TRYP THERAPEUTICS INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Three and Nine Months Ended May 31, 2021

This management discussion and analysis ("**MD&A**") of the operations and financial condition of the Company is dated as of July 28, 2021 and describes the operating and financial results of the Company for the three and nine months ended May 31, 2021. MD&A of financial condition and the results of operations should be read in conjunction with the February 28, 2021 unaudited condensed interim consolidated financial statements and the August 31, 2020 audited financial statements together with accompanying notes. The unaudited condensed interim consolidated financial statements of the Company for the three and nine-months period ended May 31, 2021, are prepared in accordance with IAS 34 Interim Financial Reporting and do not include all information required for full annual financial statements. The most recent audited financial statements of the Company for the year ended August 31, 2020 and all comparative information herein have been prepared in accordance with International Financial Reporting Standards ("IFRS").

Throughout the report we refer to "Tryp" the "Company", "we", "us", "our" or "its". All these terms are used in respect of Tryp Therapeutics Inc.

This report contains "forward-looking information" within the meaning of applicable securities laws in Canada. Forward-looking information may relate to our future outlook and anticipated events or results and may include information regarding our financial position, business strategy, growth strategies, budgets, operations, financial results, taxes, dividend policy, plans and objectives. Particularly, information regarding our expectations of future results, performance, achievements, prospects or opportunities or the markets in which we operate is forward-looking information. In some cases, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "targets", "expects" or "does not expect", "outlook", "prospects", "strategy", "intends", "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might", "will", "occur" or "be achieved". In addition, any statements that refer to expectations, intentions, projections or other characterizations of future events or circumstances contain forward-looking information. Statements containing forward-looking information are not historical facts but instead represent management's expectations, estimates and projections regarding future events or circumstances. Forward-looking information contained in this MD&A and other forward-looking information are based on our opinions, estimates and assumptions in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we currently believe are appropriate and reasonable in the circumstances. Despite a careful process to prepare and review the forward-looking information, there can be no assurance that the underlying opinions, estimates and assumptions will prove to be correct.

The forward-looking information in this report represents our expectations as of the date of this MD&A. The Company does not have any policies to update or revise any forward-looking information whether as a result of new information, future events or otherwise, except as required under applicable securities laws in Canada. Forward-looking information in this MD&A includes, but is not limited to, information relating to: the timing, progress, and results of preclinical and clinical studies for our initial PFN™ program candidate TRP-8802, and our oral formulation of razoxane candidate TRP-1001, and any future drug candidates we may develop, including statements regarding the timing of initiation and completion of studies and related

preparatory work, the period during which the results of the studies will become available, and our research and development programs; the potential of undesirable side effects or other properties relating to our drug candidates that could delay or prevent their regulatory approval, limit their commercial potential, or result in significant negative consequences following any potential marketing approval; the potential for our identified research priorities to advance our drug candidates; the potential benefits of and our ability to establish collaborations or strategic relationships or obtain additional funding; the potential for substantial delays in our clinical studies or our failure to demonstrate safety and efficacy to the satisfaction of applicable regulatory authorities; our ability to obtain and maintain regulatory approval of our drug candidates, including TRP-8802, TRP-1001, and any other future drug candidates, and any related restrictions, limitations and/or warnings in the label of an approved product candidate; our intellectual property position, including the scope of protection, if any, we are able to establish and maintain for intellectual property rights covering TRP-8802, TRP-1001, and any additional drug candidates we may develop, and our ability not to infringe, misappropriate, or otherwise violate any third-party intellectual property rights; our ability and the potential to successfully manufacture our drug candidates for clinical studies and for commercial use, if approved; the commercial prospects of our drug candidates in light of the intellectual property rights of others; our ability to obtain funding for our operations, including funding necessary to complete further development of our drug candidates; our plans to research, develop, and commercialize our drug candidates; our ability to attract collaborators with development, regulatory, and commercialization expertise; the size and growth potential of the markets for our drug candidates; the rate and degree of market acceptance and clinical utility of TRP-8802, TRP-1001 and any future drug candidates we may develop, if approved; the pricing and reimbursement of TRP-8802, TRP-1001 and any future drug candidates we may develop, if approved; regulatory developments in the United States and other countries; our ability to contract with third-party suppliers and manufacturers and their ability to perform adequately; the success of competing therapies that are or may become available; our ability to retain the continued service of our key professionals and to identify, hire, and retain additional qualified professionals; the accuracy of our estimates regarding expenses, future revenue, capital requirements, and needs for additional financing; and the impact of laws and regulations and potential changes to laws and regulations.

We have based our assumptions for basis of our forward-looking information largely on the Company's current expectations, estimates, assumptions, and projections about future events and financial and other trends that the Company believes, as of the date of such statements, may affect its business, financial condition and results of operations. Such expectations, estimates, assumptions, and projections, many of which are beyond our control, are based on and include but are not limited to: (i) the Company's ability to obtain positive results of preclinical and clinical studies; (ii) the Company's ability to obtain regulatory approvals; (iii) general business and economic conditions; (iv) the Company's ability to successfully out-license or sell its current drug candidates and in-license and develop new drug candidates; (v) the availability of financing on reasonable terms; (vi) the Company's ability to attract and retain skilled staff; (vii) market competition; (viii) the products and technology offered by the Company's competitors; and (ix) the Company's ability to protect patents and proprietary rights.

Additional information about risks and uncertainties is contained in this MD&A and in the Company's prospectus dated, December 8, 2020 (the "**Prospectus**"), a copy of which is available under the Company's profile on SEDAR at www.sedar.com

Additionally, a more complete discussion of the risks and uncertainties facing the Company is disclosed in the Company's continuous disclosure filings with Canadian securities regulatory authorities at www.sedar.com.

All forward-looking information herein is qualified in its entirety by this cautionary statement, and the Company disclaims any obligation to revise or update any such forward-looking information or to publicly announce the result of any revisions to any of the forward-looking information contained herein to reflect future results, events or developments, except as required by law.

Overview, Performance and Operations

The Company was incorporated under *the BC Business Corporations Act* on September 24, 2019 under the name "Artos Pharma Corp." ("Artos"). On June 30, 2020, Artos changed its name to "Tryp Therapeutics Inc" (the "Company").

Tryp is a pharmaceutical company focused on developing compounds with known activity and/or safety profiles for the treatment of diseases with high unmet medical needs. The Company's lead development program, which is referred to as the Psilocybin-For-Neuropsychiatric Disorders, or PFN™, program, is designed to treat neuropsychiatric disorders through the dosing of formulations of synthetic psilocybin. The primary indications for our PFN™ are in the areas of chronic pain including fibromyalgia, phantom limb pain, and complex regional pain syndrome; and eating disorders including binge eating and hypothalamic obesity.

In addition to our PFN™ program, Tryp is evaluating non-psychedelic drug candidates with known activity and/or safety profiles that may have utility in the treatment of rare or orphan diseases or other diseases with high unmet medical needs. As part of that program, Tryp is evaluating the development of a proprietary formulation of razoxane for the treatment of soft tissue sarcomas. The Company continues to evaluate potential additional indications for its existing programs, as well as other drug candidates that meet Tryp's criteria for development. See the Company's Prospectus under heading *"General Development and Business of the Company*" as filed on www.sedar.com for further information.

On December 17, 2020, the Company successfully closed its initial public offering, pursuant to the Company's Prospectus and commenced trading on the Canadian Stock Exchange ("**CSE**") on December 18, 2020 under the symbol "**TRYP**".

On March 16, 2021, Tryp Therapeutics (USA) Inc. was incorporated in the State of Delaware, United States of America and is 100% owned by Tryp Therapeutics Inc. Tryp Therapeutics (USA) Inc. and Tryp Therapeutics Inc. were consolidated to form the Tryp Therapeutics Inc. ("the Company").

On April 5, 2021, the Company initiated quoting activity on the OTCQB Venture Market under the symbol "**TRYPF**" and is eligible for settlement and transfer of its common shares in the United States with The Depository Trust Company.

The Company's principal address, records office and registered address are located at 301 – 1665 Ellis Street, Kelowna, BC V1Y 2B3, Canada.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies and financial markets globally, potentially leading to an economic downtown. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or results of operations at this time.

In addition to the below summary please refer to the Company's Prospectus as filed on www.sedar.com under the Company's profile.

During the recent quarter ended May 31, 2021 and as at the date of this report herein, the Company reports the following:

Corporate

OTCQB Quoting and DTC Eligibility

On April 5, 2021 Tryp announced that it had initiated quoting activity on the OTCQB Venture Market and that it was eligible for settlement and transfer of its common shares in the United States with The Depository Trust Company (DTC).

Intellectual Property

On March 18, 2021 Tryp announced the filing of a provisional patent (US 63/161,070) to improve how psychedelics are administered across a wide range of indications. The provisional patent describes novel methods for the formulation, delivery, and dosing of psychedelics resulting in a potential reduction in the time spent by patients in the psychedelic state.

Partnerships

On May 3, 2021 Tryp announced a master service agreement with Fluence to provide design and training for the psychotherapeutic portion of Tryp's clinical trial activities. Fluence is led by researchers and psychotherapists with direct experience in psychedelic clinical trials and is the foremost provider of psychotherapeutic training for health professionals that are administering psychedelic compounds to patients. The company is dedicated to increasing awareness, availability, and safety of psychedelic therapies, psychedelic integration, and related healthcare services.

On May 10, 2021 Tryp announced a master service agreement with Clinlogix, a Contract Research Organization, to support Tryp's clinical development of its PFN™ program.

On May 25, 2021 Tryp announced an agreement with Alcami Corporation, a global pharmaceutical contract development and manufacturing organization, to support the proprietary formulation of products for Tryp's PFN™ program. Tryp's collaboration with Alcami will initially focus on developing oral formulations for Tryp's proprietary psilocybin Active Pharmaceutical Ingredient being manufactured by Curia (formerly known as AMRI).

Directors, Officers and Advisors

On April 1, 2021 Tryp appointed Mr. McKee to serve as Chief Executive Officer. Mr. McKee will continue to serve as Chairman of the Company's board of directors. Tryp's former CEO, Jim Kuo, will continue to serve as a director on the Company's board.

Greg McKee brings more than 20 years of biotechnology, life sciences management and leadership and venture investment experience to the company. Before joining Tryp, he founded Torrent Ventures, an early stage digital health and medical technology venture fund, and served as chief executive officer of CONNECT, the largest Southern California start-up accelerator creating and scaling of innovative life sciences and technology companies. Prior to CONNECT he was chairman, president and chief executive officer publicly traded Nventa Biopharmacueticals which successfully merged with Akela Pharma. Additionally, he has held senior management roles at Genzyme Corporation, which was acquired by Sanofi for $22 billion. Mr. McKee has lived and worked in Tokyo, Japan for seven years managing a $550M investment portfolio at the Mizuho Group and as an investment banker with UBS. He was also senior advisor to the Former Minister of Foreign Affairs of Japan. Additionally, Mr. McKee lived and worked in Singapore for 2 years managing Genzyme's business units in South East Asia and mainland China. Mr. McKee earned a B.A. in Economics from the University of Washington, a M.A. in International Studies from The Joseph H. Lauder Institute and an M.B.A from the Wharton School, at the University of Pennsylvania. He has been a member of Young President's Organization (YPO) since 2006.

On March 8, 2021 Tryp appointed Luke Hayes to serve as Chief Financial Officer. Mr. Hayes has been active in the life science industry for more than 20 years with experience in technology transfer, venture capital, and finance. He started his career doing business development for Dow Chemical with responsibility

for pharmaceutical customers including Lilly and AbbVie. He spent more than a decade doing venture capital investing while supporting a wide range of companies as a Director and advisor. Mr. Hayes has deep experience with corporate finance and capital formation activities as well as extensive relationships throughout the life science industry. He earned a B.S. in Chemical Engineering from Brigham Young University and an MBA from the UCLA Anderson School of Management.

For additional information on Tryps' Directors and Officers see the Company's Prospectus as filed on www.sedar.com under the Company's profile.

Results of Operations

Financial Results for the three months ended May 31, 2021

The Company had no operating revenues during the three months ended May 31, 2021 and relies on external financings to generate capital for its continued operations. As a result of its activities, the Company continues to incur losses.

For the three months ended May 31, 2021, the Company reported a $2,571,084 (2020 - $6,002) net loss and comprehensive loss and $0.04 (2020 - $0.04) basic and diluted loss per share. The current period loss was primarily attributed to general and administration costs as described hereinbelow of $429,032 (2020 - $6,002) and share-based payments of $917,530 (2020 - $nil) in connection the grant of stock options.

Financial Results for the nine months ended May 31, 2021

For the nine months ended May 31, 2021, the Company reported a $5,484,518 (2020 - $6,002) net loss and comprehensive loss and $0.10 (2020 - $0.04) basic and diluted loss per share. The current period loss was primarily attributed to the impairment of intangible assets of $956,360; general and administration costs as described hereinbelow of $910,112 (2020 - $6,002) and share-based payments of $1,696,677 (2020 - $nil) in connection the grant of stock options.

The summary of general and administrative expenditures included:

		Three months ended May 31, 2021	Three months ended May 31, 2020	Nine months ended May 31, 2021	Nine months ended May 31, 2020
Accounting and legal	$	**54,200**	6,002	**147,345**	6,002
Consulting		**280,822**	-	**589,008**	-
Insurance		**33,637**	-	**50,456**	-
Office and administration fees		**47,320**	-	**56,883**	-
Regulatory fees		**12,321**	-	**48,623**	-
Transfer agent		**732**	-	**17,797**	-
	$	**429,032**	6,002	**910,112**	6,002

Consulting fees relate to services provided by consultants, including management, of the development of the Company's business plan, business advisory services provided to management to assist in the preparation of its going public transaction and related documentation and filing requirements.

Regulatory fees relate to listing and exchange fees in connection with the going public transaction and listing on the CSE.

In addition to administration and general expenses incurred as described above the Company incurred the following:

Website, advertising and communication expenses of $1,074,595 (2020 - $nil) relating to ongoing website development, social media and news release dissemination.

Marketing and corporate development *expenses* of $476,664 (2020 - $nil) relating to media advisory and marketing campaigns.

Research and development expenses which included consulting fees and analytical support in relation to the development of the Company's business plans for its PFN™ program.

Summary of Quarterly Results

	For the Quarter Ended		
	May 31, 2021	**February 28, 2021**	**November 30, 2020**
Revenue	**$-**	**$-**	**$-**
Net loss and comprehensive loss	**($2,571,084)**	**($2,390,093)**	**($523,340)**
Basic and diluted loss per share	**($0.04)**	**($0.05)**	**($0.01)**
Weighted average shares	**66,372,181**	**48,351,815**	**39,091,722**

	For the Quarter Ended		
	May 31, 2020	**February 29, 2020**	**November 30, 2019**
Revenue	**$-**	**$-**	**$-**
Net loss and comprehensive loss	**($6,002)**	**$-**	**$-**
Basic and diluted loss per share	**($0.04)**	**$-**	**$-**
Weighted average shares	**151,987**	**55,296**	**12,864**

Liquidity and capital resources

	May 31 2021	**August 31 2020**
Financial position:		
Cash	**$5,601,713**	$1,019,100
Working capital	**$5,950,961**	$855,092
Total Assets	**$6,086,925**	$2,035,045
Shareholders' equity	**$5,968,277**	$1,842,337

As at May 31, 2021, the Company's working capital balance was $5,950,961 (August 31, 2020 - $855,092) which included prepaid expenditures and advances of $457,471 (August 30, 2020 - $28,700) for marketing and corporate development.

The intangible assets for the period ended May 31, 2021 of $17,316 (August 31, 2020 - $960,725) represents the capital investment of $nil during the three and nine-month period end May 31, 2021 (August 31, 2020 - $960,725) for patent applications filing and expenses. In April 2021 the Company determined that it was in the Company's best interest with respect to its IP strategy to discontinue the prosecution of the Additional Purchase Assets resulting in a reduction in value of intangible assets by $956,360 as at February 28, 2021.

On December 17, 2020 the Company completed the offering for gross proceeds of $5,002,500 and on February 16, 2021 the Company completed a private placement for gross proceeds of $2,000,000. Prior equity sales from incorporation on September 24, 2019 to August 31, 2020 included an aggregate of $1,068,794.

During the period ended May 31, 2021, the Company issued an aggregate 2,885,000 common share pursuant the exercise of 2,885,000 IPO Warrants at an exercise price of $0.50.

The Company believes that its cash and cash equivalents on hand will enable the Company to fund future overhead working capital for at least the next twelve months. The Company will require additional funding to complete significant research and development objectives as outlined in the Company's Prospectus under heading "*Business Objectives and Milestones"* as filed on www.sedar under the Company's profile.

The Company's continuation as a going concern is dependent upon its ability to raise equity capital or borrowings sufficient to meet current and future obligations, development and ultimately achieve profitable operations.

Use of Proceeds

	Estimated Use of Proceeds from Over allotted IPO	Estimated Use of Proceeds from	Combined Use of Proceeds	Actual Use of Proceeds	Variances
Research, Development and IND - Activities for TRP-8802	$1,500,000	$2,000,000	$3,500,000	$131,431	$3,368,56
Research, Development and IND - Activities for TRP-1001	$400,000	-	$400,000	-	$400,000
General and Administration*	$2,200,000	-	$2,200,000	$1,833,801	$366,199
	$4,100,000	$2,000,000	$6,100,000	$1,965,232	$4,134,76
*G&A					
Costs of IPO	$350,000	-	$350,000	$376,344	($26,344)
Consulting Fees	$660,000	-	$660,000	$637,545	$22,455
Professional Fees	$237,500	-	$237,500	$242,347	($4,847)
Investor Relations	$485,000	-	$485,000	$436,608	$48,392
Maintenance and Protection of IP	$200,000	-	$200,000	-	$200,000
Administration	$245,000	-	$245,000	$140,957	$104,043
	$2,177,500	$0	$2,177,500	$1,833,801	$343,699

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Key Management and Personnel Compensation

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers. Key management personnel compensation for the nine-month period ended May 31, 2021, including Company officers, directors, and private companies controlled by officers and directors, was as follows:

	May 31 2021	May 31 2020
Key management personnel compensation comprised:		
Consulting fees	**$325,014**	**$-**
Director fees	**123,333**	**-**
Administration fees	**1,525**	**-**
Share-based payments	**1,424,268**	**-**
	$1,874,140	**$-**

Consulting fees of $78,125 (2020 - $nil) were paid or accrued to a company controlled by James Kuo, the Company's director and former CEO;

Consulting fees of $40,711 (2020 - $nil) were paid or accrued to Greg McKee, the Company's CEO;

Consulting fees of $52,175 (2020 - $nil) were paid to Luke Hayes, the Company's CFO;

Consulting fees of $77,091 (2020 - $nil) were paid or accrued to a company controlled by James Gilligan, the Company's President and CSO; and,

Consulting fees of $40,667 (2020 - $nil) were paid or accrued to a Thomas D'Orazio the Company's COO.

Share-based payment amounts included the fair value of options granted and vested to key management and directors of the Company.

As at May 31, 2021, included in trade and other payables are amounts due to officers and directors for fees and expenses of $1,549 (August 31, 2020 - $41,113).

Amounts due to related parties included in trade and other payables are unsecured, non-interest bearing and are without fixed terms of repayment.

Related Party Transactions

Shareholder loans

As at May 31, 2021, no shareholder loans were due or payable (August 31, 2020 – $4,514).

Critical Accounting Policies and Estimates

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The effect of a change in an accounting estimate is recognized prospectively by including it in loss/income in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

Information about critical judgments and estimates in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements within the next financial year are discussed below:

***Critical accounting estimates*:**

Recoverability of the carrying value of intangible assets

Recoverability of the carrying value of intangible assets requires management to determine whether future economic benefits from sale or otherwise are likely. Evaluation may be more complex where activities have not reached a stage that permits a reasonable assessment of the viability of the asset. Management must make certain estimates and assumptions about future events or circumstances including, but not limited to, the interpretation of research results, as well as the Company's financial ability to continue sales activities and operations.

The measurement of deferred income tax assets and liabilities

Deferred tax assets, including those arising from un-utilized tax losses, require management to assess the likelihood that the Company will generate sufficient taxable earnings in future periods in order to utilize recognized deferred tax assets. Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. In addition, future changes in tax laws could limit the ability

of the Company to obtain tax deductions in future periods. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the reporting date could be impacted.

Useful lives of intangible assets

Amortization is recorded on the straight-line basis based upon management's estimate of the useful life and residual value. The estimates are reviewed at least annually and are updated if expectations change as a result of the technical obsolescence or legal and other limits to use. A change in the useful life or residual value will impact the reported carrying value of the intangible assets resulting in a change in related amortization expense. As at May 31, 2021, the Company has not amortized the intangible assets as amortization begins when the intangible assets are available for use.

Fair value of consideration for intangible assets acquired

The Company has applied estimates with respect to the valuation of shares issued for non-cash consideration in the acquisition of intangible assets. Shares are valued at the fair value of the equity instruments granted at the date the Company receives the goods or services for share-based payments made to those other than employees or others providing similar services.

***Critical accounting judgments*:**

Going concern

The preparation of these financial statements requires management to make judgments regarding the going concern of the Company as discussed in note 2 of the Company's audited financial statements.

Treatment of development costs

Costs to develop products are capitalized to the extent that the criteria for recognition as intangible assets in IAS 38 *Intangible Assets* are met. Those criteria require that the product is technically and economically feasible, which management assessed based on the attributes of the development project, perceived user needs, industry trends and expected future economic conditions. Management considers these factors in aggregate and applies significant judgment to determine whether the product is feasible. The Company has not capitalized any development costs as at May 31, 2021.

Treatment of deferred financing costs

Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred financing costs until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise they are expensed as incurred. Management applies significant judgment to determine whether the completion of the transaction is considered likely.

Treatment of acquired intangible assets

Consideration paid in the acquisition of intangible assets is capitalized to the extent that the definition of an intangible asset and the criteria for recognition as intangible assets in IAS 38 *Intangible Assets* are met. Those criteria require that the intangible asset be identifiable, the Company must have control over it, and it must provide future economic benefits. Management considers these factors in aggregate and applies significant judgment to determine whether the intangible asset should be recognized in the consolidated statement of financial position.

At each reporting date, the Company assesses if the intangible assets have indicators of impairment. In determining whether the intangible assets are impaired, the Company assesses certain criteria, including observable decreases in value, significant changes with adverse effect on the entity, evidence of technological obsolescence and future plans.

Financial Instruments
The Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash and cash equivalents held in bank accounts. The majority of cash is deposited in bank accounts held with a major bank in Canada. As most of the Company's cash is held by one bank there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. Credit risk related to cash is assessed as low.

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash. As of May 31, 2021, the Company had working capital of $5,950,961 (2020 – 93,981) to cover short-term obligations.

Historically, the Company's sole source of funding has been loans from related parties and private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding. Liquidity risk is assessed as moderate.

Interest rate risk
Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at May 31, 2021, the Company did not have any financial instruments subject to interest rate risk.

Fair value
Financial instruments that are measured subsequent to initial recognition at fair value are grouped in Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

As at May 31, 2021, cash is measured as Level 1 financial instruments.

Capital Management

The Company considers its share capital as capital. The Company's objectives when maintaining capital are to maintain a sufficient capital base in order to meet its short-term obligations and at the same time preserve investor's confidence required to sustain future development and production of the business.

The Company is not exposed to any externally imposed capital requirements. There were no changes in the Company's approach to capital management during the nine-month period ended May 31, 2021.

Outstanding Share Data

The Company's authorized share capital consists of:

- Unlimited Common Shares without par value.
- Unlimited Preferred Shares without par value.

As at the date of this report the Company had 66,668,759 Common Shares issued and outstanding and no Preferred Shares issued and outstanding. Additionally, the Company as at the date of this report had the following outstanding options, warrants and convertible securities as follows:

Type of Security	Number	Exercise price	Expiry Date
Stock Options	1,600,000	$0.15	29-Sep-25
Stock Options	1,500,000	$0.15	2-Nov-25
Stock Options	3,769,684	$0.15	2-Nov-30
Stock Options	400,000	$0.75	22-Dec-30
Stock Options	200,000	$0.75	14-Jan-31
Stock Options	2,000,000	$0.70	13-Jan-31
Stock Options	1,500,000	$0.79	08-Mar-31
Stock Options	2,300,000	$0.68	31-Mar-31
Stock Options	100,000	$0.68	31-Mar-31
Stock Options	200,000	$0.68	1-Apr-31
Stock Options	100,000	$0.50	8-Jul-31
Share Purchase Warrants	7,694,352	$0.50	17-Dec-21
Share Purchase Warrants	1,666,667	$0.75	16-Feb-23
Compensation Options	1,294,996	$0.25	17-Dec-21
Agent Warrants	500,250	$0.50	17-Dec-21

Subsequent to May 31, 2021 and as at the date of this report the Company issued the following:

Stock Options

On June 1, 2021, the Company has cancelled an aggregate of 6,000,000 options granted under its prior option plan and granted an aggregate of 6,000,000 under new option plan. The term, vesting period, and exercise prices of the new options are identical to the term, vesting periods and exercise prices of the cancelled options.

On July 8, 2021, the Company granted 100,000 stock options at an exercise price of $0.50 for a period of 10 years. The options vest equally over a thirty six month period from the date of grant.

Escrow

As at the date of this report 18,263,160 shares of the total outstanding shares are held in escrow and will be released based on the Company's escrow agreement.

17-Jun-21	1/6 of the Escrowed Securities
17-Dec-21	1/5 of the Escrowed Securities
17-Jun-22	1/4 of the Escrowed Securities
17-Dec-22	1/3 of the Escrowed Securities
17-Jun-23	1/2 of the Escrowed Securities
17-Dec-23	The remaining Escrowed Securities

In addition to the escrow requirements, directors, officers of the Company that held Common Shares entered into lock-up agreements with the Agent for a period of 12 months expiring on December 17, 2021.

Risk Factors

An investment in the Company involves a substantial degree of risk and should be regarded as highly speculative due to the nature of the business of the Company. Prospective investors should carefully consider and evaluate all risks and uncertainties involved in an investment in the Company, including risks related to: government or regulatory approvals; permits and government regulation; the Company's limited operating history; laws and regulation; uninsured and underinsured risks; public health crises such as the COVID-19 pandemic; the global economy; the environment; social and environmental activism; dependence on management and key personnel; claims and legal proceedings; conflicts of interest; negative cash flow from operating activities; going concern risk; uncertainty of use of available funds; the Company's status as a reporting issuer; risks associated with acquisitions; force majeure; infrastructure; intellectual property risks; the possible lack of established market for the Common Shares; the speculative nature of an investment in the Company; price of the Common Shares may not represent the Company's performance or intrinsic fair value; securities or industry analysts; price volatility of publicly traded securities; dilution; dividends; and conflicts of interest.

Management cannot provide assurance that the Company will ultimately achieve profitable operations or positive cash flow. The Company's continuation as a going concern is dependent on its ability to attain profitable operations and raise additional capital. These matters indicate the existence of material uncertainties that cast significant doubt about the Company's ability to continue as a going concern. The Company's accompanying condensed interim consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities, the reported revenues and expenses and consolidated statement of financial position classifications that would be necessary if the going concern assumption was inappropriate. Such adjustments could be material.

Any forward-looking information in this MD&A is based on the conclusions of management. The Company cautions that due to risks and uncertainties, actual events may differ materially from current expectations. With respect to the Company's operations, actual events may differ from current expectations due to economic conditions, new opportunities, changing budget priorities of the Company and other factors.

The Common Shares involve a certain degree of risk. Any person currently holding or considering the purchase of Common Shares or any other securities of the Company that may be offered or that are issued and outstanding from time to time, should be aware of these and other factors set forth in the Company's prospectus dated December 8, 2020 and should consult with his or her legal, tax and financial advisors prior to making an investment in the Common Shares or any other securities of the Company that may be offered or that are issued and outstanding from time to time. The Common Shares and any other securities of the Company that may be offered or that are issued and outstanding from time to time should only be purchased by persons who can afford to lose all of their investment.

A more complete discussion of the risks and uncertainties facing the Company are set out under "*Risk Factors*" and the other information noted in the Company's Prospectus dated December 8, 2020 and the Company's continuous disclosure filings which are available under the Company's profile on SEDAR at www.sedar.com.

Other Requirements

Additional disclosure of the Company's material change reports, news release and other information can be obtained under the Company's profile on SEDAR at www.sedar.com.