restrictions on shipping, both within Canada and the U.S. and internationally and

¹ <https://www.marketresearchfuture.com/reports/medicinal-mushroom-extract-market-4737>
https://www.bdc.ca/en/documents/analysis_research/Consumer_Trends_Report_EN.pdf

² <https://www150.statcan.gc.ca/n1/pub/21-004-x/2019001/article/00001-eng.htm>

restrictions on the ability of the Company to gain financing through the financial markets may increase competition for the mushrooms and packaging used by the Company or the Company's ability to deliver its products to customers. The Company continues to closely monitor the pandemic and continuously assess its potential impact.

Marketing

The Company's marketing strategy is to increase market share and sales in Canada by promoting its mushroom-based food products. Currently, the Company's marketing strategy is expected to involve targeted social media marketing and advertising campaigns. The Company will focus directly on consumers through strategic marketing and influencer initiatives, such as:

- engaging with athletic brand ambassadors and lifestyle influencers;
- sharing emphasis on physical and mental benefits/performance via athletic and lifestyle influencers with a defined presence to enable early stage market penetration; and
- strategic digital marketing campaigns targeting the health and wellness sectors and establishing credibility and legitimacy through curate brand messaging.

Competitive Conditions

There are numerous companies competing in the broader health, wellness, and functional foods markets; mushroom focused nutraceutical product formulations are a growing niche within this market. The Company believes it can successfully compete in this market through its vertically integrated cultivation-to-consumer model. This will include sourcing input materials from its Facilities and selling direct-to-consumer. Directly managing quality and costs across the supply chain through this approach will offer a unique advantage over the competition. The Company has identified the following brands as direct competitors from a product perspective: Mushroom Revival, Organika, Rainbo, Moon Juice, Four Sigmatic and Host Defense. These competitors, as described below, offer a similar category of products as the Company, being mushroom extracts and other wellness products. The direct-to-consumer nature and capabilities of these competitors mean their operations are not materially limited to any specific geographical area.

Name	Product Offering	Distribution
Mushroom Revival	Processes, formulates and sells the following mushroom products (tinctures): <ul style="list-style-type: none">• Cordyceps (grown by company)• Reishi• Tremella• Poria Cocos• Lions Mane• Chaga• Meshima• Maitake• Shiitake• Turkey Tail	• Direct to consumer (online)

Name	Product Offering	Distribution
Organika	Formulates and sells the following mushroom products (capsules and beauty products): <ul style="list-style-type: none"> • Reishi • Cordyceps • Tremella (for Beauty Product usage only) • Chaga (for Beauty Product usage only) • Lion’s Mane (for Beauty Product usage only) 	<ul style="list-style-type: none"> •Direct to consumer (online) •Distributor (Amazon, Vitasave etc.) •Retailers (Whole Foods etc.)
Rainbo	Processes, formulates and sells the following mushroom products (tinctures, and other products such as infused maple syrup): <ul style="list-style-type: none"> • Lions Mane • Codryceps • Reishi • Chaga 	<ul style="list-style-type: none"> • Online (Direct to Consumer) • Retailers (Online and Brick and mortar)
Moon Juice	Formulates and sells the following mushroom products (protein mix, drinks powders): <ul style="list-style-type: none"> • Cordyceps • Reishi • Lion’s Mane • Tremella 	<ul style="list-style-type: none"> • Direct to consumer (online and brick and mortar) • Distributor (Sephora, Beautylish) • Retailers (apothecaries)
Four Sigmatic	Formulates and sells the following mushroom products (coffee, protein mix, drinks powders): <ul style="list-style-type: none"> • Cordyceps • Agaricus • Meshima • Enokitake • Reishi • Tremella • Lions Mane • Chaga • Maitake • Shiitake 	<ul style="list-style-type: none"> •Direct to consumer (online and brick and mortar) •Distributor (Amazon, Thrive Market etc.) •Retailers (Whole Foods etc.)

Name	Product Offering	Distribution
Host Defense	Grows, processes, formulates and sells the following mushroom products (capsules, powders, extracts, tinctures): <ul style="list-style-type: none"> • Cordyceps • Agarikon • Meshima • Royal Sun Blazei • Reishi • Tremella • Lions Mane • Chaga • Maitake • Turkey Tail 	<ul style="list-style-type: none"> •Direct to consumer (online) •Distributor (Amazon, Vitasave etc.) •Retailers (Whole Foods etc.)

The Company believes that being in both the functional mushroom growth and health food industry provides it with an advantage over its competitors, which are largely either solely involved with farming mushrooms or producing wellness products. The Company has the potential advantage of growing its own mushrooms for its health food products which, upon completion of the Facilities, will serve to reduce the need for intermediaries. The Company will also be able to control the purity of its products from growth, to extraction and finally to sale.

Research and Development – Optimi Labs

The focus of Optimi Labs is to optimize the commercial cultivation process of mushrooms, improve quality and yield of various strains, improve extraction efficiencies, continue development of fungi extracts, develop future products, innovate in human delivery mechanisms, develop synthetic and non-synthetic compounds, develop active compounds and pharmaceuticals and test new drug formulation.

Optimi Labs is initially focused on the research and development of functional mushrooms (non-psychedelic) cultivation and extraction, however the Company will begin to research mushroom derived psilocin/psilocybin which is designed to treat mental illness, addiction, and other health conditions if and as permitted by applicable laws, including pursuant to the Research Exemption and/or Dealer’s License. Optimi Labs plans to develop an IP strategy specific to mushroom based products. In order to include psychedelic products in the Company’s research activities, the Company has obtained the Research Exemption. In order to include the possession, distribution, sale, laboratory analysis of and research and development in respect of psilocybin in the Company’s business, the Company has applied for the Dealer’s License. To date, neither the Company nor Optimi Labs has received the Dealer’s License. The Company will only engage in business related to psilocybin and psilocin in accordance with existing regulatory approvals. See “*Future Developments – Psilocybin*” below.

Prior to the Company’s receipt of the Dealer’s License, the Company intends to commission a number of research and development projects related to psychedelic compounds (each a

“Project”). As such, the Company has entered into a Laboratory and Services Agreement with Numinus dated December 11, 2020 pursuant to which Numinus will provide certain psychedelic research and development services and testing to the Company. The particular scope, cost and specifics of such services will be governed by the terms and conditions of project agreements to be negotiated reasonably and in good faith between Numinus and the Company (each a **“Project Agreement”**) from time to time. The fee for such services and any royalties payable to Numinus will be determined on a project-by-project basis in each applicable Project Agreement. The term of this agreement will commence on January 4, 2021 and continue for a period of one year unless otherwise terminated in accordance with its terms. The Company provided Numinus with a retainer of \$100,000, which will be applied against any accounts rendered with respect to the first Project Agreement, and will be replenished as needed. The Company also issued Numinus 150,000 Common Shares on February 2, 2021, and will issue Numinus a further 150,000 Common Shares upon completion of the first Project under a Project Agreement. Numinus holds a valid Dealer’s License and all activities proposed under the Company’s arrangement with Numinus will be carried out by Numinus personnel at its facility in compliance with its Dealer’s License requirements.

The Company has also entered into a Master Consulting Agreement (the **“MCA”**) with UTI Limited Partnership (**“Innovate Calgary”**), the innovation transfer and business incubator centre for the University of Calgary. Innovate Calgary is an incubator designed to provide consulting services that assists ventures in the life sciences or biomedical industries with: (a) reviewing, designing, planning and/or conducting clinical trial studies, (b) presenting data generated from clinical trial studies, and/or (c) seeking clinical trial-related services from third parties. Under the MCA and first Statement of Work, Innovate Calgary will design and carry out a clinical trial in respect of the potential health and wellness applications of the Company’s products and proposed products, expected to be completed within one year. Optimi and Numinus, through Innovate Calgary, have submitted a preclinical trial application to Health Canada for review and comment. In June, 2021, Optimi and Numinus received Health Canada approval to proceed with a formal submission to initiate its previously proposed phase 1 study.

Meanwhile, cultivation, research, formulation and continuous validation studies to produce the investigational psilocybin extract for trial continue at the Health Canada-licensed Numinus lab in British Columbia, Canada.

Key information submitted in the information package provided to Health Canada includes the investigational product’s chemical constituents, genotype and formulation, as well as procedures and processes to produce a consistent dosage from Psilocybe mushrooms.

With Health Canada’s feedback and anticipated regulatory approvals, Numinus plans to use the candidate mushroom clone to develop a uniform all-natural psilocybin capsule for use in Optimi’s human clinical trials, initially for a dosing study and then expanding into trials for a variety of human health conditions.

Optimi will retain 100-per-cent ownership of the resulting all-natural psilocybin capsule and full intellectual property rights to its use.

Future Developments – Psilocybin

Psilocybin is a naturally occurring psychedelic prodrug compound produced by more than 200 species of mushrooms, collectively known as “magic mushrooms”. The most potent are members of the genus Psilocybe, such as *P. azurescens*, *P. semilanceata*, and *P. cyanescens*,

but psilocybin has also been isolated from about a dozen other genera. Psilocybin is quickly converted by the body to psilocin, which has mind-altering effects similar, in some respects, to those of LSD.

Scientific interest in classic psychedelics, such as psilocybin, has returned and grown because of several promising studies, validating earlier research. For mood and anxiety disorders, three controlled trials have suggested that psilocybin may decrease symptoms of depression and anxiety in the context of cancer-related psychiatric distress for at least 6 months following a single acute administration. A small, open-label study in patients with treatment resistant depression showed reductions in depression and anxiety symptoms three months after two acute doses. For addiction, small, open-label pilot studies have shown promising success rates for both tobacco and alcohol addiction. Safety data from these various trials, which involve careful screening, preparation, monitoring, and follow-up, indicate the absence of severe drug-related adverse reactions (Source: Johnson & Griffiths, 2017). Based on a recent report by Data Bridge Market Research, Market Analysis Study, 2020, the psychedelic drug market is growing with a compound annual growth rate of 16.3% and expected to reach USD 6,859.95 million by 2027.

It is the Company's goal to become strategically positioned to become a producer and distributor of medical psilocybin and other psychedelic/nutraceutical products, if and as permitted by applicable laws. To date, neither the Company or Optimi Labs has received the Dealer's License. Optimi Labs received the Research Exemption on January 13, 2021.

Future Developments – Strategic Acquisitions

The Company intends to allocate certain of its working capital to pursuing asset acquisition targets which enable the Company to accelerate its functional mushroom business and psychedelic research and development initiatives.

RISK FACTORS

You should carefully consider the risks described below, which are qualified in their entirety by reference to, and must be read in conjunction with, the detailed information appearing elsewhere in this AIF, and all other information contained in this AIF. The risks and uncertainties described below are those we currently believe to be material, but they are not the only ones we face. If any of the following risks, or any other risks and uncertainties that we have not yet identified or that we currently consider not to be material, actually occur or become material risks, our business, prospects, financial condition, results of operations and cash flows and consequently the price of Optimi common shares could be materially and adversely affected.

Business Risks

Controlled Substance Regulatory Compliance Risks

While the Company's income during its first year of operations will not rely on revenue from psychedelic products and treatments, the Company has used and proposes to use a small amount of its available working capital to (i) pursue the Research Exemption and Dealer's License, and (ii) pursue its research and development initiatives with Numinus and Innovate Calgary. Psychedelic growth and distribution is a new and emerging industry with substantial existing regulations and uncertainty as to future regulations. There is no assurance the Company will be able to derive meaningful revenue from its investment in psychedelic

compounds, or to pursue that business to the extent currently proposed or at all. The impact of various legislative regimes on the Company's business plans and operations is uncertain. There is no guarantee that the applicable legislation regulating the research and development of controlled substances will create or allow for the growth opportunities the Company currently anticipates. The Company received the Research Exemption on January 13, 2021, and has not received the Dealer's License as of the date hereof.

Psychedelic drugs are a new and emerging industry with evolving regulations and uncertainty as to future regulations. There is no guarantee that the applicable legislation regulating the research and development of controlled substances will create or allow for the growth opportunities the Company currently anticipates.

The Company's research into psychedelics products establishes the Company within a new industry which is highly regulated, highly competitive and evolving rapidly. As such, new risks may emerge, and management may not be able to predict all such risks or be able to predict how such risks may result in actual results differing from the results contained in any forward-looking statements. The impact of the various legislative regimes on the Company's business plans and operations is uncertain.

Achievement of the Company's business objectives is subject to compliance with regulatory requirements enacted and enforced by governmental authorities and obtaining and maintaining all required regulatory approvals. The Company may incur costs and obligations related to regulatory compliance. Failure to comply with applicable laws, regulations and permitting, licence or approval requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. The Company's industry and market is also subject to numerous legal challenges, which may significantly affect the financial condition of market participants and which cannot be reliably predicted. The Company may be required to compensate those suffering loss or damage by reason of its operations and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

The Company cannot predict the timeline required to secure all appropriate regulatory approvals or licences for the intended business or the extent of testing and documentation that may be required by governmental authorities. Any delays in obtaining, or failing to obtain, required regulatory approvals or licences may significantly delay or impact the research and development activities and could have a material adverse effect on the business, results of operations and financial condition of the Company. In addition, changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to the Company'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 Company.

The marketability of any product may also be affected by numerous factors that are beyond the control of the Company and which cannot be predicted, such as changes to government regulations, including those relating to taxes and other government levies which may be imposed. The restrictions on promotion of medical services and restrictions on illegal substances in Canada may limit the ability to effectively advertise and promote the Company's products and business.

Changes in government levies, including taxes, could reduce the Company's earnings and

could make future capital investments or the Company's operations uneconomic.

Risks Associated with Drug Development

The Company, through its Research Exemption and application of a Dealer's License, will be engaged in the research of growing psilocybin mushrooms and undertaking extractions from these mushrooms with a view to ultimately developing intellectual property related to mushroom cultivation, extraction and formulation.

The early stage of the Company's research and application for a Dealer's License makes it particularly uncertain whether any of its product development efforts will prove to be successful and meet applicable regulatory requirements, and whether any of its future product candidates will receive the requisite regulatory approvals, be capable of being manufactured at a reasonable cost or be successfully marketed. To achieve profitable operations, the Company, alone or with others, must successfully develop, gain regulatory approval for, and market its future products. The Company currently has no products that have been approved by Health Canada. To obtain regulatory approvals for its product candidates being developed and to achieve commercial success, clinical trials must demonstrate that the product candidates are safe for human use and that they demonstrate efficacy. The Company has not yet initiated clinical trials for any of its product candidates.

Many product 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 candidates may fail for a number of reasons, including 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 Company or its collaborators to abandon commitments to that program. Positive results of early pre-clinical research may not be indicative of the results that will be obtained in later stages of pre-clinical 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 Company can make no assurance that any future studies, if undertaken, will yield favourable results.

If the Company is successful in developing its current and future product candidates into approved products, the Company will still experience many potential obstacles, which would affect the Company's ability to successfully market and commercialize such approved products, such as 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 Company is unable to successfully market and commercialize any of its products, its financial condition and results of operations may be materially and adversely affected.

The Company 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 Company cannot be certain that it will not face similar setbacks. These setbacks have been caused by, among other things, pre-clinical findings made while clinical trials were underway or safety or efficacy observations made in clinical trials, including previously unreported adverse events.

Receipt and Maintenance of Licenses

The operations of the Company require it to obtain licenses, and in some cases, renewals of existing licenses and the issuance of permits by certain governmental authorities in Canada. The Company believes that it currently holds or has applied for all necessary licenses and permits to carry on the activities which it is currently conducting under applicable laws and regulations, and also believes that it is complying in all material respects with the terms of such licenses and permits. In addition, the Company will apply for, as the need arises, all necessary licenses and permits to carry on the activities it expects to conduct in the future. However, the ability of the Company to obtain, sustain or renew any such licenses and permits on acceptable terms is subject to changes in regulations and policies and to the discretion of the applicable authorities or other governmental agencies in foreign jurisdictions. Any loss of interest in any such required license or permit, or the failure of any governmental authority to issue or renew such licenses or permits upon acceptable terms, would have a material adverse impact upon the Company.

The Company's ability to cultivate, extract, formulate and conduct research in psychedelic substances in Canada is dependent on its ability to obtain Federal licenses from Health Canada, including the Dealer's License. Licenses, once issued, are subject to ongoing compliance and reporting requirements. Failure to comply with the requirements would have a material adverse impact on the business, financial condition and operating results of the Company. There is also no assurance of new licenses or approvals from Health Canada. There can be no guarantee that Health Canada will issue the Dealer's License or any other licenses to the Company. Government licenses are currently, and in the future will be, required in connection with the Company's operations, in addition to other unknown permits and approvals which may be required. To the extent such permits and approvals are required and not obtained, the Company may be prevented from operating and/or expanding its business, which could have a material adverse effect on the Company's business, financial condition and results of operations.

The Company cannot predict the time required to secure all appropriate regulatory approvals for its products, or the extent of testing and documentation that may be required by governmental authorities. Any delays in obtaining, or failure to obtain the necessary regulatory approvals will significantly delay the development of the Company's markets and products and could have a material adverse effect on the business, results of operations and financial condition of the Company.

Violations of Laws and Regulations Could Result in Repercussions

Under the CDSA, psilocybin is currently a Schedule III drug. The Company's operations are conducted in strict compliance with the laws and regulations regarding its activities with such substances. As such, all facilities engaged with such substances by or on behalf of the Company do so under current licenses, permits and approvals, as applicable, issued by appropriate federal, provincial, territorial, and local governmental agencies. While the Company is focused on psychedelics, specifically psilocybin inspired compounds, the Company does 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 applicable laws and regulations, such as the CDSA or of similar legislation 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 Company operates, or

private citizens or criminal charges. Any such violations could have an adverse effect on the Company's operations.

Government Regulation

The processing, manufacturing, packaging, labeling, advertising and distribution of the Company's products is subject to regulation by one or more federal agencies, and various agencies of the provinces and localities in which our products are sold. These government regulatory agencies may attempt to regulate any of our products that fall within their jurisdiction. Such regulatory agencies may not accept the evidence of safety for any new ingredients that the Company may want to market, may determine that a particular product or product 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 Company from marketing particular products or using certain statements of nutritional support on its products. The Company also may be unable to disseminate third-party literature that supports its products if the third-party literature fails to satisfy certain requirements. In addition, a government regulatory agency could require the Company to remove a particular product from the market. Any future recall or removal would result in additional costs to the Company, including lost revenues from any products 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.

Negative Results from Clinical Trials or Studies

From time to time, studies or clinical trials on various aspects of psychedelics may be conducted by academic researchers, competitors or others. The results of these studies or trials, when published, may have a significant effect on the marketability of the substance that is the subject of the study. The publication of negative results of studies or clinical trials, or the occurrence of adverse safety events related to psychedelics could adversely affect the Company's operations, research, share price and ability to finance future operations.

Product Liability

As the Company continues to grow, the Company may distribute or imports products from other countries that are designed to be ingested by humans. As such, the Company faces an inherent risk of exposure to product liability claims, regulatory action and litigation if its products are alleged to have caused damages, loss or injury. In addition, the future sale of the Company's products involve the risk of injury to consumers due to tampering by unauthorized third parties or product contamination. A product liability claim or regulatory action against the Company could result in increased costs, could adversely affect the Company's reputation with its clients and consumers generally, and could have a material adverse effect on the results of operations and financial condition of the Company. There can be no assurances that the Company will be able to obtain or maintain product liability insurance on acceptable terms or with adequate coverage against potential liabilities. Such insurance is expensive and may not be available in the future on acceptable terms, or at all.

Product Liability Claims

The Company may be required to pay for losses or injuries purportedly or actually caused by its products. In the event that the Company's products are found to cause any injury or damage, the Company will be subject to substantial liability. This liability may exceed the funds available

by the Company and result in the failure of its business.

Product Liability Insurance

The Company currently does not carry any product liability insurance coverage. Even though the Company is not aware of any product liability claims at this time, its business exposes itself to potential product liability, recalls and other liability risks that are inherent in the sale of food products. The Company 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 Company could have a material adverse effect on its business, financial condition and results of operations. Although the Company intends to obtain adequate product liability insurance, it cannot provide any assurances that it will be able to obtain or maintain adequate product liability insurance 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 Company could have a material adverse effect on its business, financial conditional and results of operations.

Product Recalls

Manufacturers, producers 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 labelling disclosure. If any of the Company's products are recalled due to an alleged product defect or for any other reason, the Company could be required to incur the unexpected expense of the recall and any legal proceedings that might arise in connection with the recall. The Company 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 recall may require significant management attention.

Although the Company has detailed procedures in place for testing its products, 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 the Company is subject to recall, the image of the Company could be harmed. A recall for any of the foregoing reasons could lead to decreased demand for the Company's products and could have a material adverse effect on the results of operations and financial condition of the Company. Additionally, product recalls may lead to increased scrutiny of the Company's operations by regulatory agencies, requiring further management attention, potential loss of applicable licenses and potential legal fees and other expenses.

Competition

The Company faces competition in the markets in which it operates. Some of the Company's competitors may also be better positioned to develop superior product features and technological innovations and able to better adapt to market trends than the Company. The Company's ability to compete depends on, among other things, high product quality, short lead-time, timely delivery, competitive pricing, range of product offerings and superior customer service and support. Increased competition may require the Company to reduce prices or increase costs and may have a material adverse effect on its financial condition and results of operations. Any decrease in the quality of the Company's products or level of service to customers or any occurrence of a price war among the Company's competitors and the Company may adversely affect the business and results of operations.

Challenges in Quantifying Psychedelics Industry

Competition in the psychedelics industry is growing as various public and private companies enter the market. As a result of this competition, some of which is with large, well established companies with substantial capabilities and significant financial and technical resources, the Company may be unable to compete successfully in the future. There can be no assurance that the Company will be able to grow or sustain its business in the presence of these competitive conditions.

Because the psychedelics industry is in a 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 Company and, few, if any, established companies whose business model the Company can follow or upon whose success the Company can build. Accordingly, investors will have to rely on their own estimates in deciding about whether to invest in the Company. There can be no assurance that the Company'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 Company regularly follows market research.

Success of Products is Dependent on Public Taste

The Company's anticipated revenues are substantially dependent on the success of its products, which depends upon, among other matters, pronounced and rapidly changing public tastes, factors which are difficult to predict and over which the Company has little, if any, control. A significant shift in consumer demand away from the Company's products or its failure to expand its current market position will harm its business. Consumer trends change based on several possible factors, including nutritional values, a change in consumer preferences or general economic conditions. Additionally, there is a growing movement among some consumers to buy local food products in an attempt to reduce the carbon footprint associated with transporting food products from longer distances, and this could result in a decrease in the demand for food products. These changes could lead to, among other things, reduced demand and price decreases, which could have a material adverse effect on the Company's business.

Consumer Perception of Mushrooms

The Company is highly dependent upon consumer perception of mushrooms and mushroom based products. The public may associate its mushrooms with illegal psychoactive mushrooms, which are prohibited substances. The Company's revenues may be negatively impacted due to the fact the market does not fully accept mushrooms as a food product.

Brand Awareness

Brand awareness has not been achieved by the Company. There is no assurance that the Company will be able to achieve brand awareness in any of its target regions. In addition, the Company must develop successful marketing, promotional and sales programs in order to sell its products. If the Company 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.

Limited Number of Products

The Company will be heavily reliant on the production and distribution of mushroom and related

products. If they do not achieve sufficient market acceptance, it will be difficult for the Company to achieve profitability. The Company's revenue is expected to be derived almost exclusively from sales of mushroom based products, and the Company expects that its mushroom based products will account for substantially all of its revenue for the foreseeable future. If the mushroom market declines or mushrooms fail to achieve substantially greater market acceptance than it currently enjoys, the Company will not be able to grow its revenues sufficiently for it to achieve consistent profitability. Even if products to be distributed by the Company 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 mushrooms. Adverse publicity about mushroom based products that the Company plans to sell may discourage consumers from buying products distributed by the Company.

Development of New Products

The Company's success will depend, in part, on its ability to develop, introduce and market new and innovative products. If there is a shift in consumer demand, the Company must meet such demand through new and innovative products or else its business will fail. The Company's ability to develop, market and produce new products is subject to it having substantial capital. There is no assurance that the Company will be able to develop new and innovative products or have the capital necessary to develop such products.

Industry and Market are New

The Company operates its business in a relatively new industry and market. There is no assurance the Company will be able to derive meaningful revenue from its investment in psychedelic drugs, or to pursue that business to the extent currently proposed or at all. In addition to being subject to general business risks, the Company 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 Company's industry and market could have a material adverse effect on the Company's business, financial conditions and results of operations.

Managing Growth

In order to manage growth and change in strategy effectively, the Company must: (a) maintain adequate systems to meet future customer demands; (b) expand sales and marketing, distribution capabilities and administrative functions; (c) expand the skills and capabilities of its current management team; and (d) attract and retain qualified employees. While it intends to focus on managing its costs and expenses over the long term, the Company expects to invest to support its growth and may have additional unexpected costs. It may not be able to expand quickly enough to exploit potential market opportunities.

Product Pricing Risk

As the market for the Company's products matures, or as new or existing competitors introduce new products or services that compete with the Company, it may experience pricing pressure and be unable to renew its agreements with existing customers or attract new customers at prices that are consistent with our pricing model and operating budget. If this were to occur, it is

possible that the Company would have to change its pricing model or reduce prices, which could harm revenue, gross margin, and operating results.

Foreign Currency Risk

The Company is subject to foreign currency risk. The strengthening or weakening of the Canadian or US dollar versus other currencies will impact the translation of its net revenues generated in these foreign currencies into Canadian and US dollars. The Company imports certain ingredients in its products from foreign countries, and so may become forced to pay higher rates for its ingredients as a result of the weakening of the Canadian or US dollar.

Distribution/Supply Chain Interruption

The Company is susceptible to risks relating to distributor and supply chain interruptions. Distribution in Canada is largely accomplished through independent contractors, therefore, an interruption (e.g., a labour strike) for any length of time affecting such independent contractors may have a significant impact on the Company's ability to sell its products. Supply chain interruptions, including a production or inventory disruption, could impact product quality and availability. Inherent to producing products is a potential for shortages or surpluses in future years if demand and supply are materially different from long-term forecasts. The Company monitors category trends and regularly reviews maturing inventory levels.

Reliance on Third Party Manufacturers

The Company relies on outside sources to manufacture its products. The failure of such third party packagers to deliver either components or finished goods on a timely basis could have a material adverse effect on the business. The Company does not intend to develop its own packaging capacity in the short term. As these are third parties over which the Company will have little or no control, the failure of such third parties to provide components or finished goods on a timely basis could have a material adverse effect on the business, financial condition and operating results.

Reliance on Third Party Suppliers

The Company intends to maintain a full supply chain for the material portions of the production and distribution process of its products. The Company's suppliers, service providers and distributors may elect, at any time, to breach or otherwise cease to participate in supply, service or distribution agreements, or other relationships, on which the Company's operations rely. Loss of its suppliers, service providers or distributors would have a material adverse effect on the Company's business and operational results. The Company currently relies on certain third-party manufacturers. Disruption of operations at any one of these facilities could adversely affect inventory supplies and the Company's ability to meet product delivery deadlines.

Raw Materials

The Company's products are derived from mushrooms. Accordingly, the Company and/or its manufacturers must acquire and grow enough mushrooms so that the products can be produced to meet the demand of its customers. A mushroom shortage or a poor harvest could result in loss of sales and damage to the Company. If the Company and/or its manufacturers become unable to acquire commercial quality mushrooms 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 mushrooms at a substantially equivalent cost, in substantially equivalent volumes and quality, and on a timely basis, the Company will likely be unable to meet customer demand.

Management

The success of the Company is currently largely dependent on the performance of its directors and officers. The loss of the services of any of these persons could have a materially adverse effect on the Company's business and prospects. There is no assurance the Company can maintain the services of its directors, officers or other qualified personnel required to operate its business. In addition, the Company's ability to keep on personnel may be challenged as a result of potential COVID-19 outbreaks or quarantines.

Key Person Insurance

The Company does not maintain key person insurance on any of its directors or officers, and as result the Company would bear the full loss and expense of hiring and replacing any director or officer in the event the loss of any such persons by their resignation, retirement, incapacity, or death, as well as any loss of business opportunity or other costs suffered by the Company from such loss of any director or officer.

Retention and Acquisition of Skilled Personnel

The loss of any member of the Company's team, or of its key individuals or qualified person in charge, could have a material adverse effect on its business and results of operations. In addition, an inability to hire, or the increased costs of new personnel, including members of executive management, could have a material adverse effect on the Company's business and operating results. At present and for the near future, the Company will depend upon a relatively small number of contractors to develop, market, sell and support its products. The expansion of marketing and sales of its products will require the Company to find, hire and retain additional capable personnel who can understand, explain, market and sell its products. There is intense competition for capable personnel in all of these areas and the Company may not be successful in attracting, training, integrating, motivating, or retaining new personnel, vendors, or subcontractors for these required functions. New employees often require significant training and, in many cases, take significant time before they achieve full productivity. As a result, the Company may incur significant costs to attract and retain contractors, including significant expenditures related to salaries and benefits and compensation expenses related to equity awards, and may lose new employees to its competitors or other companies before it realizes the benefit of its investment in recruiting and training them. In addition, if and when the Company moves into new jurisdictions, it will need to attract and recruit skilled contractors in those areas.

Potential Conflicts of Interest

The Company's directors and officers may serve as directors or officers of other similar companies or have significant shareholdings in other similar companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a meeting of the Company'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 the *Business*

Corporations Act (British Columbia). In accordance with the laws of British Columbia, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company.

Pursuant to the Lease Agreement, the Company is leasing the Facilities from BC Green on a triple net basis. Each of Jacob and Bryan Safarik, who are directors and/or officers of the Company, are also directors, officers and/or principals of BC Green, and accordingly have a material interest in the Lease Agreement. The Lease Agreement is for a term of five (5) years, less 22 days, and commenced on July 23, 2020. Pursuant to the Lease Agreement, the Company shall pay annual basic rent of \$2,500 per month until the building to be erected by the Company on the leased premises is completed. Following such completion date, the annual basic rent shall increase to \$3,500 per month until the term of the lease has expired. In addition to annual basic rent, the Company shall pay BC Green additional rent in monthly instalments, which is comprised of operating costs, insurance, utilities security, repairs and maintenance, cleaning and taxes relating to the leased premises.

The Company has entered into the Project Development and Consulting Services Agreement with BC Green dated as of July 23, 2020. Each of Jacob and Bryan Safarik, who are directors and/or officers of the Company, are also directors, officers and/or principals of BC Green, and accordingly have a material interest in the Project Development and Consulting Agreement. Pursuant to the Project Development and Consulting Agreement, BC Green has agreed to provide certain project consulting services in relation to the construction of the Company's mushroom growth facilities at its Princeton, BC leased premises, and applicable regulatory approvals, licenses and permits required for the Company to conduct its proposed business at such facilities. The Project Development and Consulting Agreement is for a period of five years, unless terminated earlier in accordance with the terms thereof. As remuneration for the services provided, the Company will grant BC Green a total of 3,000,000 Common Shares at a deemed price of \$0.05 per share, with half of the Common Shares to be issued upon the receipt of building permits for new building construction on the Company's Princeton, BC facility and half of the Common Shares to be issued upon the Company either (i) being legally recognized as a "licensed dealer" under the *Narcotic Control Regulations* (Canada), or (ii) granted an exemption to conduct commercial production, processing, manufacturing, distribution and sales activities with one or more controlled substances under the CDSA. The Company has met the above milestones and all 3,000,000 Common Shares were issued January 25, 2021.

Fraudulent or Illegal Activities by Contractors and Consultants

The Company is exposed to the risk that its 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 us 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 us to identify and deter misconduct by the Company's employees and other third parties, and the precautions taken by us to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting us 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 Company, and it is not successful in defending itself or asserting its rights, those actions could result in the imposition of civil, criminal and administrative penalties, damages, monetary fines or contractual damages on the Company, reputational harm, diminished profits and future earnings, and curtailment of the

Company's operations.

Facilities Construction Risk

Commercial construction involves a number of risks and uncertainties, certain of which are outside the control of management. Any disruption or delay in the construction of the Facilities may impair or impede the ability of the Company to grow its own fungi products for distribution via its e-commerce platform and or affect the ability of the Company to obtain the Dealer's License.

Resale of Common Shares

The continued operation of the Company will be dependent upon its ability to generate operating revenues and to procure additional financing. There can be no assurance that any such revenues can be generated or that other financing can be obtained. If the Company is unable to generate such revenues or obtain such additional financing, any investment in the Company may be lost. In such event, the probability of resale of the Common Shares by any investor of the Company would be diminished.

Price Volatility of Publicly Traded Securities

In recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any quoted market for the Common Shares will be subject to market trends generally, notwithstanding any potential success of the Company in executing on its business plan, creating revenues, cash flows or earnings. The value of the Common Shares will be affected by such volatility.

Legal Proceedings

From time to time, the Company may be a party to legal and regulatory proceedings, including matters involving governmental agencies, entities with whom it does business and other proceedings arising in the ordinary course of business. The Company will evaluate its exposure to these legal and regulatory proceedings and establish reserves for the estimated liabilities in accordance with generally accepted accounting principles. Assessing and predicting the outcome of these matters involves substantial uncertainties. Unexpected outcomes in these legal proceedings, or changes in management's evaluations or predictions and accompanying changes in established reserves, could have an adverse impact on the Company's financial results.

Trademark Protection

The Company has applied for trademark protection for "Optimi" and "Optimi Health" in Canada and the United States in order to protect the brand being developed by the Company in respect of both its functional mushroom growth business and direct-to-consumer health food business. The Company currently has not obtained any trademarks, and there is no guarantee that existing trademark applications will be prosecuted successfully. Failure to register trademarks for the Company or its products could require the Company to rebrand its products resulting in a material adverse impact on its business.

Economic and Political Instability

The global economic environment has created market uncertainty and volatility in recent years. From mid-calendar 2008 until early 2009 there was a negative trend with regard to the market for various products and services as a result of global economic uncertainty, reduced confidence in financial markets, bank failures and credit availability concerns. Many industries are impacted by these market conditions. Global financial conditions remain subject to sudden and rapid destabilizations in response to economic shocks. A slowdown in the financial markets or other economic conditions, including but not limited to consumer spending, employment rates, business conditions, inflation, fuel and energy costs, consumer debt levels, lack of available credit, the state of the financial markets, interest rates and tax rates, may adversely affect the Company's growth and profitability. Future economic shocks may be precipitated by a number of causes, including the ongoing European debt situation, a continued rise in the price of oil and other commodities, geopolitical instability, terrorism, the devaluation and volatility of global stock markets and natural disasters. Any sudden or rapid destabilization of global economic conditions could impact the Company's ability to obtain equity or debt financing in the future on terms favorable to the Company or at all. In such an event, the Company's operations and financial condition could be adversely impacted.

There are no assurances with respect to the relative strength and stability of future markets. Although the Company remains financially strong, its liquidity and long-term ability to raise the capital required to execute its business plans may be affected by market volatilities.

Public Health Crisis

The Company's business, operations and financial condition could be materially and adversely affected by the outbreak of epidemics or pandemics or other health crises, including the recent outbreak of COVID-19. On January 30, 2020, the World Health Organization declared the outbreak a global health emergency, on March 11, 2020, the World Health Organization declared the outbreak a pandemic. The Company is actively assessing and responding where possible to the potential impact of the COVID-19 pandemic.

To date, there have been a large number of temporary business closures, quarantines and a general reduction in consumer activity in Canada, the United States, Europe and Asia. The outbreak has caused companies and various international jurisdictions to impose travel, gathering and other public health restrictions. While these effects are mitigated through vaccinations and decreasing cases of COVID-19 worldwide, the duration of the various disruptions to businesses locally and internationally and the related financial impact cannot be reasonably estimated at this time.

The Company is, for the time being, implementing among its staff where feasible "social distancing" measures recommended by local authorities. The Company has cancelled nonessential travel by employees, implemented remote meetings where possible, and permitted all staff who can work remotely to do so. For those whose duties require them to work on-site, measures have been implemented to reduce infection risk, such as reduced contact with others, mandating additional cleaning and hand disinfection and providing masks and gloves to certain personnel. Nevertheless, despite such measures, the Company may find it difficult to ensure that its operations remain staffed due to employees falling ill with COVID-19, becoming subject to quarantine, or deciding not to come to work on their own volition to avoid infection.

The Company cannot estimate whether or to what extent this outbreak and the potential

financial impact may extend to countries outside of those currently impacted. Such public health crises can result in volatility and disruptions in the supply and demand for the Company's products, global supply chains and financial markets, as well as declining trade and market sentiment, and reduced mobility of people, all of which could affect commodity prices, interest rates, credit ratings, credit risk and inflation.

The risks to the Company of such public health crises also include volatility in the global capital markets that could negatively impact the Company's ability to access capital, risks to employee health and safety, a slowdown or temporary suspension of operations impacted by an outbreak, health and safety measures of government and other regulatory bodies that could cause disruption to or closure of the Company's operations as well as business interruptions to the Company's customers impacting their ability to make timely payments, increased labour and fuel costs, regulatory changes, political or economic instabilities or civil unrest.

COVID-19 could impact future expansions of the Company, especially across national and international borders. The Company will need to take into consideration various impacts of COVID-19 on any potential location, including historical, current and trending COVID-19 health community data, and public health and safety measures implemented by each locations' government agencies. The extent to which COVID-19 will or may impact the Company is uncertain and these factors are beyond the Company's control; however, it is possible that COVID-19 may have a material adverse effect on the Company's business, results of operations and financial condition.

Limited Operating History

The Company has a limited operating history in its industry upon which its business and future prospects may be evaluated. The Company will be subject to all of the business risks and uncertainties associated with any new business enterprise, including the risk that it will not achieve its operating goals. In order for the Company to meet future operating and debt service requirements, the Company will need to be successful in its growing, marketing and sales efforts. Additionally, where the Company experiences increased production and future sales, the Company's current operational infrastructure may require changes to scale its business efficiently and effectively to keep pace with demand and achieve long-term profitability. If the Company's products and services are not accepted by new customers, its operating results may be materially and adversely affected.

Financial and Accounting Risks

The Company has no history of earnings and, due to the nature of its business, there can be no assurance that the Company will be profitable. The Company has paid no dividends on its shares since incorporation and does not anticipate doing so in the foreseeable future. The Company had no revenues for the period from incorporation to September 30, 2020, as well as for the six month period ended March 31, 2021. To the extent that the Company has no revenues in future periods, it will need to allocate a portion of its cash to fund its operations. The Company may also be required to raise additional funds through the issuance of equity or debt securities. There can be no assurance that the Company 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 Company.

Access to Capital

In executing its business plan, the Company makes, and will continue to make, substantial investments and other expenditures related to acquisitions, research and development and marketing initiatives. The Company has financed these expenditures through offerings of its equity securities. The Company will have further capital requirements and other expenditures as it proceeds to expand its business or takes advantage of opportunities for acquisitions or other business opportunities that may be presented to it. The Company may incur major unanticipated liabilities or expenses. It can provide no assurance that it will be able to obtain financing to meet its growth needs.

Estimates or Judgments Relating to Critical Accounting Policies

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. The Company bases its estimates on historical experience and on various other assumptions that it believes to be reasonable under the circumstances, as provided in the notes to its financial statements, the results of which form the basis for making judgments about the carrying values of assets, liabilities, equity, revenue and expenses that are not readily apparent from other sources. The Company's operating results may be adversely affected if the assumptions change or if actual circumstances differ from those in the assumptions, which could cause the Company's operating results to fall below the expectations of securities analysts and investors, resulting in a decline in the share price of the Company. Significant assumptions and estimates used in preparing the financial statements include those related to the credit quality of accounts receivable, income tax credits receivable, share based payments, impairment of non-financial assets, fair value of biological assets, as well as revenue and cost recognition.

No History of Payment of Cash Dividends

The Company has never declared or paid cash dividends on the Common Shares. The Company intends to retain future earnings to finance the operation, development and expansion of the business. The Company does not anticipate paying cash dividends on the Common Shares in the foreseeable future. Payment of future cash dividends, if any, will be at the discretion of the Board of Directors and will depend on the Company's financial condition, results of operations, contractual restrictions, capital requirements, business prospects and other factors that the Board of Directors considers relevant.

Reporting Issuer Status

Optimi has only recently become subject to the continuous and timely disclosure requirements of Canadian Securities Laws or other rules, regulations and policies of the CSE. As a reporting issuer, the Company is subject to reporting requirements under applicable Securities Laws and stock exchange policies. Optimi is working with its legal, accounting and financial advisors to identify those areas in which changes should be made to Optimi Labs' financial management control systems to manage its obligations as a subsidiary of a public company. Compliance with these requirements will increase legal and financial compliance costs, make some activities more difficult, time consuming or costly and increase demand on existing systems and resources. Among other things, the Company is required to file annual, quarterly and current reports with respect to its business and results of operations and maintain effective disclosure controls and procedures and internal controls over financial reporting. In order to maintain and,

if required, improve disclosure controls and procedures and internal controls over financial reporting to meet this standard, significant resources and management oversight may be required. As a result, management's attention may be diverted from other business concerns, which could harm the Company's business and results of operations. The Company may need to hire additional employees to comply with these requirements in the future, which would increase its costs and expenses. Management of Optimi expects that being a reporting issuer will make it more expensive to maintain director and officer liability insurance. This factor could also make it more difficult for the Company to retain qualified directors and executive officers.

Increased Regulatory and Compliance Costs

Legal, accounting, and other expenses associated with public company reporting requirements are generally increasing annually. The Company anticipates that costs may continue to increase with corporate governance related requirements, including, without limitation, requirements under National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*, National Instrument 52-110 – *Audit Committees*, and National Instrument 58-101 – *Disclosure of Corporate Governance Practices*.

The Company also expects these rules and regulations may make it more difficult and more expensive for it to obtain director and officer liability insurance, and it may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. As a result, it may be more difficult for the Company to attract and retain qualified individuals to serve on its Board of Directors or as executive officers.

Analyst Coverage

The trading market for the Common Shares will, to some extent, depend on the research and reports that securities or industry analysts publish about the Company or its business. The Company will not have any control over these analysts. If one or more of the analysts who covers the Company should downgrade the Common Shares or change their opinion of the Company's business prospects, the share price of Optimi would likely decline. If one or more of these analysts ceases coverage of the Company or fails to regularly publish reports on the Company, the Company could lose visibility in the financial markets, which could cause the share price or trading volume to decline.

Tax Uncertainty

Tax rates and methods of calculating tax in jurisdictions related to the Company's business may be subject to changes. The Company's interpretation of taxation law where it operates and as applied to its transactions and activities may be different than that of applicable tax authorities. As a result, tax treatment of certain operation, action or transactions may be challenged and reassessed by applicable tax authorities, which could result in adverse tax consequences for the Company, including additional taxes, penalties, interest and may also adversely affect the Company's ability to repatriate earnings and otherwise deploy its assets.

Tax Issues

Income tax consequences in relation to the Common Shares will vary according to circumstances of each investor. Prospective investors should seek independent advice from their own tax and legal advisers prior to investing in Common Shares of the Company.

Risks relating to the Company's Securities

Potential Dilution

In order to finance future operations, the Company may raise funds through the issue of Common Shares or the issue of securities convertible into or exercisable for Common Shares. The Company cannot predict the size of future issues of Common Shares or the issue of securities convertible into or exercisable for Common Shares or the effect, if any, that future issues and sales of the Common Shares will have on the market price of the Common Shares. Any transaction involving the issue of previously unissued shares, or securities convertible into or exercisable for shares, would result in dilution, which may be substantial, to existing holders of shares.

Future Sales of Common Shares by Existing Shareholders

Sales of a large number of Common Shares in the public markets, or the potential for such sales, could decrease the trading price of the Common Shares and could impair the Company's ability to raise capital through future sales of Common Shares.

Decrease in Value of Common Shares

The Company may sell equity securities in offerings and may issue additional equity securities to finance operations. The Company cannot predict the size of future issuances of equity securities or other securities convertible into equity securities or the effect, if any, that future issuances and sales of the securities will have on the market price of the Common Shares. Any transaction involving the issuance of previously authorized but unissued Common Shares, or securities convertible into Common Shares, would result in dilution, possibly substantial, to shareholders. Exercises of presently outstanding stock options may also result in dilution to shareholders. The Board of Directors of the Company has the authority to authorize certain offers and sales of the securities without the vote of, or prior notice to, shareholders. Based on the need for additional capital to fund expected expenditures and growth, it is likely that the Company will issue the securities to provide such capital. Such additional issuances may involve the issuance of a significant number of Common Shares at prices less than the current market price.

Sales of substantial amounts of the securities, or the availability of the securities for sale, could adversely affect the prevailing market prices for the securities and dilute investors' earnings per share. A decline in the market prices of the securities could impair the Company's ability to raise additional capital through the sale of additional securities should the Company desire to do so.

DIVIDENDS AND DISTRIBUTIONS

The Company has not declared or paid dividends since incorporation and has no present intention to declare or pay any dividends in the foreseeable future. Dividends paid by the Company would be subject to tax and, potentially, withholdings. Any decision to declare or pay dividends will be made by the Company's Board of Directors based upon the Company's earnings, financial requirements and other conditions existing at such future time.

DESCRIPTION OF CAPITAL STRUCTURE

Common Shares

The Company's authorized capital consists of an unlimited number of Common Shares, of which 69,448,906 are issued and outstanding as at the date of this AIF as fully paid and non-assessable. Holders of the Common Shares are entitled to vote at all meetings of the holders of the Common Shares and, subject to the rights of holders of any shares ranking in priority to or on a parity with the Common Shares, to participate rateably in any distribution of the Company's property or assets upon liquidation or wind-up.

The Board is authorized to issue additional Common Shares on such terms and conditions and for such consideration as the Board may deem appropriate without further security holder action.

Warrants

As at the date of this AIF, the Company has 40,792,155 warrants outstanding to purchase Common Shares of the Company. The warrants have exercise prices of \$0.10, \$0.40 or \$1.25 and are exercisable until July 6, 2022, September 11, 2021 and February 24, 2023 respectively.

Options

As at the date of this AIF, the Company has 2,840,000 Options outstanding to purchase Common Shares of the Company. The options have exercise prices of \$0.50, \$0.60, and \$1.50 per Option and are subject to varying vesting provisions.

Restricted Share Rights (RSRs)

As at the date of this AIF, the Company has 1,284,750 RSRs outstanding, which will vest and convert into Common Shares, for no additional consideration. There are two tranches of RSRs, the first with 10% vesting on the date of listing on the CSE and 15% vesting each six months thereafter and the second with 10% vesting on the date of grant on May 6, 2021, and 15% vesting each six months thereafter.

Agent's Options

As of the date of this AIF, the Company has 1,932,000 non-transferrable agent options (the "**Agent Options**") outstanding, which were issued in connection with the Company's initial public offering. Each Agent Option is exercisable for one unit at an exercise price of \$0.75 until February 24, 2023. Each unit consists of one Common Share and one-half of a Common Share purchase warrant, with each whole such warrant entitling the holder thereof to purchase one additional Common Share at an exercise price of \$0.75.

MARKET FOR SECURITIES

Trading Price and Volume

On February 25, 2021, the Common Shares commenced trading on the CSE under the trading symbol "OPT1". The following table sets forth information relating to the trading of the Common Shares on the CSE for the dates indicated.

CSE Price Range			
Month	High	Low	Total Volume
July 1 – 9, 2021	\$0.80	\$0.73	683,854
June 2021	\$0.80	\$0.67	5,458,721
May 2021	\$0.80	\$0.68	3,059,063
April 2021	\$0.85	\$0.69	6,190,186
March 2021	\$1.10	\$0.62	12,465,800
February 25 – 28, 2021	\$1.03	\$0.72	8,662,635

In addition, on February 25, 2021, the warrants issued in connection with the Company's IPO (the "IPO Warrants") commenced trading on the CSE under the trading symbol "OPTI.WT". The following table sets forth information relating to the trading of the IPO Warrants on the CSE for the dates indicated.

CSE Price Range			
Month	High	Low	Total Volume
July 1 – 9, 2021	\$0.15	\$0.115	113,500
June 2021	\$0.15	\$0.115	316,850
May 2021	\$0.195	\$0.14	487,669
April 2021	\$0.19	\$0.145	1,078,116
March 2021	\$0.35	\$0.14	2,373,904
February 25 – 28, 2021	\$0.32	\$0.15	945,609

Prior Sales

The following table summarizes all sales of securities of the Company since the date of incorporation:

Issue Date	Number of Securities	Type of Security	Issue or Exercise Price per Security	Aggregate Issue or Exercise Price
May 27, 2020	1	Common Shares	\$0.01	\$0.01
Jul 6, 2020	20,000,000	Common Shares ⁽¹⁾	\$0.05	\$1,000,000
Jul 6, 2020	10,000,000	Warrants ^{(1) (2)}	-	-
Sep 11, 2020	17,963,005	Special Warrants ⁽³⁾	\$0.25	\$4,490,751.25
Sep 11, 2020	25,150	Broker Unit ⁽¹³⁾	-	-
Oct 9, 2020	500,000	Restricted Share Rights (RSRs) ⁽⁸⁾	-	-

Issue Date	Number of Securities	Type of Security	Issue or Exercise Price per Security	Aggregate Issue or Exercise Price
Oct 9, 2020	500,000	Options ⁽⁹⁾	\$0.50	-
Jan 12, 2021	17,963,005	Common Shares	-	-
Jan 12, 2021	17,963,005	Warrants	\$0.40	\$7,185,202
Jan 25, 2021	3,000,000	Common Shares	\$0.05 ⁽⁴⁾	\$150,000 ⁽⁴⁾
Jan 26, 2021	40,000	Stock Options ⁽¹⁰⁾	\$0.60	-
Feb 2, 2021	150,000	Common Shares	\$0.25 ⁽⁴⁾	\$37,500 ⁽⁴⁾
Feb 24, 2021	27,600,000	Common Shares ⁽⁵⁾	\$0.75	\$20,700,000
Feb 24, 2021	13,800,000	Warrants ⁽⁵⁾⁽⁶⁾	-	-
Feb 24, 2021	1,932,000	Agent Options ⁽⁷⁾	\$0.75	\$1,449,000
Mar 3, 2021	50,000	Common Shares	\$0.75 ⁽⁴⁾	\$37,500
Mar 16, 2021	300,000	Common Shares	\$0.40	\$120,000
Apr 7, 2021	60,000	Common Shares	\$0.40	\$24,000
April 14, 2021	50,000	Common Shares	\$0.75 ⁽⁴⁾	\$37,500
April 16, 2021	58,000	Common Shares	\$0.40	\$23,200
May 6, 2021	2,025,000	Options ⁽¹¹⁾	\$1.50	-
May 6, 2021	927,500	Restricted Share Rights (RSRs) ⁽¹²⁾	-	-
May 20, 2021	150,000	Stock Options ⁽¹¹⁾	\$1.50	-
May 25, 2021	75,000	Stock Options ⁽¹¹⁾	\$1.50	-
Jun 3, 2021	20,000	Common Shares	\$0.40	\$8,000
Jun 14, 2021	50,000	Stock Options ⁽¹¹⁾	\$1.50	-
Jun 21, 2021	20,000	Common Shares	\$0.40	\$8,000
Jun 25, 2021	25,150	Common Shares	\$0.25	\$6,287.50
Jun 25, 2021	25,150	Warrants ⁽¹³⁾	\$0.40	
Jun 30, 2021	92,750	Common Shares	\$0.75	\$69,562.50
Jul 5, 2021	20,000	Common Shares	\$0.40	\$8,000
Jul 7, 2021	40,000	Common Shares	\$0.40	\$16,000

Notes:

- (1) The Common Shares and warrants were issued as a unit at the price of \$0.05 per unit.
- (2) Each warrant is exercisable to acquire one Common Share at a price of \$0.10 per Common Share for a period of 24 months from the date of issuance.
- (3) The special warrants converted into Common Shares and warrants on January 12, 2021.
- (4) Deemed issue price.

- (5) The Common Shares and warrants were issued as a unit at the price of \$0.75 per unit.
- (6) Each warrant is exercisable to acquire one Common Share at a price of \$1.25 per Common Shares until February 24, 2021.
- (7) Each Agent Option is exercisable for one unit (an “**Agent Unit**”) at an exercise price of \$0.75 until February 24, 2023. Each Agent Unit consists of one Common Share and one-half of a Common Share purchase warrant (each whole such warrant, an “**Agent Unit Warrant**”). Each Agent Unit Warrant is exercisable at a price of \$1.25
- (8) The RSRs vest and convert into Common Shares, for no additional consideration, in tranches, with 10% vesting on the date of listing on the CSE and 15% vesting each six months thereafter.
- (9) The options are exercisable for five years, at a price of \$0.50 per option and not subject to any vesting provisions.
- (10) The options are exercisable for five years, at a price of \$0.60 per option and subject to vesting provisions, with 25% vesting three months from the date of grant and 25% vesting each three months thereafter.
- (11) The options are exercisable for five years, at a price of \$1.50 per option and subject to vesting provisions, with 25% vesting on the date of grant and 25% vesting each six months thereafter.
- (12) The RSRs will vest and convert into Common Shares, for no additional consideration, in tranches, with 10% vesting on the date of grant and 15% vesting each six months thereafter.
- (13) Each broker unit (a “**Broker Unit**”) is exercisable at \$0.25 until September 11, 2021. Each Broker Unit consists of one Common Share and one Common Share purchase warrant, each warrant is exercisable at \$0.40 until September 11, 2021.

**ESCROWED SECURITIES AND SECURITIES
SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER**

Pursuant to the Escrow Agreements, the Common Shares subject to contractual restriction and escrow are as shown in the following table:

Designation of class	Number of securities held in escrow or that are subject to a contractual restriction on transfer	Percentage of class
Common Shares	6,400,000 ⁽¹⁾⁽⁷⁾	9.22% ⁽³⁾
Common Shares	13,920,000 ⁽²⁾⁽⁷⁾	20.04% ⁽³⁾
Options and Warrants	7,320,000 ⁽⁴⁾⁽⁷⁾	6.23% ⁽⁵⁾
Warrants	3,280,000 ⁽⁶⁾⁽⁷⁾	2.79% ⁽⁵⁾

Notes:

- (1) These Common Shares are held by directors and are subject to the Escrow Agreements in accordance with NP 46-201. The Escrow Agent is Endeavor Trust Company.
- (2) These Common Shares are held by founding shareholders, and are subject to the same escrow terms as those imposed by the Escrow Agreement in accordance with NP 46-201.
- (3) Based on 69,448,906 Common Shares issued and outstanding as of the date hereof.
- (4) These Options and warrants are held by directors and officers and are subject to the Escrow Agreements in accordance with NP 46-201. The Escrow Agent is Endeavor Trust Company.
- (5) Based on 117,563,811 Common Shares issued and outstanding on a fully diluted basis.
- (6) These warrants are held by founding shareholders, and are subject to the same escrow terms as those imposed by the Escrow Agreement in accordance with NP 46-201.
- (7) 10% of these securities were released from escrow upon the Company’s listing of its Common Shares on the CSE on February 25, 2021. The remainder of the securities will be released in 15% tranches every six months thereafter for a total escrow period of 36 months.

DIRECTORS AND OFFICERS

Name, Occupation and Security Holdings

The following table provides the names, municipalities of residence, position, principal occupations and the number of voting securities of the Company that each of the directors and officers beneficially owns, directly or indirectly, or exercises control over, as of the date hereof:

Name and Municipality of Residence and Position with the Company	Director / Officer Since	Principal Occupation	Number and Percentage of Common Shares Beneficially Owned or Controlled, Directly or Indirectly
Mike Stier ⁽²⁾ President, Chief Executive Officer, Director Delta, BC	May 27, 2020	See detailed biography below	81,251 (0.12%)
Bryan Safarik Chief Operating Officer and Director Vancouver, BC	July 6, 2020	See detailed biography below	71,119 (0.10%)
Jacob Safarik Chief Financial Officer Vancouver, BC	July 6, 2020	See detailed biography below	10,500 (0.02%)
Dane Stevens Chief Marketing Officer and Director Vancouver, BC	July 6, 2020	See detailed biography below	4,675,400 (6.73%)
JJ Wilson ^(2,3) Director and Non-Executive Chairman Vancouver, BC	July 6, 2020	See detailed biography below	3,060,500 (4.41%)
Jon Schintler ^(2,3) Director Vancouver, BC	October 7, 2020	See detailed biography below	99,167 (0.14%)
Leah Hodges Corporate Secretary Squamish, BC	April 14, 2021	Self-employed consultant	1,050 (0.00%)

Notes:

- (1) Based on 69,448,906 Common Shares issued and outstanding as of the date hereof.
- (2) Denotes a member of the Audit Committee of the Company.
- (3) Denotes an independent director.

The term of office of the directors expires annually at the time of the Company's annual general meeting. The term of office of the executive officers expires at the discretion of the Company's directors. Pursuant to the Stier Consulting Agreement, Mike Stier has provided the Company with non-disclosure, non-competition and non-solicitation covenants. Pursuant to the Schintler Consulting Agreement, Jon Schintler has provided the Company with non-disclosure, non-competition and non-solicitation covenants. None of the Company's other directors or executive officers have entered into non-competition or non-disclosure agreements with the Company.

As at the date of this Prospectus, the directors and executive officers of the Company as a group beneficially own, directly or indirectly, or exercised control or discretion over an aggregate of 7,998,987 Common Shares, which is equal to 11.52% of the Common Shares issued and outstanding as at the date hereof.

Biographies

The following is a brief description of each of the directors and executive officers of the Company, including their names, ages, positions and responsibilities with the Company, relevant educational background, principal occupations or employment during the five years preceding the date hereof, experience in the Company's industry and the amount of time intended to be devoted to the affairs of the Company:

Mike Stier – President, CEO, Director – Age 33

Michael Stier studied business management at Kwantlen Polytechnic University and Okanagan College, specializing in finance. While in University, he worked for Skyline Investor Relations managing several campaigns on companies in industries such as oil & gas, precious metals and technology. Following his graduation from University, Mr. Stier joined CIBC's Imperial Service Division, where he worked as an IIROC licensed Senior Financial Advisor for six years. Leaving CIBC gave Mr. Stier the opportunity to join a private equity firm as a head trader. Mr. Stier has also obtained experience and expertise of corporate finance and structure, M&A and operational business development through his years with LinkPoint Consulting. Currently, Mr. Stier is President & CEO of New Leaf Ventures Inc. a company dedicated to evaluating and accelerating advanced stage operations in the North American Cannabis sector and which recently completed an IPO on the Canadian Securities Exchange. Mr. Stier expects to provide services on a part time (50%) basis to the Company, or such greater or lesser amount of time as may be required.

Bryan Safarik – Chief Operating Officer and Director – Age 36

Over fifteen years of experience in Senior Management roles as well as Founder and President of a number of profitable private companies. Bryan's experience highlights includes developing operational efficiencies in Ocean Fisheries Ltd.'s ("**Ocean's**") fresh packing and canning facilities before most notably serving as Director of Marine Operations prior to the company's sale to the Jim Pattison group where he oversaw fishing operations, logistics and quota management. After assisting with the successful sale of Ocean's, Bryan co-founded a private federally licensed cannabis production company in 2016, BC Green, where he currently serves as President. Bryan received a Bachelors of Science degree from Wingate University. Mr. Safarik expects to provide services on a part time (50%) basis to the Company, or such greater or lesser amount of time as may be required.

Jacob Safarik - Chief Financial Officer – Age 33

Over twelve years of experience in accounting, project finance, business development and quality assurance. Jacob graduated from McGill University with a Bachelor of Commerce degree and is a Chartered Professional Accountant. Jacob is also a co-founder of BC Green and currently serves as their Chief Financial Officer. Mr. Safarik expects to provide services on a part time (50%) basis to the Company, or such greater or lesser amount of time as may be required.

Dane Stevens - Chief Marketing Officer and Director – Age 31

An entrepreneur with 12 years of experience in product sourcing, development, management, manufacturing, and quality control, Dane is the founder of multiple successful wholesale and DTC jewellery businesses, as well as Cavalier Jewellers. He developed an integral understanding of effective sourcing and reliable distribution by vertically integrating all areas of the jewellery supply chain. To ensure product quality and viability, Dane guided the growth of operations internationally throughout South America and Asia, setting up partnership offices to source gemstones and diamonds directly. Dane's experience in digitalizing, modernizing, and operating in today's retail landscape allowed Cavalier to achieve year-over-year growth, both online and in-person, in a highly competitive business arena. Mr. Stevens expects to provide services on a part time (50%) basis to the Company, or such greater or lesser amount of time as may be required.

JJ Wilson – Non-Executive Chairman of the Board of Directors – Age 31

Mr. Wilson is the current Chief Executive Officer and Co-Founder of Ride Cycle Club, an indoor cycling studio with locations in Toronto and Vancouver, and a Partner at Very Polite Agency, an international integrated communications and creative agency, headquartered in Vancouver, BC. Mr. Wilson's previous experience includes leading the international expansion of the apparel brand Kit and Ace, in addition to developing the businesses' brand, and e-commerce and retail platforms. A recent graduate from Harvard Business School, Mr. Wilson now focuses on strategic growth initiatives and development for his operating companies, in addition to independent strategic investments and philanthropy. Mr. Wilson expects to provide services on a part time (50%) basis to the Company, or such greater or lesser amount of time as may be required.

Jon Schintler – Director – Age 42

Mr. Schintler began working in clean energy at the Chicago-based headquarters of Invenergy in 2007. In 2013, he joined Alterra Power Corp as VP of Project Finance & Development in Vancouver, BC. At Alterra he participated in the project financing and origination of new wind, solar and hydro assets. Mr. Schintler is currently the Director of Finance at Elemental Energy Inc., a developer, investor and operator of renewable energy projects, with interests in operating and development stage wind, solar, and hydro projects throughout North America. Mr. Schintler has a business degree from the University of Iowa and was awarded the CFA designation in 2007. Mr. Schintler expects to provide services on a part time (15%) basis to the Company, or such greater or lesser amount of time as may be required.

Leah Hodges – Corporate Secretary – Age 38

Mrs. Hodges is the principal of Benchmark Governance, providing corporate compliance,

administration and governance support to private and public companies in various sectors. Mrs. Hodges has over 16 years of experience serving on and for boards of directors of publicly listed companies on the TSX Venture Exchange, Canadian Securities Exchange and over-the-counter markets. Mrs. Hodges specializes in corporate, commercial and securities compliance, corporate governance, mergers and acquisitions. Mrs. Hodges is a commissioner for taking affidavits in British Columbia, has an associate of arts degree from Capilano University, and is a member of the Governance Professionals of Canada and Institute of Corporate Directors.

Corporate Cease Trade Orders or Bankruptcies

None of the directors or executive officers of the Company is, as at the date of this AIF, or has been within 10 years before the date of this AIF, a director, chief executive officer or chief financial officer of any company (including us) that, while that person was acting in that capacity, or after that person ceased to act in such capacity but resulting from an event that occurred while that person was acting in such capacity, was the subject of a cease trade order, an order similar to a cease trade order, or an order that denied the company access to any exemption under securities legislation in each case for a period of more than 30 consecutive days.

None of the directors, or executive officers of the Company, or to its knowledge, any of its shareholders holding a sufficient number of securities to affect materially the control of the Company (i) is as at the date of this AIF, or has been within 10 years before the date of this AIF, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in such capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (ii) has, within 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of such director, executive officer or shareholder.

Penalties or Sanctions

None of the directors, or executive officers of the Company, or to its knowledge, any of its shareholders holding a sufficient number of securities to affect materially the control of the Company, has been subject to (i) 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 (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

The directors of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interests, which they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the Board, any director in a conflict will disclose his interest and abstain from voting on such matter.

Pursuant to the Lease Agreement, the Company is leasing from BC Green the Princeton, B.C. Facilities on a triple net basis. Each of Jacob and Bryan Safarik, who are directors and/or officers of the Company, are also directors, officers and/or principals of BC Green, and accordingly have a material interest in the Lease Agreement. The Lease Agreement is for a

term of five (5) years, less 22 days, and commenced on July 23, 2020. Pursuant to the Lease Agreement, the Company shall pay annual basic rent of \$2,500 per month until the building to be erected by the Company on the leased premises is completed. Following such completion date, the annual basic rent shall increase to \$3,500 per month until the term of the lease has expired. In addition to annual basic rent, the Company shall pay BC Green additional rent in monthly instalments, which is comprised of operating costs, insurance, utilities security, repairs and maintenance, cleaning and taxes relating to the leased premises.

The Company has entered into the Project Development and Consulting Agreement. Each of Jacob and Bryan Safarik, who are directors and/or officers of the Company, are also directors, officers and/or principals of BC Green, and accordingly have a material interest in the Project Development and Consulting Agreement. Pursuant to the Project Development and Consulting Agreement, BC Green has agreed to provide certain project consulting services in relation to the construction of the Company's mushroom growth facilities at its Princeton, BC leased premises, and applicable regulatory approvals, licenses and permits required for the Company to conduct its proposed business at such facilities. The Project Development and Consulting Agreement is for a period of five years, unless terminated earlier in accordance with the terms thereof. As remuneration for the services provided, the Company will grant BC Green a total of 3,000,000 Common Shares at a deemed price of \$0.05 per share, with half of the Common Shares to be issued upon the receipt of building permits for new building construction on the Company's Princeton, BC facility and half of the Common Shares to be issued upon the Company either (i) being legally recognized as a "licensed dealer" under the *Narcotic Control Regulations* (Canada), or (ii) granted an exemption to conduct commercial production, processing, manufacturing, distribution and sales activities with one or more controlled substances under the *Controlled Drugs and Substances Act* (Canada). The Company has met the above milestones and all 3,000,000 Common Shares were issued January 25, 2021.

Other than as otherwise disclosed herein, to the best of the Company's knowledge there are no known existing or potential conflicts of interest among the Company, its promoters, directors and officers or other members of management of the Company or of any proposed promoter, director, officer or other member of management as a result of their outside business interests except that certain of the directors and officers serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to the Company and their duties as a director or officer of such other companies.

PROMOTERS

Mike Stier may be considered to be the Promoter of the Company in that he took the initiative in organizing the business of the Company. For complete details in respect of Mr. Stier's security holdings of the Company, please refer to "*Directors and Officers – Name, Occupation and Security Holdings*".

Mr. Stier has not received any consideration or value from the Company in consideration of his role as a Promoter. Mr. Stier's compensation for acting in his capacity as Chief Executive Officer is set out under the terms of the Stier Consulting Agreement, and includes the RSRs granted to Mr. Stier as disclosed herein.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

There are no claims, actions, proceedings or investigations pending against the Company or, to the knowledge of the Company, threatened against the Company that, individually or in the

aggregate, are material to the Company. Neither the Company nor its assets and properties is subject to any outstanding judgment, order, writ, injunction or decree that has had or would be reasonably expected to have a material adverse effect on the Company.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as disclosed herein, none of: (i) the directors or executive officers of the Company, (ii) the shareholders who beneficially own, control or direct, directly or indirectly, more than 10% of the voting securities of the Company, or (iii) any associate or affiliate of the persons referred to in (i) and (ii), has or has had any material interest, direct or indirect, in any transaction within the three years before the date of this AIF or in any proposed transaction that has materially affected or is reasonably expected to materially affect the Company or any of its subsidiaries.

Pursuant to the Lease Agreement, the Company is leasing from BC Green the Princeton, B.C. Facilities on a triple net basis. Each of Jacob and Bryan Safarik, who are directors and/or officers of the Company, are also directors, officers and/or principals of BC Green, and accordingly have a material interest in the Lease Agreement. The Lease Agreement is for a term of five (5) years, less 22 days, and commenced on July 23, 2020. Pursuant to the Lease Agreement, the Company shall pay annual basic rent of \$2,500 per month until the building to be erected by the Company on the leased premises is completed. Following such completion date, the annual basic rent shall increase to \$3,500 per month until the term of the lease has expired. In addition to annual basic rent, the Company shall pay BC Green additional rent in monthly instalments, which is comprised of operating costs, insurance, utilities security, repairs and maintenance, cleaning and taxes relating to the leased premises.

The Company has entered into a Project Development and Consulting Services Agreement with BC Green dated as of July 23, 2020 the Project Development and Consulting Agreement. Each of Jacob and Bryan Safarik, who are directors and/or officers of the Company, are also directors, officers and/or principals of BC Green, and accordingly have a material interest in the Project Development and Consulting Agreement. Pursuant to the Project Development and Consulting Agreement, BC Green has agreed to provide certain project consulting services in relation to the construction of the Company's mushroom growth facilities at its Princeton, BC leased premises, and applicable regulatory approvals, licenses and permits required for the Company to conduct its proposed business at such facilities. The Project Development and Consulting Agreement is for a period of five years, unless terminated earlier in accordance with the terms thereof. As remuneration for the services provided, the Company will grant BC Green a total of 3,000,000 Common Shares at a deemed price of \$0.05 per share, with half of the Common Shares to be issued upon the receipt of building permits for new building construction on the Company's Princeton, BC facility and half of the Common Shares to be issued upon the Company either (i) being legally recognized as a "licensed dealer" under the *Narcotic Control Regulations* (Canada), or (ii) granted an exemption to conduct commercial production, processing, manufacturing, distribution and sales activities with one or more controlled substances under the *Controlled Drugs and Substances Act* (Canada). The Company has met the above milestones and all 3,000,000 Common Shares were issued January 25, 2021.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar of the Company is Endeavor Trust Corporation, located at Suite 702, 777 Hornby Street, Vancouver, British Columbia, V6Z 1S4.

MATERIAL CONTRACTS

The following is a list of material contracts of the Company entered into by the Company during its most recently completed financial year and also more recently other than contracts entered into in the ordinary course of business:

- (a) The Lease Agreement; and
- (b) The Investor Rights Agreements, when executed.

INTERESTS OF EXPERTS

The Financial Statements have been audited by Smythe LLP, as set forth in their audit reports. Smythe LLP is independent within the meaning of the Rules of Professional Conduct of the Institute of Chartered Professional Accountants of British Columbia.

ADDITIONAL INFORMATION

Additional information is provided in the Financial Statements and the Interim MD&A, and is also available under the Company's profile on SEDAR at www.sedar.com.

APPENDIX “A” GLOSSARY OF TERMS

“AIF”	means this annual information form;
“Ambe Holdings”	means AMBE Holdings Ltd.;
“BC Green”	means BC Green Pharmaceuticals Inc.;
“Board” or “Board of Directors”	means the board of directors of the Company;
“CDSA”	means <i>Controlled Drugs and Substances Act</i> , SC 1996, c. 19;
“Common Shares”	means the common shares in the capital of the Company;
“Company” or “Optimi”	means Optimi Health Corp., and as the context requires, includes the Company as a consolidated entity with its wholly-owned subsidiary, Optimi Labs;
“CPS”	means Canadian Premier Supplements;
“Dealer’s License”	means a licensed dealer designation under the <i>Narcotic Control Regulations (Canada)</i> ;
“Escrow Agent”	means Endeavor Trust Corporation;
“Escrow Agreements”	means the NP 46-201 escrow agreements dated February 12, 2021 among the Escrow Agent, the Company and various principals and shareholders of the Company;
“Facilities”	means the Company’s combined 20,000 square foot cultivation and processing facilities currently under construction in Princeton, British Columbia. As used herein, the term “Facilities” will include both the applicable land, as well as the buildings and other fixtures thereon;
“FDA”	means the <i>Food and Drug Act (Canada)</i> ;
“Financial Statements”	means the Interim Financial Statements and the audited consolidated financial statements of the Company for the period from incorporation on May 27, 2020 to September 30, 2020;
“First Private Placement”	means the non-brokered private placement financing by the Company conducted on July 6, 2020, and consisting of an aggregate of 20,000,000 Common Shares at a price of \$0.05 per share;
“forward-looking statements”	means certain statements in this AIF about the Company’s current and future plans, expectations and intentions, results, levels of activity, performance, goals or achievements or any other future events or developments constitute forward-looking information and/or forward-looking statements within the meaning of applicable Securities Laws;

“GMP”	means Good Manufacturing Practices as specified by the NHPR;
“IFRS”	means International Financial Reporting Standards;
“Interim Financial Statements”	means the unaudited condensed interim consolidated financial statements for the period ended March 31, 2021;
“Interim MD&A”	the Management’s Discussion and Analysis for the three and six months ended March 31, 2021;
“Lease Agreement”	means the industrial lease agreement dated as of July 23, 2020 and entered into by BC Green, as landlord, and the Company, as tenant, with respect to the lease of the Facilities;
“Nammex”	means North American Reishi Ltd.;
“NHP”	means natural health product;
“NHPR”	means the <i>Natural Health Product Regulations</i> ;
“NP 46-201”	means National Policy 46-201 <i>Escrow for Initial Public Offerings</i> of the Canadian Securities Administrators;
“Numinus”	means Numinus Wellness Inc.;
“Optimi Labs”	means Optimi Labs Inc., a wholly-owned subsidiary of the Company;
“Options”	means the options in the capital of the Company;
“PL”	means a product license issued by Health Canada;
“PP Warrants”	means the 10,000,000 Common Share purchase warrants issued in connection with the First Private Placement, with each PP Warrant being exercisable at \$0.10 per Common Share for a period of 24 months from the date of issuance;
“Private Placements”	means the First Private Placement and the Special Warrant Private Placement, collectively;
“Project Development and Consulting Services Agreement”	means as set out under <i>“Business of the Company – Employees”</i> ;
“Research Exemption”	means the Company’s authorization for the use of psilocybin and psilocin for scientific purposes granted by Health Canada on January 13, 2021 under J.01.059 of Part J of the <i>Food and Drug Regulations</i> ;
“Schintler Consulting Agreement”	means as set out under <i>“Business of the Company – Employees”</i> ;
“Securities Laws”	means securities legislation, securities regulation and securities rules,

as amended, and the policies, notices, instruments and blanket orders in force from time to time that are applicable to an issuer; and

- “SL”** means a site license issued by Health Canada;
- “Special Warrants”** means special warrants issued by the Company, which special warrants converted into SW Units on January 12, 2021;
- “Special Warrant Private Placement”** means the private placement of Special Warrants closed by the Company on September 11, 2020 pursuant to which 17,963,005 Special Warrants were issued at a price of \$0.25 per Special Warrant for total gross proceeds of \$4,490,751;
- “Stier Consulting Agreement”** means as set out under “*Business of the Company – Employees*”;
- “SW Unit”** means the units of the Company issued on January 12, 2021 on deemed exercise of the Special Warrants, each comprised of one Common Share and one SW Warrant; and
- “SW Warrant”** means the Common Share purchase warrants issued on January 12, 2021 on deemed exercise of the Special Warrants, each exercisable at a price of \$0.40 for a period of two years from the date of issuance of the Special Warrants to acquire one Common Share.