This short form prospectus is a base shelf prospectus. This short form prospectus has been filed under legislation in each of the provinces and territories of Canada, except the province of Québec, that permits certain information about these securities to be determined after this prospectus has become final and that permits the omission from this prospectus of that information. The legislation requires the delivery to purchasers of a prospectus supplement containing the omitted information within a specified period of time after agreeing to purchase any of these securities, except in cases where an exemption from such delivery requirements is available.

This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. See "Plan of Distribution". ***No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.***

Information has been incorporated by reference in this prospectus from documents filed with securities commissions or similar authorities in Canada. *Copies of the documents incorporated herein by reference may be obtained on request without charge from the secretary of Optimi Health Corp. at 201 – 1448 Commercial Drive, Vancouver, British Columbia, V5L 3X9, Telephone (604) 377-0403 and are also available electronically at www.sedar.com.*

SHORT FORM BASE SHELF PROSPECTUS

New Issue August 13, 2021

OPTIMI HEALTH CORP.
201 – 1448 Commercial Drive
Vancouver, British Columbia V5L 3X9

$100,000,000

COMMON SHARES

WARRANTS

SUBSCRIPTION RECEIPTS

UNITS

Optimi Health Corp. (the "**Company**" or "**Optimi**") may offer and issue from time to time, the securities listed above or any combination thereof with the aggregate initial offering price not to exceed $100,000,000 during the 25 month period that this short form base shelf prospectus (this "**Prospectus**"), including any amendments thereto, remains effective. The Company's securities may be offered separately or together, in amounts, at prices and on terms to be determined based on market conditions at the time of sale and set forth in an accompanying shelf prospectus supplement ("**Prospectus Supplement**").

The specific terms of the securities offered in a particular offering will be set out in the applicable Prospectus Supplement and may include, where applicable: (i) in the case of common shares, the number of common shares offered, the offering price and any other specific terms; (ii) in the case of warrants, the designation, number and terms of the securities issuable upon exercise of the warrants, any procedures that will result in the adjustment of these numbers, the exercise price, dates and periods of exercise, the currency in which the warrants are issued and any other specific terms; (iii) in the case of subscription receipts, the designation, number and terms of the securities issuable upon satisfaction of certain release conditions, any procedures that will result in the adjustment of these numbers, any additional payments to be made to holders of subscription receipts upon satisfaction of the release conditions, the release conditions, the terms governing the escrow of all or a portion of the gross proceeds from the sale of the subscription receipts, terms for the refund of all or a portion of the purchase price for the subscription receipts in the event that the release conditions are not met or any other specific terms; and (iv) in the case of units, the designation, number and terms of the common shares, warrants or subscription receipts comprising the units. A Prospectus Supplement may include specific variable terms pertaining to the above-described securities that are not within the alternatives or parameters set forth in this Prospectus.

This Prospectus may qualify an "at-the-market" distribution as defined under National Instrument 44-102 – *Shelf Distributions*, including sales made directly on the Canadian Securities Exchange (the "**CSE**") or other existing markets for the securities.

All shelf information permitted under applicable Securities Laws (as defined herein) to be omitted from this Prospectus will be contained in one or more Prospectus Supplements that will be delivered to purchasers together with this Prospectus to the extent required by applicable Securities Laws. Each Prospectus Supplement will be incorporated by reference into this Prospectus for the purposes of securities legislation as of the date of the Prospectus Supplement and only for the purposes of the distribution of the securities to which the Prospectus Supplement pertains.

An investment in the Company's securities involves a high degree of risk. You should carefully read the "*Risk Factors*" section detailed in this Prospectus.

This Prospectus may constitute a public offering of the securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. The Company may offer and sell securities to, or through, underwriters or dealers and also may offer and sell certain securities directly to other purchasers or through agents pursuant to exemptions from registration or qualification under applicable Securities Laws. The Prospectus Supplement relating to each issue of securities offered thereby will set forth the names of any underwriters, dealers, or agents involved in the offering and sale of such securities and will set forth the terms of the offering of such securities, the method of distribution of such securities, including, to the extent applicable, the proceeds to the Company and any fees, discounts or any other compensation payable to underwriters, dealers or agents, and any other material terms of the plan of distribution. No underwriter has been involved in the preparation of, or has performed a review of, the contents of this Prospectus.

Securities may be sold from time to time in one or more transactions at a fixed price or prices or at non-fixed prices. If offered on a non-fixed price basis, securities may be offered at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at prices to be negotiated with purchasers at the time of sale, which prices may vary as between purchasers and during the period of distribution of the securities.

In connection with any offering of securities (unless otherwise specified in a Prospectus Supplement), other than an "at-the-market distribution", the underwriters may over-allot or effect transactions which stabilize or maintain the market price of the securities offered at a level above that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time. See "*Plan of Distribution*".

The Company's common shares (the "**Common Shares**") are listed on the CSE under the trading symbol "OPTI". **Unless otherwise specified in a Prospectus Supplement, there is no market through which the Company's warrants, units, or subscription receipts may be sold and you may not be able to resell any of such securities, purchased under this Prospectus or any Prospectus Supplement. This may affect the pricing of such securities on the secondary market, the transparency and availability of trading prices, the liquidity of the securities, and the extent of issuer regulation. See "*Risk Factors*".**

It is a criminal offence to possess substances under the *Controlled Drugs and Substances Act* (Canada) (the "CDSA") without a prescription. The Company does not advocate for the illegal use or possession of psychedelic substances.

The Company is developing a vertically integrated Canadian functional mushroom brand that focuses on the health and wellness food markets. The Company intends to cultivate, extract, process and distribute high quality strains of fungi products, including psilocybin mushrooms, at its combined 20,000 square foot cultivation and processing facilities located in Princeton, British Columbia (the "Facilities").

On January 13, 2021, the Company received an authorization for the use of psilocybin and psilocin for scientific purposes from Health Canada under J.01.059 of Part J of the Food and Drug Regulations (the "FDR") (the "Research Exemption"). In addition, on November 12, 2020, the Company, through its wholly owned subsidiary Optimi Labs Inc. ("Optimi Labs"), applied for a licensed dealer designation under the *Narcotic Control Regulations* (Canada) (the "Dealer's Licence"). The application relates 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 yet received approval for the Dealer's Licence.

The Canadian federal government regulates certain drugs through the CDSA, which places controlled substances in a schedule. Under the CDSA, psilocybin is currently a Schedule III drug. Health Canada has not approved psilocybin as drugs for any indication. The Company will not engage in any business related to psilocybin or related matters other than in accordance with obtained regulatory approvals. The Company's operations are conducted in strict compliance with local laws where such activities are permissible. The Company does not deal with psychedelic substances except in jurisdictions where such activity is not illegal and then only within laboratory or clinical trial settings. The Company does not have any direct or indirect involvement with illegal selling, production or distribution of any substances in jurisdictions in which it operates.

The Company oversees and monitors compliance with applicable laws. In addition to the Company's senior executives and the employees responsible for overseeing compliance, the Company has local regulatory/compliance counsel engaged in every jurisdiction (provincial and federal) in which it operates. See "*Compliance Program*".

For these reasons, the Company may be: (a) subject to heightened scrutiny by regulators, stock exchanges, clearing agencies and other authorities; (b) susceptible to regulatory changes or other changes in law; and (c) subject to risks related to drug development, among other things. There are a number of risks associated with the business of the Company. See "*Risk Factors*" herein and "*Risk Factors*" in the Annual Information Form (as defined herein).

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ABOUT THIS PROSPECTUS

You should rely only on the information contained in or incorporated by reference into this Prospectus. Optimi has not authorized anyone to provide you with different information. Optimi is not making an offer of these securities in any jurisdiction where the offer is not permitted. You should bear in mind that although the information contained in this Prospectus and any Prospectus Supplement is accurate as of any date on the front of such documents, such information may also be amended, supplemented or updated by the subsequent filing of additional documents deemed by law to be or otherwise incorporated by reference into this Prospectus and by any subsequently filed prospectus amendments.

This Prospectus provides a general description of the securities that the Company may offer. Each time the Company sells securities under this Prospectus, it will provide you with a Prospectus Supplement that will contain specific information about the terms of that offering. The Prospectus Supplement may also add, update or change information contained in this Prospectus. Before investing in any securities, you should read both this Prospectus and any applicable Prospectus Supplement together with additional information described below under "*Documents Incorporated by Reference*".

Unless the context otherwise requires, references in this Prospectus and any Prospectus Supplement to "Optimi", the "Company", "we", "us" or "our" includes Optimi Health Corp. and each of its material subsidiaries.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements (collectively, "**forward-looking statements**") in this Prospectus and the documents incorporated by reference into this Prospectus 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 "*Summary Description of Business*" and "*Risk Factors*". Forward-looking statements included or incorporated by reference in this Prospectus include, but are not limited to, statements with respect to the future financial or operating performance of the Company and its subsidiaries; the Company's expectations with respect to future growth; the Company's expectations with respect to achievement of its business objectives and milestones; the Company's expectations and plans relating to receipt of the Dealer's Licence from Health Canada; the Company's expectations with respect to maintaining necessary licensing to operate its business; changes in laws, regulations, guidelines and regulatory risks associated with the operations of the Company; the Company's expectations with respect to the use of net proceeds of future offerings and the use of the available funds following completion of such offerings; requirements for additional capital; the Company's expectations regarding its revenue, expenses and operational costs; the Company's anticipated cash needs; the Company's intention to grow the business and its operations; the Company's ability to successfully withstand the economic impact of COVID-19; the medical benefits, safety, efficacy, dosing and social acceptance of functional and psilocybin mushrooms; the cultivation and harvest of different mushroom varieties; and the availability of trained personnel and medical professionals.

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 functional and psilocybin mushroom 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. These assumptions include, but are not limited to, (i) the Company being able to generate cash flow from operations and obtain necessary financing on acceptable terms; (ii) general economic, financial market, regulatory and political conditions in which the Company operates will remain the same; (iii) the Company being able to compete in the functional and psilocybin mushroom industries; (iv) the Company being able to manage anticipated and unanticipated costs; (v) the Company being able to maintain consumer interest in the Company's products; (vi) the timely receipt of any required regulatory approvals; (vii) the Company's ability to obtain qualified staff, equipment and services in a timely and cost efficient manner; (viii) the Company's ability to conduct operations in a safe, efficient and effective manner; (ix) government regulation of the Company's activities will remain the same; (x) the Company being able to complete construction of the Facilities as planned; and (xi) the Company being able to successfully build or sustain relationships with key players in the functional and psilocybin mushroom industries.

Many factors could cause the Company's 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 Prospectus.

Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to have been correct. The purpose of the forward-looking statements is to provide the reader with a description of management's expectations regarding the Company's 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. Furthermore, unless otherwise stated, the forward-looking statements contained in this Prospectus are made as of the date of this Prospectus, 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 Prospectus are expressly qualified by this cautionary statement.

Presentation of Financial Information

The Company presents its financial statements in Canadian dollars. All dollar figures in this Prospectus are in Canadian dollars, unless otherwise indicated. All of the financial data contained in this Prospectus relating to the Company have been prepared in accordance with International Financial Reporting Standards ("**IFRS**"), as issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Interpretations Committee.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this Prospectus from documents filed with securities commissions or similar authorities in all of the provinces and territories of Canada, except the province of Québec (the "**Commissions**"). Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of the Company at 201 – 1448 Commercial Drive Vancouver, British Columbia, V5L 3X9, and are also available electronically on SEDAR which can be accessed electronically at www.sedar.com.

The following documents of the Company, which have been filed with the Commissions, are specifically incorporated by reference into, and form an integral part of, this Prospectus:

(a) the annual information form of the Company (the "**Annual Information Form**") dated July 12, 2021, for the year ended September 30, 2020 and filed on SEDAR on July 12, 2021;

(b) the audited consolidated annual financial statements of the Company for the period from incorporation on May 27, 2020 to the year ended September 30, 2020, together with the notes thereto and auditor's report thereon, filed on SEDAR on February 16, 2021 as Schedule "B" to the long form final prospectus of the Company dated February 12, 2021 (the "**IPO Prospectus**") and related management's discussion and analysis on pages 32-36 of the IPO Prospectus;

(c) the unaudited condensed interim consolidated financial statements of the Company for the period ended June 30, 2021, which have been reviewed by the Company's auditor, together with the notes thereto and related management's discussion and analysis, filed on SEDAR on August 13, 2021; and

(d) 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.

Any annual information form, material change reports (excluding confidential material change reports), any interim and annual consolidated financial statements and related management discussion and analysis, any information circulars (excluding those portions that, pursuant to National Instrument 44-101 – *Short Form Prospectus Distributions* of the Canadian Securities Administrators, are not required to be incorporated by reference herein), any business acquisition reports, any news releases or public communications containing financial information about the Company for a financial period more recent than the periods for which financial statements are incorporated herein by reference, and any other disclosure documents required to be filed pursuant to an undertaking to a provincial or territorial securities regulatory authority that are filed by the Company with various securities commissions or similar authorities in Canada after the date of this Prospectus and prior to the termination of an offering under any Prospectus Supplement, shall be deemed to be incorporated by reference in this Prospectus.

Any statement contained in this Prospectus or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. 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 it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes 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. Any statement so modified or superseded shall not constitute a part of this Prospectus, except as so modified or superseded.

A Prospectus Supplement containing the specific terms of an offering of securities, updated disclosure of earnings coverage ratios, if applicable, and other information relating to the securities, will be delivered to prospective purchasers of such securities together with this Prospectus and the applicable Prospectus Supplement and will be deemed to be incorporated into this Prospectus as of the date of such Prospectus Supplement only for the purpose of the offering of the securities covered by that Prospectus Supplement.

Upon a new annual information form and the related annual financial statements being filed by the Company with, and, where required, accepted by, the applicable securities commissions or similar

regulatory authorities during the currency of this Prospectus, the previous annual information form, the previous annual financial statements and all quarterly financial statements, material change reports and information circulars filed prior to the commencement of the Company's financial year in which the new annual information form is filed shall be deemed no longer to be incorporated into this Prospectus for purposes of further offers and sales of securities hereunder.

SUMMARY DESCRIPTION OF BUSINESS

Optimi Health Corp. 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 office is located at 40440 Thunderbird Ridge B1831, Garibaldi Highlands, Squamish, British Columbia, V0N 1T0. The Company's head office is located at 201 – 1448 Commercial Drive Vancouver, British Columbia, V5L 3X9.

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

General

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 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 the Research Exemption under the FDR for the use of psilocybin and psilocin for scientific purposes via its wholly owned subsidiary Optimi Labs. The Company has also applied for a Dealer's Licence 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 of directors (the "**Board**" or "**Board of Directors**") 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. However, the Company will not engage in any business related to psilocybin or related matters other than in accordance with obtained regulatory approvals.

The Company received the Research Exemption on January 13, 2021 and applied for a Dealer's Licence 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 Office of Controlled Substances (the "**OCS**"), who is responsible

for reviewing applications, aims to process applications within 270 calendar days.[1] However, this timeframe may be delayed or the OCS may refuse an application if an applicant fails to provide a timely and thorough response to any requests for additional information. There are five stages associated with the review and processing of new applications.[1] The following table sets out the five stages and identifies the Company's status with respect to each stage:

Application Stage		Timeframe	Steps	Company's Status
1.	Intake	7 calendar days	• Applicants are subject to initial screening • OCS does not perform in-depth review but notifies applicant if an applicant is incomplete • Applicants, who successfully pass "Intake", progress to "Review"	Complete
2.	Review	249 calendar days	• OCS performs thorough review to verify the content of the information provided • OCS sends a "Request for Additional Information" if information deficiencies or questions are identified • Applicant is responsible for providing the requested information by the due date • OCS may refuse an application if an applicant does not provide complete responses • Once refused, a new application may be required • Once security portion of application is reviewed and deemed satisfactory, OCS issues a "Begin Construction Notice" • Upon confirmation by applicant that construction is complete, OCS notifies the Health Canada, Regulatory Operations and Enforcement Branch ("ROEB") and requests a security inspection to confirm that the security measures are in compliance • Application proceeds to "Security Inspection"	Complete
3.	Security Inspection		• ROEB contacts applicant to schedule inspections • Both "Review" and "Security Inspection" (if applicable) must be completed prior to moving to "Decision"	In Progress
4.	Decision	7 calendar days	• Final review of application and decision document • Decisions can include: (a) approval and issuance of Dealer's Licence; (b) refusal to issue Dealer's Licence; (c) approval of designated personnel; or (d) refusal of designated personnel.	Outstanding
5.	Out-Take	7 calendar days	• OCS prepares documents regarding decision • OCS sends final decision to applicant	Outstanding

The process for obtaining a Dealer's Licence is rigorous and the Company has to meet a number of conditions. In order to qualify as a licensed dealer, a party must meet all regulatory requirements

[1] Government of Canada, "Management of Applications for Controlled Drugs and Substances Dealer's Licences" (Date Modified: 2020-06-15), <https://www.canada.ca/en/health-canada/services/health-concerns/controlled-substances-precursor-chemicals/controlled-substances/applications-controlled-drugs-substances-dealers-licences.html>.

mandated by the regulations including having compliant facilities, compliant materials and staff that meet the qualifications under the regulations of a senior person in charge and a qualified person in charge. A Dealer's Licence is required for each physical location where activities are conducted with controlled substances.

Currently, a licensed dealer under the *Narcotic Control Regulations* (Canada) may only sell psychedelics to an institution for clinical or research purposes and the research institution must obtain authorization from Health Canada prior to the sale. Assuming compliance with all relevant laws (CDSA and the FDR) and subject to any restrictions placed on the licence issued by Health Canada, an entity with a Dealer's Licence may produce, assemble, sell, provide, transport, send, deliver, import or export a restricted drug (as listed in Part J in the FDR, which includes psilocybin and psilocin) (see s. J.01.009 (1) of the FDR). The Company estimates that it could receive a Dealer's Licence, if approved, in September 2021. The estimated overall cost of obtaining a Dealer's Licence is $10,000.

The Company has generated no revenues as of the date hereof. The Company plans to launch its functional mushroom products during the fall of 2021. Previous launch estimates were delayed due to the COVID-19 pandemic.

Licenses and Research Exemption

The following table provides an overview of the Company's licenses and the Research Exemption:

License Information	Administration
1. Product Licence – Chaga	
• Issued by Health Canada on Dec 15, 2020 for the following medicinal ingredients: o Proper Name: Inonotus obliqus o Common Name: Chaga o Product Number: 80106885	• Authorized for: Oral capsules • Quantity per Dosage Unit, Extract, Potency and Source materials: As authorized in the Natural Health Product Ingredients Database ("**NHPD**") monograph(s) to which the applicant attested
2. Product Licence – Turkey Tail	
• Issued by Health Canada on Dec 15, 2020 for the following medicinal ingredients: o Proper Name: Trametes versicolor o Common Name: Turkey Tail o Product Number: 80106884	• Authorized for: Oral capsules • Quantity per Dosage Unit, Extract, Potency and Source materials: As authorized in the NHPD monograph(s) to which the applicant attested
3. Product Licence – Reishi	
• Issued by Health Canada on Dec 15, 2020 for the following medicinal ingredients: o Proper Name: Ganoderma lucidum o Common Name: Reishi o Product Number: 80106883	• Authorized for: Oral capsules • Quantity per Dosage Unit, Extract, Potency and Source materials: As authorized in the NHPD monograph(s) to which the applicant attested
4. Product Licence – Lion's Mane	
• Issued by Health Canada on Dec 15, 2020 for the following medicinal ingredients: o Proper Name: Hericium erinaceus o Common Name: Lion's Mane o Product Number: 80106882	• Authorized for: Oral capsules • Quantity per Dosage Unit, Extract, Potency and Source materials: As authorized in the NHPD monograph(s) to which the applicant attested

5. Site Licence	
• Company partnered with Canadian Premier Supplements ("CPS") for SL pursuant to a Quality Agreement dated October 7, 2020	• CPS must maintain: o Site Licence Number: 301965, issued on Aug 30, 2020 o Certificate of GMP Compliance dated January 8, 2021
6. Research Exemption	
• Issued by Health Canada on Jan 13, 2021 • Expiring on Jan 13, 2022 • Granted pursuant to Section J.01.059 of Part J of the FDR • Authorization Number: 50881.12.20 • Substance Names: Psilocybin and Psilocin • Maximum Quantity: 100 mg each	• The Company is authorized to carry out laboratory research with the restricted drug at the institution listed in the Company's research protocol, and to possess the restricted drug for the purposes of such research
7. Dealer's Licence	
• Company submitted application to Health Canada on Nov 12, 2020 • To date the Company has not yet received approval for the Dealer's Licence • Estimated possible issuance: Sept 2021	• The application relates 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

Recent Developments

On February 12, 2021, the Company filed its final long form prospectus and obtained a receipt from the securities regulatory authorities in British Columbia, Ontario and by way of Multilateral Instrument 11-102 - *Passport System* in Alberta, Saskatchewan, Manitoba, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador.

On February 25, 2021, the Company announced the closing of its initial public offering of 27,600,000 units at a price of $0.75 per unit for aggregate gross proceeds of $20,700,000 (the "**IPO**"). The Company commenced trading on the CSE on February 25, 2021 under the symbol "OPTI".

On April 1, 2021, the Company received its FINRA clearance letter and obtained the symbol "OPTHF" to commencing trading on the OTCPINK market in the United States.

On April 6, 2021, the Company commenced trading on the German Börse Frankfurt (FRA) exchange platform under the symbol "8BN".

On April 14, 2021, the Company appointed Dr. Azim Jamal to the Company's advisory board and Leah Hodges as Corporate Secretary.

On May 26, the Company engaged Mr. Justin Kirkland as Interim Chief Science Officer, a chemist with specialized experience in natural products, small molecules, peptide synthesis, analytical chemistry, and drug formulations for improved bioavailability. The Interim Chief Science Officer position is intended to be a non-executive officer role, in that Mr. Kirkland is not deemed an insider and does not report to the Board of Directors.

On June 3, 2021, the Company announced its eligibility to be electronically cleared and settled through the Depository Trust Company.

On June 4, 2021, the Company entered into a non-exclusive agreement (the "**Vitasave Agreement**") with Nutraways Enterprises Ltd., dba Vitasave ("**Vitasave**"), for product distribution via their retail locations and online platform https://www.vitasave.ca/. Pursuant to the Vitasave Agreement, Vitasave will sell the Company's products for a term of one year until June 4, 2022, unless terminated earlier in accordance with the Vitasave Agreement. The Vitasave Agreement may be terminated if either party is in material breach or default, if either party liquidates its business, or if there is a change of control of the Company.

On June 9, 2021, the Company completed its pre-submission meeting with Health Canada to discuss the pre-clinical trial application to conduct a phase 1 human dosing study. The pre-submission package contained information related to investigational product chemical constituents, genotype, and formulation as well as procedures and processes to produce a consistent dosage from Psilocybe mushrooms. Health Canada had no comments on the pre-submission and gave the Company approval to submit the formal application.

The requirements of a Clinical Trial Authorization ("**CTA**") for Health Canada includes submitting a full clinical trial protocol/study plan, information on the sites to be included, and detailed chemistry and quality information regarding the formulation to be utilized in the trial. In addition, the Company requires ethics approval, which costs approximately $5,000. Furthermore, the Company will have to obtain an exemption under Subsection 56(1) of the CDSA, which allows the Minister of Health to exempt the Company from the application of all or any provisions of the CDSA if, in the opinion of the Minister, the exemption is necessary for a medical or scientific purpose or is otherwise in the public interest. The Company anticipates submitting all required applications in October 2021.

Following the submission, Health Canada takes 30 days to review the CTA materials. If Health Canada has any follow up inquiries, the 30-day period stops running until all responses are received, following which the 30-day period starts from the beginning. The Company is hopeful that Health Canada will have no concerns with the first submission due to the Company's successful meeting with the authority on June 9, 2021. The Company is not required to submit any other materials at this time, as Health Canada authorized the Company to proceed to human studies without animal testing by relying on previous knowledge of psilocybin. If the Company does not receive the required approvals and exemption, the timeline for the trial start would extend into 2022, which would not have a material adverse effect on the business or operations of the Company.

On June 15, 2021, Mr. Darren Mahaffy commenced as General Manager for the Company's nutraceuticals business. Mr. Mahaffy entered into an employment agreement for the position on May 20, 2021.

On June 17, 2021, the Company announced the successful listing on the OTCQB exchange operated by the OTC Markets Group Inc. under the symbol "OPTHF".

On June 23, 2021, the Company announced that Thomas Finetti, partner at Charney IP Law, had been engaged to oversee ongoing patent activities.

On June 30, 2021, the Company amended the consulting agreement entered into on September 1, 2020 with AMBE Holdings Ltd. ("**AMBE Holdings**") pursuant to which Mr. Mike Stier provides services to the Company as its Chief Executive Officer. In consideration for the services provided, the Company now pays AMBE Holdings a monthly fee of $6,000 plus any applicable taxes. AMBE Holdings is also eligible for bonus compensation, in the form of cash or equity on an annual basis, at the sole discretion of the Board.

On July 2, 2021, the Company entered into employment agreements with Mr. Bryan Safarik, Chief Operating Officer, Mr. Jacob Safarik, Chief Financial Officer and Mr. Nick Miller, Controller.

On July 5, 2021, Ms. Laura Chow commenced as Project Director for the Company's nutraceuticals business. Ms. Chow entered into an employment agreement for the position on June 13, 2021.

On July 7, 2021, the Company announced it has engaged the consulting services of Donohoe Advisory Associates LLC ("**Donohoe Advisory**") to explore strategies to advance towards a potential Nasdaq listing pursuant to a consulting agreement (the "**Donohoe Agreement**"). Donohoe Advisory was founded by Dave Donohoe in 2004, and since that time the firm has represented hundreds of companies in a wide range of listing matters for both the Nasdaq and the New York Stock Exchange ("**NYSE**"). Donohoe's senior advisory team have previously worked for either Nasdaq or the NYSE. Prior to forming Donohoe Advisory, Dave Donohoe spent over nine years with Nasdaq, where he ultimately served as Chief Counsel in the Listing Qualifications Department. Pursuant to the Donohoe Agreement, Donohoe Advisory estimates that its fees will range between $25,000 to $35,000, in addition to other costs and expenses that may become due during the listing process. Either party may terminate the Donohoe Agreement by providing ten days' written notice to the other party. The listing process will take a minimum of 7-9 months to complete.

The Company is pursuing the Nasdaq listing to enhance its profile and increase value for its shareholders. Nasdaq is ranked as the second-largest exchange by market capitalization worldwide behind the NYSE. The Company believes a Nasdaq listing will allow the Company to attract institutional and retail investors, as well as provide for greater market liquidity to shareholders. The listing will be subject to approval of Nasdaq and the satisfaction of all applicable listing and regulatory requirements. To qualify for listing on Nasdaq, a company must be registered with the U.S. Securities and Exchange Commission, must have at least three market-makers, and must meet minimum requirements for assets, capital, public shares and shareholders, such as for example a minimum share price of US$3.00. There can be no assurance that a listing will be completed, and in the event a listing is completed, it is anticipated that the Company's common shares will continue trading on the CSE under the symbol "OPTI". The Company will issue further news releases as it progresses through the listing process. The Company does not require a Nasdaq listing to pursue the development of its business, and accordingly there is no material risk to failing to obtain the same. However, listing on Nasdaq is expected to provide access to capital and increased liquidity for shareholders.

On July 13, 2021, the Company announced that it was including in Horizons Psychedelic Stock Index exchange-traded fund ("**ETF**"), the first psychedelic ETF. The ETF began trading on the Neo Exchange as of January 26, 2021. It invests in, and directly derives revenues from, companies in the psychedelics industry engaged in legal activities involving psychedelic drugs and substances.

On July 27, 2021, the Company announced that it engaged a consultant, John Simon, to facilitate regulatory submissions and planning relevant to key elements of psychedelic research. Mr. Simon specializes in gaining site and product licences, and related commercialization pathway development efforts. He has served in a variety of managerial and consulting roles overseeing quality assurance and regulatory affairs with direct involvement with the United States Food and Drug Administration, and Health Canada audits relevant to medical device manufacturing, drug manufacturing and testing, drug and device establishments, and clinical trial site implementation.

On August 10, 2021, the Company shared that preparations for a fourth quarter launch of online sales featuring a full lineup of functional mushroom capsules plus a vegan protein + mushroom formulation were underway. See "*Business Objectives and Milestones*".

Business Objectives and Milestones

The impacts of the COVID-19 pandemic have caused certain delays in the progression of the Company in relation to the Business Objectives and Milestones set out beginning on page 31 of the Company's IPO Prospectus. These delays relate principally to construction and receipt of the Company's product packaging

from its producer.

Set out below is a revised summary of the Company's business objectives and milestones, along with an updated timeline in respect of each.

Business Objectives	Revised Timeline (calendar quarters)
Product Marketing	
• Launch of online platform under www.optimiperformance.com.	Q4 2021
• Fulfill the advertising and marketing campaign as described in "*Description of the Business – Marketing*	Q4 2021
Product Development	
• Complete product launch of functional mushroom and related health food products.	Q4 2021
• Conduct market research on initial products.	Complete
• Launch of research and development program under Optimi Labs as described in "Description of the Business - Research and Development - Optimi Labs" in the IPO Prospectus.	Complete
Operational Expansion	
• Completion of the Facilities.	Q4 2021
• Purchase of raw materials.	Underway, completion Q4 2021
• Contract packaging and fulfilment.	Fulfillment established, packaging expected Q4 2021, subject to COVID-19 related supply chain delays
Strategic Acquisitions	
• Evaluation of possible vertical or horizontal integration targets, competitive analysis, and potential acquisition of accretive or competitive business unit.	Ongoing

The Company has not yet generated revenue from the sale of its nutraceutical products, principally due to COVID-19 related delays in obtaining the consumer packaging in respect of the same. The Company expects to generate revenue from the sale of nutraceutical products which include third party sourced functional mushrooms in Q4 2021, although this timeline remains subject to certain rectification of current COVID-19 related supply chain issues during Q3 2021, which the Company expects to be able to achieve as of the date hereof. The Company's ability to supplement its functional mushroom based nutraceutical offering with internally grown mushrooms is dependent on the completion of the Facilities, which wile currently experiencing COVID-19 related construction delays typical for a project of its scope, is expected to be completed in Q4 2021. Internal growth and sale of internally grown functional mushrooms and functional mushroom based products is expected to trail Facilities completion by approximately 3-4 months.

The launch of the Company's ecommerce site was delayed to accommodate the COVID-19 related delays in obtaining the consumer packaging in respect of the Company's products which will be available on the ecommerce site. Accordingly, the launch of the Company's ecommerce site is contingent on the rectification of packaging supply issues, and is expected to be completed in Q4 2021.

REGULATORY OVERVIEW

Functional Mushrooms

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) ("**FDA**") and the *Consumer Packaging and Labelling Act* (Canada).

The FDA and FDR 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* (Canada) 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 is 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 (natural product number) 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 Canadian Premier Supplements 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 (pending the Company's receipt of the Dealer's Licence, previously applied for through Health Canada) 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.

Psilocybin Mushrooms

Research and Development

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 Licence. 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 Licence. To date, neither the Company nor Optimi Labs has received the Dealer's Licence. 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 Licence, 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 Wellness Inc. ("**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 commenced on January 4, 2021 and will 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 Licence 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 Licence 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. The Company and Numinus, through Innovate Calgary, have submitted a preclinical trial application to Health Canada for review and comment. On June 9, 2021, the Company and Numinus received Health Canada approval to proceed with a formal submission to initiate its previously proposed phase 1 study. Subject to additional comments from Health Canada, the Company expects to complete the clinical trial by July, 2022, however expected timing is subject to significant variances based on third party review and approvals. 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. The Company pursues a compound formulation derived from natural ingredients for the purposes of going through the stages of clinical studies and becoming a certified therapy for specific mental health disorders. Through this process, the Company intends to secure patents related to these formulations. The Company is initially conducting a dosing study to determine the optimal quantity of psilocybin to achieve a desired effect while minimizing minor side effects. The Company has engaged Innovate Calgary to accelerate this process given their expertise and already established infrastructure, including a vast patient pool.

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 the Company's human clinical trials, initially for a dosing study and then expanding into trials for a variety of human health conditions.

The Company will retain 100-percent ownership of the resulting all-natural psilocybin capsule and full intellectual property rights to its use.

In order to further its stated research and development initiatives, on May 26, 2021 Optimi appointed Justin D. Kirkland to the position of chief science officer. Mr. Kirkland is a chemist with specialized experience in natural products, small molecules, peptide synthesis, analytical chemistry, and drug formulations for improved bioavailability. He was recently awarded a U.S. patent for the improved synthesis of the ergoline, 2-bromo-LSD, useful in treating cluster headaches. He recently served as chief executive officer of Las Vegas-based Fristoe Pharmaceuticals, a United States Food and Drug Administration-registered wholesale drug distributor, and previously oversaw product development for Wells Pharmacy Network from its base in Florida. He was the lead scientific investigator regarding synthetic peptides at Tailor Made Health in Kentucky, managed functional food manufacturing at Nuka Foods in Colorado and founded Kilochem's efforts in Illinois. Since 2007, he founded and operated Nutraseeds dietary supplements and cosmetics program. Mr. Kirkland's career includes training support, sales, analytics and related consulting services since 1998.

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, 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 6,860 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 nor Optimi Labs has received the Dealer's Licence. 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 drug formulation and development initiatives as well as invest in technology to enhance GMP cultivation and extraction capabilities. While the Company intends to pursue a wide range of strategic acquisitions, key considerations will include:

1. Geography – the Company intends to pursue principally Canadian acquisitions at this time;
2. Size – the Company has and will continue to assess opportunities of all sizes, ranging from start-up to mature businesses;
3. Type of Asset – while the Company has and will continue to assess a wide range of strategic acquisitions, assets which will be of particular focus include:
    a. Assets which assist the Company in vertically integrating its proposed functional mushroom offering;
    b. Assets accompanied by particular or significant human expertise in areas accretive to either the Company's proposed functional mushroom business or psilocybin research and development initiatives; and
    c. Targets with either infrastructure or development assets which align with the existing proposed strategic growth objectives of the Company.

COMPLIANCE PROGRAM

The Company oversees and monitors compliance with applicable laws. The programs currently in place include continued monitoring by executives of the Company to ensure that all operations conform to and comply with required laws, regulations and operating procedures. The Company is currently in compliance with the laws and regulations in all jurisdictions and the related licencing framework applicable to its business activities.

The Company has developed and continues to refine a compliance program designed to ensure operational and regulatory requirements continue to be satisfied. Through its human resources and operations departments, the Company oversees and implements training for all employees with respect to the Company's protocols.

RISK FACTORS

An investment in the Company's securities involves a high degree of risk and must be considered a highly speculative investment due to the nature and present stage of the Company's business.

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 Prospectus and all documents incorporated by reference. Before deciding to invest in any securities, in addition to considering the risks outlined below, you should also carefully consider the risks contained in the section entitled "Cautionary Note Regarding Forward-Looking Statements" above, the risks outlined in the documents incorporated by reference in this Prospectus, the risks described in any Prospectus Supplement, the risks described in the Company's historical financial statements, the related notes thereto and the Annual Information Form. 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, its business, prospects, financial condition, results of operations and cash flows and consequently the price of Optimi securities could be materially and adversely affected.

General

A purchase of any securities of the Company involves a high degree of risk and should be undertaken only by purchasers whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. An investment in securities of the Company should not constitute a significant portion of an individual's investment portfolio and should only be made by persons who can afford a total loss of their investment. Prospective subscribers should evaluate carefully the following risk factors associated with an investment in the Company's securities prior to purchasing securities of the Company.

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 Dealer's Licence, 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 Licence 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 Licence, 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 Licence 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 Licence. 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 Licence 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 are 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 a lease agreement dated July 23, 2020 (the "**Lease Agreement**"), the Company is leasing from BC Green Pharmaceuticals Inc. ("**BC Green**") the 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 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 agreed to 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 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 "**Second Milestone**"). The Research Exemption provided the Company with the in-substance benefits original contemplated by the Second Milestone, and accordingly both milestones were deemed to be achieved and all 3,000,000 Common Shares were issued to BC Green on 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 Licence.

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 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 ended June 30, 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.

Negative Cash Flow from Operations

The Company had negative cash flow since its incorporation. To the extent that the Company has negative operating cash flow in future periods, it will need to allocate a portion of its cash (including proceeds from any offering) to fund such negative cash flow. If the Company experiences future negative cash flow, 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 going concern, provisions and contingencies, 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

The Company has only recently become subject to the continuous and timely disclosure requirements of Canadian Securities Laws and the 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. The Company 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. In order to prepare these filings, significant resources and management oversight are 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 the Company 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 the Company 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.

Discretion in the Use of Net Proceeds

The Company intends to allocate the net proceeds it will receive from an offering as described under "Use of Proceeds" in this Prospectus and the applicable Prospectus Supplement, however, the Company will have discretion in the actual application of the net proceeds. The Company may elect to allocate the net proceeds differently from that described in "Use of Proceeds" in this Prospectus and the applicable Prospectus Supplement if the Company believes it would be in the Company's best interests to do so. The Company's investors may not agree with the manner in which the Company chooses to allocate and spend the net proceeds from an offering. The failure by the Company to apply these funds effectively could have a material adverse effect on the business 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 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.

Absence of Public Market for Certain Securities

There is no public market for the warrants, subscription receipts or units and, unless otherwise specified in the applicable Prospectus Supplement, the Company does not intend to apply for listing of the warrants, subscription receipts or units on any securities exchanges. If the warrants, subscription receipts or units are traded after their initial issuance, they may trade at a discount from their initial offering prices depending on prevailing interest rates (as applicable), the market for similar securities and other factors, including general economic conditions and its financial condition. There can be no assurance as to the liquidity of the trading market for the warrants, subscription receipts or units, or that a trading market for these securities will develop at all.

USE OF PROCEEDS

Unless otherwise specified in a Prospectus Supplement, the net proceeds of any offering of securities under a Prospectus Supplement will be used for general corporate purposes, including product development, and general working capital. Without limiting the generality of the foregoing, the Company may use a significant portion of proceeds raised under any Prospectus Supplement in connection with strategic acquisitions, or to further develop the Company's psychedelic research initiatives. More detailed information regarding the use of proceeds from a sale of securities will be included in the applicable Prospectus Supplement.

All expenses relating to an offering of securities and any compensation paid to underwriters, dealers or agents, as the case may be, will be paid out of the Company's general funds, unless otherwise stated in the applicable Prospectus Supplement.

The Company has experienced and is experiencing negative operating cash flow. If the Company does not achieve positive cash flow, it will be necessary for the Company to raise additional equity or debt. There is no assurance that additional equity or debt will be available to the Company or on terms acceptable to the Company.

Use of Proceeds from IPO

On February 24, 2021, the Company closed its oversubscribed IPO through the issuance of 27,600,000 units of the Company (the "**Units**") at a price of $0.75 per Unit for aggregate gross proceeds to the Company of $20,700,000, which included the full exercise of the over-allotment option. The net proceeds of the IPO in the amount of $19,150,261, after deducting the costs of the IPO, were intended to be used as follows:

Principal Purpose	Estimated Amount to be Expended (Maximum Offering)	Approximate Amount Expended as of the date of this Prospectus
Capital expenditures for Facilities	$6,190,513	$2,163,000
Submission and pursuit of application for Research Exemption, Dealer's Licence and research and development initiatives related to same	$650,000	$115,000
Investment in e-commerce business and launch of online platform	$1,750,000	$320,000
Strategic Acquisitions	$3,000,000	$0
General and administrative	$1,993,934	$1,686,000

Unallocated working capital	$5,565,814	$0
Total	**$19,150,261**	**$4,284,000**

PRIOR SALES

The following table sets forth for the 12-month period prior to the date of this Prospectus details of the price at which securities have been issued or are to be issued by the Company, the number of securities issued at that price and the date on which the securities were issued:

Issue Date	Number of Securities	Type of Security	Issue or Exercise Price per Security	Aggregate Issue or Exercise Price	Nature of consideration
Sep 11, 2020	17,963,005	Special Warrants[(1)]	$0.25	$4,490,751.25	Cash for private placement
Sep 11, 2020	25,150	Broker Unit[(11)]	-	-	Issued as compensation
Oct 9, 2020	500,000	Restricted Share Rights (RSRs)[(6)]	-	-	Issued to a director and officer of the Company
Oct 9, 2020	500,000	Options[(7)]	$0.50	-	Issued to certain directors, officers, advisers and consultants of the Company
Jan 12, 2021	17,963,005	Common Shares	-	-	Conversion of special warrants
Jan 12, 2021	17,963,005	Warrants	$0.40	$7,185,202	Conversion of special warrants
Jan 25, 2021	3,000,000	Common Shares	$0.05[(2)]	$150,000[(2)]	Milestone common shares issued to BC Green in connection with Project Development and Consulting Agreement
Jan 26, 2021	40,000	Stock Options[(8)]	$0.60	-	Issued to consultants of the Company
Feb 2, 2021	150,000	Common Shares	$0.25[(2)]	$37,500[(4)]	150,000 Common Shares issued to Numinus in anticipation of the first Project

Issue Date	Number of Securities	Type of Security	Issue or Exercise Price per Security	Aggregate Issue or Exercise Price	Nature of consideration
					Agreement
Feb 24, 2021	27,600,000	Common Shares[3]	$0.75	$20,700,000	Cash in connection with IPO
Feb 24, 2021	13,800,000	Warrants[3][4]	-	-	Cash in connection with IPO
Feb 24, 2021	1,932,000	Agent Options[5]	$0.75	$1,449,000	Issued in connection with the IPO
Mar 3, 2021	50,000	Common Shares	$0.75[2]	$37,500	Issued in connection with 10% conversion of RSRs
Mar 16, 2021	300,000	Common Shares	$0.40	$120,000	Issued in connection with exercise of warrants
Apr 7, 2021	60,000	Common Shares	$0.40	$24,000	Issued in connection with exercise of warrants
Apr 14, 2021	50,000	Common Shares	$0.75[2]	$37,500	Issued for services rendered by an advisor to the Company
Apr 16, 2021	58,000	Common Shares	$0.40	$23,200	Issued in connection with exercise of warrants
May 6, 2021	2,025,000	Options [9]	$1.50	-	Issued to certain directors, officers, advisers and consultants of the Company
May 6, 2021	927,500	Restricted Share Rights (RSRs) [10]	-	-	Issued to certain directors, officers, advisers and consultants of the Company
May 20, 2021	150,000	Stock Options[9]	$1.50	-	Issued to an employee of the Company

Issue Date	Number of Securities	Type of Security	Issue or Exercise Price per Security	Aggregate Issue or Exercise Price	Nature of consideration
May 25, 2021	75,000	Stock Options[9]	$1.50	-	Issued to a consultant of the Company
Jun 3, 2021	20,000	Common Shares	$0.40	$8,000	Issued in connection with exercise of warrants
Jun 14, 2021	50,000	Stock Options[9]	$1.50	-	Issued to an employee of the Company
Jun 21, 2021	20,000	Common Shares	$0.40	$8,000	Issued in connection with exercise of warrants
Jun 25, 2021	25,150	Common Shares	$0.25	$6,287.50	Issued in connection with exercise of Broker Unit
Jun 25, 2021	25,150	Warrants[11]	$0.40	-	Issued in connection with exercise of Broker Unit
Jun 30, 2021	92,750	Common Shares	$0.75	$69,562.50	Issued in connection with 10% conversion of RSRs
Jul 5, 2021	20,000	Common Shares	$0.40	$8,000	Issued in connection with exercise of warrants
Jul 7, 2021	40,000	Common Shares	$0.40	$16,000	Issued in connection with exercise of warrants
Jul 13, 2021	25,150	Common Shares	$0.40	10,060	Issued in connection with exercise of warrants

Notes:

(1) The special warrants converted into Common Shares and warrants on January 12, 2021, and the warrants are exercisable at $0.40 per Common Share until September 11, 2022.

(2) Deemed issue price.

(3) The Common Shares and warrants were issued as a unit at the price of $0.75 per unit.
(4) Each warrant is exercisable to acquire one Common Share at a price of $1.25 per Common Shares until February 24, 2023.
(5) Each agent option (an "**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**"). The Agent Unit Warrants have the same attributes as the IPO Warrants.
(6) 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.
(7) The options are exercisable for five years, at a price of $0.50 per option and not subject to any vesting provisions.
(8) 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.
(9) 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.
(10) 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.
(11) 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. The Broker Units and resulting warrants have been fully exercised.

TRADING PRICE AND VOLUME

On February 25, 2021, the Common Shares commenced trading on the CSE under the trading symbol "OPTI". 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**
August 1 – 12, 2021	$0.75	$0.70	483,650
July 2021	$0.84	$0.69	2,695,743
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**
August 1 – 12, 2021	$0.16	$0.12	10,700
July 2021	$0.15	$0.115	176,800
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

DIVIDEND POLICY

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 Board of Directors based upon the Company's earnings, financial requirements and other conditions existing at such future time.

CONSOLIDATED CAPITALIZATION

The applicable Prospectus Supplement will describe any material change, and the effect of such material change, on the share and loan capitalization of the Company that will result from the issuance of securities pursuant to such Prospectus Supplement.

There has not been any material change in the share and loan capital of the Company, on a consolidated basis, since June 30, 2021, being the date of the Company's financial statements most recently filed in accordance with National Instrument 51-102 – *Continuous Disclosure Obligations*, except as described under "*Prior Sales*".

DESCRIPTION OF SHARE CAPITAL

Common Shares

The Company's authorized capital consists of an unlimited number of Common Shares, of which 69,474,056 are issued and outstanding as at the date of this Prospectus 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 Prospectus, the Company has 41,245,005 warrants outstanding to purchase Common Shares, including the IPO Warrants. The warrants have exercise prices of $0.10, $0.40 or $1.25 and are exercisable until July 6, 2022, September 11, 2022 and February 24, 2023 respectively.

Options

As at the date of this Prospectus, the Company has 2,840,000 options outstanding to purchase Common Shares. 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 Prospectus, 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 Prospectus, the Company has 1,932,000 non-transferrable Agent Options outstanding, which were issued in connection with the Company's IPO. Each Agent Option is exercisable for one 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 an Agent Unit Warrant, which Agent Unit Warrant has the same attributes as an IPO Warrant.

DESCRIPTION OF SECURITIES OFFERED UNDER THIS PROSPECTUS

The Company may offer common shares, warrants, subscription receipts, or units with a total value of up to $100,000,000 from time to time under this Prospectus, together with any applicable Prospectus Supplement, at prices and on terms to be determined by market conditions at the time of offering. This Prospectus provides you with a general description of the securities the Company may offer. Each time the Company offers securities, it will provide a Prospectus Supplement that will describe the specific amounts, prices and other important terms of the securities, including, to the extent applicable:

- designation or classification;
- aggregate offering price;
- original issue discount, if any;
- rates and times of payment of dividends, if any;
- redemption, conversion or exchange terms, if any;
- conversion or exchange prices, if any, and, if applicable, any provisions for changes to or adjustments in the conversion or exchange prices and in the securities or other property receivable upon conversion or exchange;
- restrictive covenants, if any;
- voting or other rights, if any; and
- important Canadian federal income tax considerations.

A Prospectus Supplement may also add, update or change information contained in this Prospectus or in documents the Company has incorporated by reference. However, no Prospectus Supplement will offer a security that is not described in this Prospectus.

Description of Common Shares

The Company may offer common shares, which the Company may issue independently or together with warrants or subscription receipts, and the common shares may be separate from or attached to such

securities. All of the Company's common shares have equal voting rights, and none of the common shares are subject to any further call or assessment. There are no special rights or restrictions of any nature attaching to any of the common shares and they all rank *pari passu* each with the other as to all benefits which might accrue to the holders of the common shares. The common shares are not convertible into shares of any other class and are not redeemable or retractable.

Description of Warrants

Warrants may be offered separately or together with other securities, as the case may be. Each series of warrants will be issued under a separate warrant indenture to be entered into between the Company and one or more banks or trust companies acting as warrant agent. The applicable Prospectus Supplement will include details of the terms and conditions of the warrants being offered. The warrant agent will act solely as the Company's agent and will not assume a relationship of agency with any holders of warrant certificates or beneficial owners of warrants.

The particular terms of each issue of warrants will be described in the related Prospectus Supplement. This description will include, where applicable:

- the designation and aggregate number of warrants;
- the price at which the warrants will be offered;
- the currency or currencies in which the warrants will be offered;
- whether the warrants will be listed on the CSE;
- the designation and terms of the common shares purchasable upon exercise of the warrants;
- the date on which the right to exercise the warrants will commence and the date on which the right will expire;
- the number of common shares that may be purchased upon exercise of each warrant and the price at which and currency or currencies in which the common shares may be purchased upon exercise of each warrant;
- the designation and terms of any securities with which the warrants will be offered, if any, and the number of the warrants that will be offered with each security;
- the date or dates, if any, on or after which the warrants and the related securities will be transferable separately;
- whether the warrants will be subject to redemption or call and, if so, the terms of such redemption or call provisions;
- material Canadian tax consequences of owning the warrants; and
- any other material terms or conditions of the warrants.

Prior to the exercise of their warrants, holders of warrants will not have any of the rights of holders of common shares issuable upon exercise of the warrants.

The Company reserves the right to set forth in a Prospectus Supplement specific terms of the warrants that are not within the options and parameters set forth in this Prospectus. In addition, to the extent that any particular terms of the warrants described in a Prospectus Supplement differ from any of the terms described in this Prospectus, the description of such terms set forth in this Prospectus shall be deemed to have been superseded by the description of such differing terms set forth in such Prospectus Supplement with respect to such warrants.

Description of Subscription Receipts

The Company may issue subscription receipts, which will entitle holders to receive upon satisfaction of certain release conditions and for no additional consideration, common shares, warrants or a combination thereof. Subscription receipts will be issued pursuant to one or more subscription receipt agreements (each, a "**Subscription Receipt Agreement**"), each to be entered into between the Company and an escrow agent (the "**Escrow Agent**"), which will establish the terms and conditions of the subscription receipts. Each Escrow Agent will be a financial institution organized under the laws of Canada or a province thereof and authorized to carry on business as a trustee. The Company will file on SEDAR a copy of any Subscription Receipt Agreement after the Company has entered into it.

The following description sets forth certain general terms and provisions of subscription receipts and is not intended to be complete. The statements made in this Prospectus relating to any Subscription Receipt Agreement and subscription receipts to be issued thereunder are summaries of certain anticipated provisions thereof and are subject to, and are qualified in their entirety by reference to, all provisions of the applicable Subscription Receipt Agreement and the Prospectus Supplement describing such Subscription Receipt Agreement. The Company urges you to read the applicable Prospectus Supplement related to the particular subscription receipts that the Company sells under this Prospectus, as well as the complete Subscription Receipt Agreement.

The Prospectus Supplement and the Subscription Receipt Agreement for any subscription receipts the Company offers will describe the specific terms of the subscription receipts and may include, but are not limited to, any of the following:

- the designation and aggregate number of subscription receipts offered;
- the price at which the subscription receipts will be offered;
- the currency or currencies in which the subscription receipts will be offered;
- the designation, number and terms of the common shares, warrants or combination thereof to be received by holders of subscription receipts upon satisfaction of the release conditions, and the procedures that will result in the adjustment of those numbers;
- the conditions (the "**Release Conditions**") that must be met in order for holders of subscription receipts to receive for no additional consideration common shares, warrants or a combination thereof;
- the procedures for the issuance and delivery of common shares, warrants or a combination thereof to holders of subscription receipts upon satisfaction of the Release Conditions;
- whether any payments will be made to holders of subscription receipts upon delivery of the common shares, warrants or a combination thereof upon satisfaction of the Release Conditions (e.g., an amount equal to dividends declared on common shares by the Company to holders of

record during the period from the date of issuance of the subscription receipts to the date of issuance of any common shares pursuant to the terms of the Subscription Receipt Agreement);

- the terms and conditions under which the Escrow Agent will hold all or a portion of the gross proceeds from the sale of subscription receipts, together with interest and income earned thereon (collectively, the "**Escrowed Funds**"), pending satisfaction of the Release Conditions;

- the terms and conditions pursuant to which the Escrow Agent will hold common shares, warrants or a combination thereof pending satisfaction of the Release Conditions;

- the terms and conditions under which the Escrow Agent will release all or a portion of the Escrowed Funds to the Company upon satisfaction of the Release Conditions;

- if the subscription receipts are sold to or through underwriters or agents, the terms and conditions under which the Escrow Agent will release a portion of the Escrowed Funds to such underwriters or agents in payment of all or a portion of their fees or commission in connection with the sale of the subscription receipts;

- procedures for the refund by the Escrow Agent to holders of subscription receipts of all or a portion of the subscription price for their subscription receipts, plus any pro rata entitlement to interest earned or income generated on such amount, if the Release Conditions are not satisfied;

- any contractual right of rescission to be granted to initial purchasers of subscription receipts in the event this Prospectus, the Prospectus Supplement under which subscription receipts are issued or any amendment hereto or thereto contains a misrepresentation;

- any entitlement of the Company to purchase the subscription receipts in the open market by private agreement or otherwise;

- whether the Company will issue the subscription receipts as global securities and, if so, the identity of the depositary for the global securities;

- whether the Company will issue the subscription receipts as bearer securities, registered securities or both;

- provisions as to modification, amendment or variation of the Subscription Receipt Agreement or any rights or terms attaching to the subscription receipts;

- the identity of the Escrow Agent;

- whether the subscription receipts will be listed on any exchange;

- material Canadian federal tax consequences of owning the subscription receipts; and

- any other terms of the subscription receipts.

The holders of subscription receipts will not be shareholders of the Company. Holders of subscription receipts are entitled only to receive common shares, warrants or a combination thereof on exchange of their subscription receipts, plus any cash payments provided for under the Subscription Receipt Agreement, if the Release Conditions are satisfied. If the Release Conditions are not satisfied, the holders of subscription receipts shall be entitled to a refund of all or a portion of the subscription price therefor and all or a portion

of the pro rata share of interest earned or income generated thereon, as provided in the Subscription Receipt Agreement.

The Company reserves the right to set forth in a Prospectus Supplement specific terms of the subscription receipts that are not within the options and parameters set forth in this Prospectus. In addition, to the extent that any particular terms of the subscription receipts described in a Prospectus Supplement differ from any of the terms described in this Prospectus, the description of such terms set forth in this Prospectus shall be deemed to have been superseded by the description of such differing terms set forth in such Prospectus Supplement with respect to such subscription receipts.

Description of Units

The Company may issue units comprised of one or more of the other securities described in this Prospectus in any combination. Each unit will be issued so that the holder of the unit is also the holder of each security included in the unit. Thus, the holder of a unit will have the rights and obligations of a holder of each included security. The unit agreement, if any, under which a unit is issued may provide that the securities comprising the unit may not be held or transferred separately, at any time or at any time before a specified date.

The particular terms and provisions of each issue of units will be described in the related Prospectus Supplement. This description will include, where applicable:

- the designation and aggregate number of units offered;
- the price at which the units will be offered;
- if other than Canadian dollars, the currency or currency unit in which the units are denominated;
- the terms of the units and of the securities comprising the units, including whether and under what circumstances those securities may be held or transferred separately;
- the number of securities that may be purchased upon exercise of each unit and the price at which and currency or currency unit in which that amount of securities may be purchased upon exercise of each unit;
- any provisions for the issuance, payment, settlement, transfer or exchange of the units or of the securities comprising the units; and
- any other material terms, conditions and rights (or limitations on such rights) of the units.

The Company reserves the right to set forth in a Prospectus Supplement specific terms of the units that are not within the options and parameters set forth in this Prospectus. In addition, to the extent that any particular terms of the units described in a Prospectus Supplement differ from any of the terms described in this Prospectus, the description of such terms set forth in this Prospectus shall be deemed to have been superseded by the description of such differing terms set forth in such Prospectus Supplement with respect to such units.

DENOMINATIONS, REGISTRATION AND TRANSFER

The securities will be issued in fully registered form without coupons attached in either global or definitive form and in denominations and integral multiples as set out in the applicable Prospectus Supplement. Other than in the case of book-entry only securities, securities may be presented for registration of transfer (with the form of transfer endorsed thereon duly executed) in the city specified for such purpose at the office of

the registrar or transfer agent designated by the Company for such purpose with respect to any issue of securities referred to in the Prospectus Supplement. No service charge will be made for any transfer, conversion or exchange of the securities, but we may require payment of a sum to cover any transfer tax or other governmental charge payable in connection therewith. Such transfer, conversion or exchange will be effected upon such registrar or transfer agent being satisfied with the documents of title and the identity of the person making the request. If a Prospectus Supplement refers to any registrar or transfer agent designated by the Company with respect to any issue of securities, we may at any time rescind the designation of any such registrar or transfer agent and appoint another in its place or approve any change in the location through which such registrar or transfer agent acts.

In the case of book-entry only securities, a global certificate or certificates representing the securities will be held by a designated depository for its participants. The securities must be purchased or transferred through such participants, which includes securities brokers and dealers, banks and trust companies. The depository will establish and maintain book-entry accounts for its participants acting on behalf of holders of the securities. The interests of such holders of securities will be represented by entries in the records maintained by the participants. Holders of securities issued in book-entry only form will not be entitled to receive a certificate or other instrument evidencing their ownership thereof, except in limited circumstances. Each holder will receive a customer confirmation of purchase from the participants from which the securities are purchased in accordance with the practices and procedures of that participant.

PLAN OF DISTRIBUTION

Optimi may sell the securities to or through underwriters or dealers, and also may sell securities to one or more other purchasers directly or through agents. Each Prospectus Supplement will set forth the terms of the offering, including the name or names of any underwriters or agents, the purchase price or prices of the securities and the proceeds to the Company from the sale of the securities. Only those underwriters, dealers or agents named in a Prospectus Supplement will be the underwriters, dealers or agents in connection with the securities offered thereby.

The securities may be sold, from time to time, in one or more transactions at a fixed price or prices which may be changed or at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at negotiated prices, including sales in transactions deemed to be "at the market distributions" as defined in National Instrument 44-102 – *Shelf Distributions*, including sales made directly on the CSE or other existing markets for the securities. Additionally, this Prospectus and any Prospectus Supplement may also cover the initial resale of the securities purchased pursuant thereto. The prices at which the securities may be offered may vary as between purchasers and during the period of distribution. If, in connection with the offering of securities at a fixed price or prices, the underwriters have made a bona fide effort to sell all of the securities at the initial offering price fixed in the applicable Prospectus Supplement, the public offering price may be decreased and thereafter further changed, from time to time, to an amount not greater than the initial public offering price fixed in such Prospectus Supplement, in which case the compensation realized by the underwriters will be decreased by the amount that the aggregate price paid by purchasers for the securities is less than the gross proceeds paid by the underwriters to the Company.

In connection with any offering of securities, other than an "at-the-market distribution", the underwriters may over-allot or effect transactions which stabilize or maintain the market price of the securities offered at a level above that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time.

Unless otherwise specified in a Prospectus Supplement, there is no market through which the Company's warrants, units, or subscription receipts may be sold and you may not be able to resell any such securities purchased under this Prospectus or any Prospectus Supplement. Unless otherwise specified in the applicable Prospectus Supplement, the securities (excluding any common shares) will

not be listed on any securities exchange. **This may affect the pricing of such securities on the secondary market, the transparency and availability of trading prices, the liquidity of the securities, and the extent of issuer regulation. See "*Risk Factors*".**

In connection with the sale of securities, underwriters, dealers and agents may receive compensation from the Company or from purchasers of the securities from whom they may act as agents in the form of discounts, concessions or commissions. Any such commissions will be paid out of the Company's general funds. Underwriters, dealers and agents that participate in the distribution of securities may be deemed to be underwriters and any discounts or commissions received by them from the Company and any profit on the resale of securities by them may be deemed to be underwriting discounts and commissions under applicable securities legislation.

Underwriters, dealers and agents who participate in the distribution of the securities may be entitled under agreements to be entered into with the Company to indemnification by the Company against certain liabilities, including liabilities under Canadian securities legislation, or to contribution with respect to payments which such underwriters, dealers or agents may be required to make in respect thereof. Those underwriters, dealers and agents may be customers of, engage in transactions with, or perform services for, the Company in the ordinary course of business.

CERTAIN INCOME TAX CONSIDERATIONS

Owning or holding any of the Company's securities may subject you to tax consequences in Canada and elsewhere.

Although the applicable Prospectus Supplement may describe certain Canadian federal income tax consequences of the acquisition, ownership and disposition of any securities offered under this Prospectus by an initial investor, the Prospectus Supplement may not describe these tax consequences fully. You should consult your own tax advisor with respect to your particular circumstances.

AUDITOR, TRANSFER AGENT, REGISTRAR AND WARRANT AGENT

The external auditor of the Company is Smythe LLP at its principal office located at 475 Howe St. #1700, Vancouver, British Columbia, V6C 2B3.

The registrar, transfer agent and warrant agent of the Company is Endeavor Trust Corporation at its principal office located at 777 Hornby St. #702, Vancouver, British Columbia, V6Z 1S4.

INTERESTS OF EXPERTS

The annual financial statements will be audited by Smythe LLP. Smythe LLP is the independent auditor of the Company and is independent within the meaning of the Rules of Professional Conduct of the Institute of Chartered Professional Accountants of British Columbia.

ADDITIONAL INFORMATION

The Company's public filings are available on the System for Electronic Document Analysis and Retrieval, or SEDAR, at www.sedar.com. Unless specifically incorporated by reference herein, documents filed or furnished by the Company on SEDAR are neither incorporated in nor a part of this Prospectus.

PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may only be exercised within two business

days after receipt or deemed receipt of a Prospectus, the accompanying Prospectus Supplement relating to securities purchased by a purchaser and any amendment thereto. In several of the provinces and territories, the securities legislation further provides a purchaser with remedies for rescission or damages if the Prospectus, the accompanying Prospectus Supplement relating to securities purchased by a purchaser and any amendment thereto contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

Original purchasers of warrants (if offered separately) and subscription receipts will have a contractual right of rescission against the Company in respect of the conversion, exchange or exercise of such warrant and subscription receipt, as the case may be. The contractual right of rescission will entitle such original purchasers to receive, in addition to the amount paid on original purchase of the warrant or subscription receipt, as the case may be, the amount paid upon conversion, exchange or exercise upon surrender of the underlying securities gained thereby, in the event that this Prospectus (as supplemented or amended) contains a misrepresentation, provided that: (i) the conversion, exchange or exercise takes place within 180 days of the date of the purchase of the convertible, exchangeable or exercisable security under this Prospectus; and (ii) the right of rescission is exercised within 180 days of the date of purchase of the convertible, exchangeable or exercisable security under this Prospectus. This contractual right of rescission will be consistent with the statutory right of rescission described under section 131 of the *Securities Act* (British Columbia), and is in addition to any other right or remedy available to original purchasers under section 131 of the *Securities Act* (British Columbia) or otherwise at law.

Original purchasers are further advised that in certain provinces and territories the statutory right of action for damages in connection with a prospectus misrepresentation is limited to the amount paid for the convertible, exchangeable or exercisable security that was purchased under a prospectus, and therefore a further payment at the time of conversion, exchange or exercise may not be recoverable in a statutory action for damages. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights, or consult with a legal advisor.

CERTIFICATE OF THE COMPANY

Dated: August 13, 2021

This short form prospectus, together with the documents incorporated herein by reference, will, as of the date of a particular distribution of securities under the prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered by this prospectus and the supplement as required by the securities legislation of all of the provinces and territories of Canada, except the province of Québec.

(signed) **"***Mike Stier***"**

Mike Stier
President and Chief Executive Officer

(signed) **"***Jacob Safarik***"**

Jacob Safarik
Chief Financial Officer

On behalf of the Board of Directors

(signed) **"***Dane Stevens***"**

Dane Stevens
Director

(signed) **"***Bryan Safarik***"**

Bryan Safarik
Director

CERTIFICATE OF THE PROMOTER

Dated: August 13, 2021

This short form prospectus, together with the documents incorporated herein by reference, will, as of the date of a particular distribution of securities under the prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered by this prospectus and the supplement as required by the securities legislation of all of the provinces and territories of Canada, except the province of Québec.

(signed) **"***Mike Stier***"**

Mike Stier
Promoter