TRYP THERAPEUTICS INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended August 31, 2022

This management discussion and analysis ("**MD&A**") of the operations and financial condition of Tryp Therapeutics Inc. (the "**Company**" or "**Tryp**") is dated as of December 13, 2022 and describes the operating and financial results of the Company for the year ended August 31, 2022. MD&A of financial condition and the results of operations should be read in conjunction with the August 31, 2022 audited consolidated financial statements, in each case together with accompanying notes. The audited consolidated financial statements of the Company for the year ended August 31, 2022 are prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). The most recent audited financial statements of the Company for the fiscal year ended August 31, 2022 and all comparative information herein have been prepared in accordance with International Financial Reporting Standards ("IFRS").

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

This MD&A contains "forward-looking information" within the meaning of applicable securities laws in Canada. Forward-looking information may relate to our 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 is 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 MD&A 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: (i) information relating to clinical pharmacology studies for our psilocybin-based drug product, TRP-8803, including statements regarding the anticipated results of such studies, and (ii) TRP-8803's expected commercialization and use for chronic pain indications such as fibromyalgia and phantom limb pain, among other diseases.

Forward-looking information contained herein is based 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 concerning some of the risks and uncertainties facing the Company are contained in this MD&A, in the Company's continuous disclosure filings and in the Company's final prospectus dated, December 13, 2020 (the "**Prospectus**"), copies of which are available under the Company's profile on SEDAR 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

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

Tryp is a clinical-stage biotechnology company focused on developing psilocybin-related molecules, including TRP-8803, for the treatment of diseases with unmet medical needs through accelerated regulatory pathways. Tryp's Psilocybin-For-Neuropsychiatric Disorders (PFN™) program is focused on the development of synthetic psilocybin-related molecules as a new class of drug for the treatment of binge eating, chronic pain, and other indications. The Company has begun enrolling patients in its Phase II trial for the treatment of binge eating disorder at the University of Florida and recently announced an upcoming Phase IIa clinical trial with the University of Michigan to evaluate TRP-8802 for fibromyalgia. TRP-8803 is a proprietary psilocybin-based product that uses a novel formulation and route of administration to potentially improve efficacy, safety and the patient experience.

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. ("**Tryp USA**") was incorporated in the State of Delaware, United States of America and is 100% owned by Tryp.

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, British Columbia, Canada V1Y 2B3.

HIGHLIGHTS – FY2022 and TO DATE

Research and Development – Significant activities and advances included:

October 3, 2022 – Tryp announced that the World Intellectual Property Organization (WIPO) published their international patent application (PCT/IB2022/052347) covering the intravenous administration of psilocybin and psilocin. The PCT application, titled “Improved Methods For The Use of Psychedelics” expands and strengthens the IP related to the Company’s development of TRP-8803, an IV formulation of psilocin, which will be administered in conjunction with psychotherapy.

The patent application includes a unique and proprietary formulation and delivery system to enhance the positive effects of psilocybin and in particular psilocin, while markedly reducing the limitations of psilocybin dosed through other routes of administration, including oral, nasal and sublingual.

September 22, 2022 - The WIPO published Tryp’s international patent application titled “Improved Methods for the Use of Psychedelics” covering the intravenous administration of psilocybin and psilocin.

September 13, 2022 - Tryp filed provisional patent application titled “Compositions and Methods for Treating Fibromyalgia” for the use of psilocybin for treatment of patients with fibromyalgia.

September 13, 2022 - Tryp filed provisional patent application titled “Psilocin Crystalline Forms and Cocrystals” for crystalline forms of TRP-8803.

June 29, 2002 – Tryp announced the filing of a new provisional patent for the use of psilocybin for the treatment of patients with Binge Eating disorder (BED). The new patent application is part of Tryp's corporate strategy to expand the clinical utility of psilocybin-assisted therapy in patients with BED who are awaiting transformative medicines. Tryp’s Phase II S.T.O.P. (Study of the Treatment of Overeating utilizing Psilocybin) trial in collaboration with the University of Florida, represents the first use of psilocybin in conjunction with psychotherapy as a therapeutic intervention in patients with BED.

December 2, 2021 – Tryp announced confirmation that the U.S. Food and Drug Administration ("FDA") review of Tryp's Investigational New Drug ("IND") application is complete and that the Company may proceed with its clinical study in fibromyalgia. The trial will be conducted with the University of Michigan and will evaluate the Company's oral formulation of synthetic psilocybin, TRP-8802, in combination with psychotherapy.

Financing:

During the year, the Company completed three tranches of a non-brokered private placement as follows:

Date	Common Shares	Price/share (or per unit)	Gross Proceeds	Issuance Costs	Net Proceeds
February 22, 2022	5,000,000	$0.20	$1,000,000	$23,320	$976,680
April 22, 2022	20,000,000	$0.15[(1)]	$3,000,000	$10,217	$2,989,783
July 8, 2022	1,000,000	$0.15[(1)]	$150,000	$5,100	$144,900
Total	26,000,000		$4,150,000	$38,637	$4,111,363

(1) Each unit consists of one common share and one-half of one non-transferable common share purchase warrant (each whole warrant, a “Warrant”). Each Warrant entitles the holder to acquire one additional common share at a price of $0.20 per Common Share for two years from the date of issue.

Management

On September 15, 2022, the Company appointed Jim O'Neill as Chief Financial Officer and granted him 500,000 stock options with an exercise price of $0.17, a term of 10 years, and vesting in equal monthly instalments over a period of three years.

OUTLOOK

Tryp plans to continue to advance its intellectual property ('IP') and research and development ('R&D') strategies based on TRP-8802 and TRP-8803. The strategies include clinical trial data readouts; three research programs with major worldwide institutions and hospitals; and additional patent applications for proprietary TRP-8803.

The Company plans to review and revise, as appropriate, its active and planned studies to optimize the use of present resources and its proprietary formulations.

Tryp plans to explore alternatives sources for funding its research and development activities as well as general corporate needs. The timing and amount of new funding will directly impact the number and nature of R&D activities in 2023.

RESULTS OF OPERATIONS

During the year ended August 31, 2022 and as at the date of this MD&A, the Company worked with three major institutions and summarized the activities as follows:

University of Wisconsin

On October 7, 2021, the Company announced a collaboration with Paul Hutson, PharmD and Christopher Nicholas, PhD from the University of Wisconsin-Madison to support clinical pharmacology studies for the Company's proprietary drug product, TRP-8803. Dr. Hutson and Dr. Nicholas will serve as Investigators on a clinical pharmacology study to evaluate the safety and pharmacokinetics of TRP-8803 in healthy, volunteer patients. It is anticipated that the completion of the studies will provide further regulatory support for TRP-8803 as well as insight into the pharmacokinetic profile of TRP-8803. TRP-8803 is expected to be used in Tryp's Phase 2b clinical studies and eventual commercialization as the Company develops the product for nociplastic pain indications such as fibromyalgia, as well as eating disorders including Binge Eating (BED).

University of Michigan

On December 2, 2021, the Company announced that it had received confirmation from the U.S. Food and Drug Administration ("FDA") that its review of Tryp's Investigational New Drug ("IND") application was complete and that the Company could proceed with its clinical study in fibromyalgia. The Phase 2a open label clinical trial is being conducted with Kevin Boehnke, Ph.D. from the University of Michigan and will evaluate the Company's oral formulation of synthetic psilocybin, TRP-8802, in combination with psychotherapy. The trial will enroll up to 20 fibromyalgia patients and includes a variety of secondary and exploratory endpoints given the high prevalence of co-morbidities such as poor sleep quality, depression, anxiety, and other conditions in patients suffering from fibromyalgia. The administration of psilocybin is expected to increase neuroplasticity and to address disrupted neural connections that have been reported for nociplastic pain indications. The clinical trial will be one of the first evaluations of synthetic psilocybin for fibromyalgia in a Phase 2 study. DEA licensing to initiate this study is still pending.

University of Florida

On March 23, 2022, the Company announced the first patient was enrolled in a Phase 2 clinical trial to evaluate its clinical candidate, TRP-8802. The study will investigate the safety and preliminary effectiveness of psilocybin-assisted therapy among patients with binge eating disorders in collaboration with the University of Florida. Conducted in Gainesville, Florida, the open-label trial will target a group of up to ten patients. Dr.

Jennifer Miller, a Professor of Pediatric Endocrinology at University of Florida who specializes in the care and treatment of individuals with a variety of eating disorders, including binge eating and hypothalamic-induced obesity, will serve as Principal Investigator of the trial. The key objective of this clinical trial is to confirm that the neuroplasticity attributes of psilocybin will help create healthy neural connections that address the unhealthy eating behaviors of patients with binge eating disorders. In addition to evaluating the effectiveness of psilocybin in this patient population, the results will help guide future clinical studies using Tryp's proprietary psilocybin-related molecule (TRP-8803) for our targeted indications.

Financial Results for the year ended August 31, 2022

The Company had no operating revenues during the year ended August 31, 2022 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 year ended August 31, 2022, the Company reported a $7,494,966 (2021 – $8,254,709) net loss and comprehensive loss and $0.10 (2021 - $0.14) basic and diluted loss per share. The current period loss was primarily attributed to general and administration costs of $4,124,976 (2021 - $3,545,663) and research and development costs of $2,964,171 (2021 - $1,280,809) as described hereinbelow.

The summary of general and administrative expenditures included:

	August 31, 2022	August 31, 2021
Director's fees	$ 197,651	$ 193,333
Professional fees	202,818	64,687
Consulting fees and salaries	1,231,331	679,056
Insurance	575,610	90,635
Office and administration fees	341,749	329,220
Regulatory and legal fees	490,072	204,230
Investor relations and corporate development	1,085,745	1,984,502
	$ 4,124,976	$ 3,545,663

Consulting fees and salaries relate to services provided by consultants and employees, 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.

Insurance costs increased in 2022 primarily due to a new director and officer insurance policy, which covers risks associated with the Company's research and development programs and corporate activities.

Investor relations and corporate development costs decreased in 2022 by approximately $900,000 primarily due to the new management team actively reducing prior commitments and activities to preserve cash to allocate to research and development activities.

Regulatory and legal 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:

Research and Development expenses of $2,964,171 (2021 - $1,280,809) relating to consulting fees and analytical support in relation to the development of the Company's business plans for its PFN™ program. The Company's research and development during the year ended August 31, 2022 was focused primarily on the preclinical and clinical development TRP-8803 and TRP-8802 drug candidates and conducting Phase II clinical trials.

Research and development expenditures for the years ended August 31 included:

	August 31, 2022	August 31, 2021
Preclinical Activities for TRP-8803	$ 574,396	$ 424,822
Development Activities for TRP-8802	931,224	465,157
Staff, consultants and other expenses	1,458,551	390,830
	$ 2,964,171	**$ 1,280,809**

Summary of Annual Results

	August 31, 2022	August 31, 2021
Revenue	$-	$-
Net loss and comprehensive loss	($7,494,966)	($8,254,709)
Basic and diluted loss per share	($0.10)	($0.14)
Weighted average shares outstanding	78,064,602	57,512,239

Liquidity and capital resources

	August 31, 2022	August 31, 2021
Financial Position:		
Cash and cash equivalents	$1,810,137	$3,632,782
Working capital	$980,187	$3,897,849
Total assets	$2,338,552	$4,108,176
Shareholders' equity	$1,143,278	$3,922,813

As at August 31, 2022, the Company's working capital balance was $980,187 (August 31, 2021 - $3,897,8549 which included prepaids and advances of $286,894 (August 31, 2021 - $369,166) primarily related to corporate insurance legal prepayments.

The intangible assets as at August 31, 2022 were $163,091 (August 31, 2021 - $24,964) represents the capital investment of $138,127 during the year ended August 31, 2022 (August 31, 2021 - $24,804) for patent applications filing and expenses. On June 23, 2020, the Company entered into purchase agreements (collectively the "Additional IP Purchased Agreements") with the directors of the Company pursuant to which to which the Company acquired certain inventions, technical information and patent application (the "Additional Purchased Assets"). In April 2021, the Company determined that it was in the Company's best interest with respect to its intellectual property strategy to discontinue the prosecution of the Additional Purchase Assets resulting in an impairment in value of intangible assets of $960,565 as at February 28, 2021.

Costs	Intellectual Property
Balance August 31, 2020	$ 960,725
Additions	24,804
Impairment	(960,565)
Balance August 31, 2021	24,964
Additions	138,127
Balance August 31, 2022	**$ 163,091**

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.

During the year ended August 31, 2022, the Company issued an aggregate 29,750,588 common shares pursuant to: (i) the exercise of 180,000 IPO Options at an exercise price of $0.15, (ii) the first tranche of the non-brokered private placement of 5,000,000 common shares at a price of $0.20 per share, (iii) 3,570,588 common shares issued in settlement of consulting fees at a fair value of $0.085, (iv) the second tranche of the non-brokered private placement of 20,000,000 units at a price of $0.15, and (v) a third tranche of the non-brokered private placement of 1,000,000 units at a price of $0.15.

Summary of Quarterly Results

Quarter Ended	**August 31, 2022**	May 31, 2022	February 28, 2022	November 30, 2021
Revenue	$-	$-	$-	$-
Net loss and comprehensive loss	($2,185,539)	($749,875)	($1,558,979)	($3,000,573)
Basic and diluted loss per share	($0.02)	($0.01)	($0.03)	($0.05)
Weighted average shares outstanding	96,012,754	81,950,440	60,650,863	59,358,972

Quarter Ended	August 31, 2021	May 31, 2021	February 28, 2021	November 30, 2020
Revenue	$-	$-	$-	$-
Net loss and comprehensive loss	($2,770,192)	($2,571,084)	($2,390,093)	($523,340)
Basic and diluted loss per share	($0.05)	($0.04)	($0.05)	($0.01)
Weighted average shares outstanding	57,512,239	66,372,181	48,351,815	39,091,722

For the quarter ended August 31, 2022, the Company reported a $2,185,539 (Q4 2021 - $2,770,192) net loss and comprehensive loss. The current period loss was primarily attributed to research and development costs as described hereinbelow of $1,846,999 (Q4 2021 - $1,026,392) and share-based payments of $232,815 (2021 - $764,954) in connection the grant of stock options and vesting of previously granted stock options.

Research and Development expenses of $1,846,999 (2021 - $1,026,392) relating to consulting fees and analytical support in relation to the development of the Company's business plans for its PFN™ program. The Company's research and development during the year ended August 31, 2022 was focused primarily on the preclinical and clinical development of TRP-8803 and TRP-8802 drug candidates and conducting Phase II clinical trials.

The Company has cash and cash equivalents on hand as of August 31, 2022 of $1,810,137 (2021 - $3,632,782). 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.com 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.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Contractual Commitments

The Company has no material contractual commitments.

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 year ended August 31, 2022, including Company officers, directors, and private companies controlled by officers and directors, was as follows:

For the year ended August 31:

	2022	2021
Key management personnel compensation comprised:		
Consulting fees and salaries	$ 860,926	$ 592,102
Director fees	197,651	193,333
Administration fees	-	1,525
Share-based payments	263,111	2,132,644
	$ 1,321,688	**$ 2,919,604**

Consulting fees of $nil (2021 - $78,125) were paid to a company controlled by James Kuo, the Company's director and former CEO.

Consulting fees of $84,000 (2021 - $nil) were paid to Daren Graham, the Company's former interim CFO.

Consulting fees of $nil (2021 - $40,711) and gross salaries of $208,643 (2021 - $62,879) were paid to Greg McKee, the Company's former CEO.

Consulting fees of $nil (2021 - $52,175) and gross salaries of $150,348 (2021 - $58,933) were paid to Luke Hayes, the Company's former CFO.

Consulting fees of $nil (2021 - $50,937) were paid to MinCo Corporate Management for the Company's former interim CFO and Corporate Secretary, Terese Gielsman.

Consulting fees of $74,994 (2021 - $126,274) and gross salaries of $264,237 (2021 - $61,401) were paid to a company controlled by James Gilligan, the Company's President, CSO and interim CEO.

Consulting fees of $30,000 (2021 - $60,667) were paid to Thomas D'Orazio, the Company's former COO.

Consulting fees of $48,704 (2021 - $nil) were paid to Sidney Taubenfeld, the Company's COO.

Share-based payments are the fair value of options granted to key management personnel.

As of August 31, 2022, included in trade and other payables are amounts due to officers and directors for fees and expenses of $46,411 (2021 - $322).

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

During the year ended August 31, 2022, the Company issued 3,570,588 common shares at a fair value of $0.085 per common share to pay consulting fees aggregating $303,500 owed to a consultant and former interim CFO for past services.

During the year ended August 31, 2022, the Company completed the first and second tranche of a non-brokered private placement with the controlling shareholder and former director of the Company.

Significant Accounting Policies

The Company's significant accounting policies are disclosed in Note 3 of the Company's annual audited consolidated financial statements for the year ended August 31, 2022.

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.

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 August 31, 2022, the Company has not amortized the intangible assets as amortization begins when the intangible assets are available for use.

The measurement of deferred income tax assets and liabilities

Deferred tax assets or liabilities, arising from temporary differences between the tax and accounting values of assets and liabilities, are recorded based on tax rates expected to be enacted when these differences are reversed. Deferred tax assets are recognized only to the extent it is considered probable that those assets will be recovered. This involves an assessment of when those deferred tax assets are likely to be realized, and a judgment as to whether there will be sufficient taxable profits available to offset the tax assets when they do reverse. This requires assumptions regarding future profitability and is therefore inherently uncertain. To the extent assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognized in respect of deferred tax assets, as well as in the amounts recognized in income in the period in which the change occurs. Tax provisions are based on enacted or substantively enacted laws. Changes in those laws could affect amounts recognized in income both in the period of change, which would include any impact on cumulative provisions, and in future periods.

Share-based payments and warrants

The fair value of share-based compensation expense and warrants is estimated using the Black-Scholes option pricing model and rely on a number of estimates, such as the expected life of the option or warrant, the volatility of the underlying share price, the risk-free rate of return, the estimated rate of forfeiture of options granted, future exercise behaviors and corporate performance. Such estimates and assumptions are inherently uncertain, and any changes in these assumptions affect the fair value estimates of share-based compensation expense and warrants.

The Company measures equity settled share-based payments based on their fair value at the grant date and recognizes compensation expense over the vesting period based on the Group's estimate of equity instruments that will eventually vest. Expected forfeitures are estimated at the date of grant and subsequently adjusted if further non-market-based information indicates actual forfeitures may vary from the original estimate. Any revisions are recognized in the consolidated statements of loss and comprehensive loss such that the cumulative expense reflects the revised estimate.

***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 financial statements.

Research and development

Management monitors the progress of its research and development activities. Significant judgement is required to distinguish between the research and development phases and if development cost capitalization criteria are met. Development costs are recognized as an asset when the following criteria are met: (i) technical feasibility; (ii) intention to complete the project; (iii) the ability to generate future economic benefits; (iv) availability of technical and financial resources; and (v) the ability to measure the expenditures reliably. Research costs are expensed as incurred. Management considers these factors in aggregate and applies significant judgment to determine whether the product is feasible. As at August 31, 2022, the Company has not capitalized any development costs.

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 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.

Deferred taxes

Significant estimates are required in determining the Company's income tax provision. Some estimates are based on interpretations of existing tax laws or regulations. Various internal and external factors may have favourable or unfavourable effects on the Company's future effective tax rate. These include, but are not limited to, changes in tax laws, regulations and/or rates, changing interpretations of existing tax laws or regulations, and results of tax audits by tax authorities.

Future Accounting Changes

IAS 1 Classification of Liabilities as Current or Non-Current

In January 2021, the International Accounting Standards Board ("**IASB**") issued a narrow scope amendment to IAS 1 – Classification of Liabilities ad Current or Non-Current, which affects only the presentation of liabilities in the statement of financial position and not the amount or timing of their recognition. The amendment clarifies that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period and specifies that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability. It also introduces a definition of settlement to make clear that settlement refers to the transfer to the counterparty of cash, equity

instruments, other assets or services. The amendment is effective for annual reporting periods beginning on or after January 1, 2023. Earlier application is permitted. The implementation of this amendment is not expected to have a significant impact on the Company.

IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors

In February 2021, the IASB issued an amendment to IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors. The amendment introduces the definition of an accounting estimate and sets criteria to help entities distinguish changes in accounting estimates from changes in accounting policies. The amendment is effective for annual periods beginning on or after January 1, 2023 and changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted. Management is currently assessing the impact of this amendment.

Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, restricted cash, and trade and other payables, all of which are measured at amortized cost. The carrying values approximate their fair values due to the short-term nature of these instruments. The Company's cash and cash equivalents are used to fund research and development activities and administrative costs.

The Company is exposed to risks that arise from its use of financial instruments. The Company's objectives, policies and processes for managing those risks and the methods used to measure them are described below. 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 and restricted cash held in GICs. 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 August 31, 2022, the Company had working capital of $980,187 (2021 – $3,897,849) 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.

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 August 31, 2022, the Company the Company's restricted cash, which was held in GIC's with its primary bank, which is 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.

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 year ended August 31, 2022.

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 MD&A the Company had 96,419,347 Common Shares issued and outstanding and no Preferred Shares issued and outstanding. Additionally, the Company as at the date of this MD&A had the following outstanding options and warrants:

As at December 13, 2022, the following options were outstanding:

Expiry Date	Exercise Price	Number of Options	Vested and Exercisable
September 29, 2025	$0.15	800,000	533,333
November 2, 2025	$0.15	1,320,000	1,125,555
November 2, 2030	$0.15	3,769,684	2,025,918
March 31, 2031	$0.68	100,000	50,004
April 22, 2032	$0.17	5,000,000	1,666,667
May 22, 2032	$0.17	2,000,000	1,212,119
June 14, 2032	$0.17	3,000,000	255,556
September 15, 2022	$0.17	500,000	27,777
		16,489,684	**6,896,929**

As at December 31, 2022, the following share purchase warrants were outstanding:

Expiry Date	Number of Warrants	Exercise Price
February 16, 2023	1,666,667	$0.75
April 22, 2024	10,000,000	$0.20
July 8, 2024	500,000	$0.20
	12,166,667	

Escrow

As at August 31, 2022, 9,131,580 shares of the total outstanding shares are held in escrow and will be released, pursuant to the Company's escrow agreement, in three equal increments of 3,043,860 on December 17, 2022, June 17, 2023 and December 17, 2023.

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.

Going-Concern Risk

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 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.

COVID-19 Pandemic Risk

Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and physical distancing, have caused material disruption to business globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness.

The duration and impact of the COVID-19 outbreak is unknown as how it would impact the Company's operations. COVID-19 restrictions in Australia have led to temporary site closures and delays in patient screening/enrolment. With recent widespread adoption of vaccination, these restrictions have been lifted.

It is currently not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

If the previous adverse impact of COVID-19 re-emerged or another pandemic developed, Tryp may experience additional disruptions that could severely impact its business and clinical trials, including:

- delays or difficulties in enrolling patients in our clinical trials;
- delays or difficulties in clinical site initiation, including difficulties in recruiting clinical site investigators and clinical site staff;
- diversion of healthcare resources away from the conduct of clinical trials;
- interruption of key clinical trial activities;
- risk that participants enrolled in our clinical trials will acquire COVID-19 while the clinical trial is ongoing;
- limitations in employee resources that would otherwise be focused on conducting our clinical trials;
- delays in receiving authorizations from regulatory authorities to initiate our planned clinical trials;

- delays in clinical sites receiving the supplies and materials needed to conduct our clinical trials;
- changes in local regulations as part of a response to the COVID-19 pandemic which may require us to change the ways in which our clinical trials are conducted, which may result in unexpected costs, or the discontinuation of the clinical trials altogether;
- interruptions or delays in preclinical studies due to restricted or limited operations at research and development laboratory facilities;
- interruptions or delays in efforts to acquire data needed to support patent claims or otherwise expand the Company's intellectual property portfolio;
- delays in necessary interactions with local regulators, ethics committees and other important agencies and contractors due to limitations in employee resources or forced furlough of government employees; and
- refusal of the FDA or the other regulatory bodies to accept data from clinical trials in affected geographies outside the United States or other relevant local geography.

Any negative impact the COVID-19 pandemic has on patient enrollment or treatment or the development of our drug candidates could cause costly delays to clinical trial activities, which could adversely affect our ability to obtain regulatory approval for and to commercialize our drug candidates, if approved, increase our operating expenses, and have a material adverse effect on our financial results. The COVID-19 pandemic has also caused significant volatility in public equity markets and disruptions to the United States and global economies. This increased volatility and economic dislocation may make it more difficult for us to raise capital on favorable terms, or at all. To the extent the COVID-19 pandemic adversely affects our business and financial results, it may also heighten many of the other risks described in this ''*Risk Factors*'' section, such as those relating to the timing and completion of our clinical trials and our ability to obtain future financing.

Limited Operating History

The Company has no present prospect of generating revenue from the sale of products. The Company is therefore subject to many of the risks common to early-stage enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial, and other resources and lack of revenues. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of the early stage of operations.

Negative Cash Flow for the Foreseeable Future

The Company has no history of earnings or cashflow from operations. The Company does not expect to generate material revenue or achieve self-sustaining operations for several years, if at all. To the extent that the Company has negative cash flow in future periods, certain of the net proceeds from any offering the company undertakes may be used to fund such negative cash flow from operating activities, if any.

The Company may not be successful in its efforts to identify, license or discover additional product candidates.

The Company's ability to generate future revenue or achieve profitable operations is largely dependent on the ability to attract the experienced management and scientific know-how to develop new drugs and to partner with larger, more established companies in the industry to successfully commercialize products. Successfully developing a new drug into a marketable product may take several years and significant financial resources, and the Company may not achieve those objectives.

Although a substantial amount of the Company's effort will focus on the continued research and pre-clinical and clinical testing, potential approval and commercialization of its existing product candidates, the success of its business also depends in part upon its ability to identify, license or discover additional product candidates. The Company's research programs or licensing efforts may fail to yield additional product candidates for clinical development for a number of reasons, including but not limited to the following:

- the Company's research or business development methodology or search criteria and process may be unsuccessful in identifying potential product candidates;
- the Company may not be able or willing to assemble sufficient resources to acquire or discover additional product candidates;
- the Company's product candidates may not succeed in pre-clinical or clinical testing;
- the Company's product candidates may be shown to have harmful side effects or may have other characteristics that may make the products unmarketable or unlikely to receive marketing approval;
- competitors may develop alternatives that render the Company's product candidates obsolete or less attractive;
- product candidates the Company develops may be covered by third parties' patents or other exclusive rights;
- the market for a product candidate may change during the Company's program so that such a product may become unreasonable to continue to develop;
- a product candidate may not be capable of being produced in commercial quantities at an acceptable cost, or at all; and
- a product candidate may not be accepted as safe and effective by patients, the medical community or third-party payors.

If any of these events occurs, the Company may be forced to abandon its development efforts to identify, license or discover additional product candidates, which could have a material adverse effect on its business, prospects, results of operations and financial condition and could potentially cause the Company to cease operations. Research programs to identify new product candidates require substantial technical, financial and human resources. The Company may focus its efforts and resources on potential programs or product candidates that ultimately prove to be unsuccessful.

The Company relies on contract research organizations consultants to design, conduct, supervise and monitor research due to a lack of internal resources to perform these functions.

Outsourcing these functions involves risk that third party providers may not perform to the Company's standards, may not produce results in a timely manner or may fail to perform at all. If any contract research organization fails to comply with applicable regulatory requirements, the research and data generated may be deemed unreliable to regulatory authorities. Additional pre-clinical and clinical trials may be required before approval of marketing applications will be given. The Company cannot provide assurance that all third party providers will meet the regulatory requirements for research and pre-clinical trials. Failure of third party providers to meet regulatory requirements could result in repeat pre-clinical and clinical trials, which would delay the regulatory approval process or result in termination of pre-clinical and clinical trials. Any of the foregoing could have a material adverse effect on the Company's business, prospects, results of operations and financial condition.

Reliance on Third Parties for Research

The Company relies on third parties for the execution of a significant portion of its regulatory, pharmacovigilance medical information, and logistical responsibilities and such third parties may fail to meet their obligations as a result of inadequacies in their systems and processes or execution failure.

The Company also relies on third parties to perform critical services, including preclinical testing, clinical trial management, analysis and reporting, regulatory, pharmacovigilance, medical information and logistical services.

These third parties may not be available on acceptable terms when needed or, if they are available, may not comply with all regulatory and contractual requirements or may not otherwise perform their services in a timely or acceptable manner. This non-compliance may be due to a number of factors, including inadequacies in third-party systems and processes or execution failure. The Company may also experience unexpected cost increases that are beyond its control. As a result, the Company may need to enter into new arrangements with alternative third parties that may be costly. The time that it takes the Company to find alternative third parties may cause a delay, extension or termination of its preclinical studies or clinical

trials and the Company may incur significant costs to replicate data that may be lost. These third parties may also have relationships with other commercial entities, some of which may compete with Tryp. In addition, if such third parties fail to perform their obligations in compliance with regulatory requirements and the Company's protocols, Tryp's preclinical studies or clinical trials may not meet regulatory requirements or may need to be repeated and its regulatory filings, such as marketing authorizations or new drug submissions, may not be completed correctly or within the applicable deadlines. As a result of Tryp's dependence on third parties, the Company may face delays or failures outside of its direct control in its efforts to develop product candidates.

Regulatory approval risk

Tryp's and its contract research organization's research and development activities and are and will be significantly regulated by a number of governmental entities, including Health Canada and the FDA. Regulatory approvals are required prior to each clinical trial and Company and its contract research organizations may fail to obtain the necessary approvals to commence or continue clinical testing in one or more jurisdictions. The time required to obtain approval by regulatory authorities is unpredictable but typically takes many years following the commencement of clinical trials. Any analysis of data from clinical activities Tryp and its contract research organizations perform is subject to confirmation and interpretation by regulatory authorities, which could delay, limit or prevent regulatory approval. Approval policies, regulations, or the type and amount of clinical data necessary to gain approval may change during the course of a product candidate's clinical development and may vary by jurisdiction. The Company and its contract research organizations could fail to receive regulatory approval for Tryp's planned research for many reasons, including but not limited to:

- disagreement with the design or implementation of its clinical trials;
- failure to demonstrate that a product candidate is safe and effective for its proposed indication;
- failure of clinical trials to meet the level of statistical significance required for approval;
- failure to demonstrate that a product candidate's clinical and other benefits outweigh its safety risks;
- disagreement with Tryp's interpretation of data from preclinical studies or clinical trials;
- the insufficiency of data collected from clinical trials to support the submission and filing of a submission to obtain regulatory approval;
- deficiencies in the manufacturing processes or the failure of facilities of collaborators with whom Tryp contracts for clinical supplies to pass a pre-approval inspection;
- changes in the approval policies or regulations that render Tryp's preclinical and clinical data insufficient for approval.

Psychedelic regulatory risks

Psychedelic therapy is a new and emerging industry with ambiguous existing regulations and uncertainty as to future regulations. Certain psychedelics may be illegal substances other than when used for scientific or medical purposes. 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. This industry is subject to extensive controls and regulations, which may significantly affect the financial condition of market participants. The marketability of any product may be affected by numerous factors that are beyond the control of the Company and cannot be predicted, such as changes to government regulations, including those relating to taxes and other government levies which may be imposed. Changes in government levies, including taxes, could make future capital investments or operations uneconomic. The psychedelic therapy industry is also subject to numerous legal challenges, which may significantly affect the financial condition of market participants and which cannot be reliably predicted.

Intellectual Property Rights

The Company could be adversely affected if it does not adequately protect its intellectual property rights. The Company regards its marks, rights, and trade secrets and other intellectual property rights as critical to its success. To protect its investments and the Company's rights in these various intellectual properties, it

may rely on a combination of patents, trademark and copyright law, trade secret protection and confidentiality agreements and other contractual arrangements with its employees, clients, strategic partners, acquisition targets and others to protect proprietary rights. There can be no assurance that the steps taken by the Company to protect proprietary rights will be adequate or that third parties will not infringe or misappropriate the Company's copyrights, trademarks and similar proprietary rights, or that the Company will be able to detect unauthorized use and take appropriate steps to enforce rights. In addition, although the Company believes that its proprietary rights do not infringe on the intellectual property rights of others, there can be no assurance that other parties will not assert infringement claims against the Company. Such claims, even if not meritorious, could result in the expenditure of significant financial and managerial resources.

The Company will rely on trade secrets to protect technology where it does not believe patent protection is appropriate or obtainable. Trade secrets are difficult to protect. While commercially reasonable efforts to protect trade secrets will be used, strategic partners, employees, consultants, contractors or scientific and other advisors may unintentionally or willfully disclose information to competitors.

If the Company is not able to defend patents or trade secrets, then it will not be able to exclude competitors from developing or marketing competing products, and the Company may not generate enough revenue from product sales to justify the cost of development of products and to achieve or maintain profitability.

Pre-clinical and clinical trials, including reliance on third parties to conduct such trials

The Company's clinical trials for each product candidate may fail to adequately demonstrate the safety and efficacy of that candidate, which could force the Company to abandon its product development plans for that product candidate. Before obtaining regulatory approval for the commercial sale of any of its product candidates, the Company must demonstrate, through lengthy, complex and expensive pre-clinical testing and clinical trials, that each product is both safe and effective for use in each target indication. Clinical trial results are inherently difficult to predict, and the results the Company has obtained or may obtain from third party trials or from its own trials may not be indicative of results from future trials. The Company may also suffer significant setbacks in advanced clinical trials even after obtaining promising results in earlier studies. Although the Company intend to modify any of its protocols in ongoing studies or trials to address any setbacks, there can be no assurance that these modifications will be adequate or that these or other factors will not have a negative effect on the results of its clinical trials. This could significantly disrupt the Company's efforts to obtain regulatory approvals and commercialize its product candidates. Furthermore, the Company may voluntarily suspend or terminate its clinical trials if at any time it believes that they present an unacceptable safety risk to patients, either in the form of undesirable side effects or otherwise. If the Company cannot show that its product candidates are both safe and effective in clinical trials, it may be forced to abandon its business plan.

The Company will rely on third parties to conduct its product development, chemistry activities, as well as pre-clinical and clinical trials. If these third parties do not perform as contractually required or as otherwise expected the Company may not be able to obtain regulatory approval for its product candidates, which may prevent it from becoming profitable.

Pre-clinical and clinical trials will be lengthy and expensive. Delays in clinical trials are common for many reasons and any such delays could result in increased costs to us and jeopardize or delay our ability to obtain regulatory approval and commence product sales as currently contemplated.

As part of the regulatory process, the Company would need to conduct clinical trials for any drug candidate to demonstrate safety and efficacy to the satisfaction of the regulatory authorities, including the FDA for the U.S. and Health Canada for Canada should it decide to seek approval in those jurisdictions. Clinical trials are subject to rigorous regulatory requirements and are expensive and time-consuming to design and implement. The Company may experience delays in clinical trials for any of its drug candidates, and the projected timelines for continued development of the technologies and related drug candidates by the Company may otherwise be subject to delay or suspension. Any planned clinical trials might not begin on time; may be interrupted, delayed, suspended, or terminated once commenced; might need to be

redesigned; might not enroll a sufficient number of patients; or might not be completed on schedule, if at all. Clinical trials can be delayed for a variety of reasons, including the following:

- delays in obtaining regulatory approval to commence a trial;
- Imposition of a clinical hold following an inspection of our clinical trial operations or trial sites by the FDA or other regulatory authorities;
- imposition of a clinical hold because of safety or efficacy concerns by the FDA, a data safety monitoring board or committee or by the Company;
- delays in reaching agreement on acceptable terms with prospective contract research organizations and clinical trial sites;
- delays in obtaining required monitoring board approval at each site for clinical trial protocols;
- delays in identifying, recruiting and training suitable clinical investigators;
- delays in recruiting suitable patients to participate in a trial;
- delays in having patients complete participation in a trial or return for post-treatment follow-up;
- clinical sites dropping out of a trial to the detriment of enrollment;
- time required to add new sites;
- delays in obtaining sufficient supplies of clinical trial materials, including comparator drugs;
- delays resulting from negative or equivocal findings of a data safety monitoring board for a trial; or
- adverse or inconclusive results from pre-clinical testing or clinical trials.

Patient enrollment, a significant factor in the timing of clinical trials, is affected by many factors, including the size and nature of the patient population, the proximity of patients to clinical sites, the eligibility criteria for the trial, the design of the clinical trial, competing clinical trials, and clinicians' and patients' perceptions as to the potential advantages of the biologic being studied in relation to other available therapies, including any new biologics that may be approved for the indications we are investigating. Any of these delays in completing our clinical trials could increase costs, slow down the product development and approval process, and jeopardize the Company's ability to commence product sales and generate revenue.

The Company may be required to suspend or discontinue clinical trials because of adverse side effects or other safety risks that could preclude approval of its drug candidates.

Clinical trials may be suspended or terminated at any time for a number of reasons. A clinical trial may be suspended or terminated by the Company, its collaborators, the FDA, or other regulatory authorities because of a failure to conduct the clinical trial in accordance with regulatory requirements or the Company's clinical protocols, presentation of unforeseen safety issues or adverse side effects, failure to demonstrate a benefit from using the investigational biologic, changes in governmental regulations or administrative actions, lack of adequate funding to continue the clinical trial, or negative or equivocal findings of the data safety monitoring board for a clinical trial. The Company may voluntarily suspend or terminate its clinical trials if at any time it believes that they present an unacceptable risk to participants. If the Company elects or is forced to suspend or terminate any clinical trial of any proposed product that it develops, the commercial prospects of such proposed product will be harmed and the Company's ability to generate product revenue from such proposed product will be delayed or eliminated. Any of these occurrences could have a materials adverse effect on the Company's business, prospects, results of operations and financial condition.

The Company faces product liability exposure, which, if not covered by insurance, could result in significant financial liability.

The risk of product liability is inherent in the research, development, manufacturing, marketing and use of pharmaceutical products. Product candidates and products that we may commercially market in the future may cause, or may appear to have caused, injury or dangerous drug reactions, and expose the Company to product liability claims. These claims might be made by patients who use the product, healthcare providers, pharmaceutical companies, corporate collaborators or others selling such products. If the Company's product candidates during clinical trials were to cause adverse side effects, the Company may be exposed to substantial liabilities. Regardless of the merits or eventual outcome, product liability claims or other claims related to the Company's product candidates may result in:

- decreased demand for our products due to negative public perception;
- injury to our reputation;
- withdrawal of clinical trial participants or difficulties in recruiting new trial participants;
- initiation of investigations by regulators;
- costs to defend or settle related litigation;
- a diversion of management's time and resources;
- substantial monetary awards to trial participants or patients;
- product recalls, withdrawals or labeling, marketing or promotional restrictions;
- loss of revenues from product sales; and
- the inability to commercialize any of product candidates, if approved.

insurance coverage may not be sufficient to reimburse the Company for any expenses or losses it may suffer. Insurance coverage is becoming increasingly expensive, and, in the future, the Company, or any of its collaborators, may not be able to maintain insurance coverage at a reasonable cost or in sufficient amounts or at all to protect against losses due to liability. Even if the Company's agreements with any future collaborators entitle it to indemnification against product liability losses, such indemnification may not be available or adequate should any claim arise. The Company's inability to obtain sufficient product liability insurance at an acceptable cost to protect against product liability claims could prevent or inhibit the commercialization of its product candidates. If a successful product liability claim or series of claims is brought against the Company for uninsured liabilities or in excess of insured liabilities, its assets may not be sufficient to cover such claims and its business operations could be impaired.

Should any of the events described above occur, this could have a material adverse effect on the Company's business, prospects, results of operations and financial condition.

In light of the Company's current resources and limited experience, it may need to establish successful third-party relationships to successfully commercialize its future product candidates.

The long-term viability of the Company's future product candidates may depend, in part, on the Company's ability to successfully establish new strategic collaborations with pharmaceutical and biotechnology companies, non-profit organizations and government agencies. Establishing strategic collaborations and obtaining government funding is difficult and time-consuming. Potential collaborators may reject collaborations based upon their assessment of the Company's financial, regulatory or intellectual property position or based on their internal pipeline; government agencies may reject contract or grant applications based on their assessment of public need, the public interest, the ability of the Company's products to address these areas, or other reasons beyond our expectations or control. If the Company fails to establish a sufficient number of collaborations or government relationships on acceptable terms, it may not be able to commercialize any future drug candidates or generate sufficient revenue to fund further research and development efforts.

Even if the Company establishes new collaborations or obtains government funding, these relationships may never result in the successful development or commercialization of any drug candidates for several reasons, including the fact that:

- the Company may not have the ability to control the activities of its partners and cannot provide assurance that they will fulfill their obligations to us, including with respect to the license, development and commercialization of drug candidates, in a timely manner or at all;
- such partners may not devote sufficient resources to the Company's drug candidates or properly maintain or defend our intellectual property rights;
- relationships with collaborators could also be subject to certain fraud and abuse laws if not structured properly to comply with such laws;
- any failure on the part of the Company's partners to perform or satisfy their obligations to the Company could lead to delays in the development or commercialization of drug candidates and affect the Company's ability to realize product revenue; and
- disagreements, including disputes over the ownership of technology developed with such collaborators, could result in litigation, which would be time-consuming and expensive, and may delay or terminate research and development efforts, regulatory approvals and commercialization activities.

Economic Environment

The Company's operations could be affected by the economic context should the unemployment level, interest rates or inflation reach levels that influence consumer trends and consequently, impact the Company's future sales and profitability

Global Economy Risk

The ongoing economic slowdown and downturn of global capital markets has generally made the raising of capital by equity or debt financing more difficult. Access to financing has been negatively impacted by the ongoing global economic risks. As such, the Company is subject to liquidity risks in meeting its development and future operating cost requirements in instances where cash positions are unable to be maintained or appropriate financing is unavailable. These factors may impact the Company's ability to raise equity or obtain loans and other credit facilities in the future and on terms favourable to the Company. If uncertain market conditions persist, the Company's ability to raise capital could be jeopardized, which could have an adverse impact on the Company's operations and the trading price of the Company's common shares.

Competition

There is high potential that the Company will face intense competition from other companies, some of which can be expected to have longer operating histories and more financial resources and manufacturing and marketing experience than the Company. Increased competition by larger and better financed competitors could materially and adversely affect the business, financial condition and results of operations of the Company.

The Company's industry is experiencing rapid growth and consolidation that may cause the Company to lose key relationships and intensify competition. To become and remain competitive, the Company will require research and development, marketing, sales and client support. The Company may not have sufficient resources to maintain research and development, marketing, sales and client support efforts on a competitive basis which could materially and adversely affect the business, financial condition and results of operations of the Company.

Unfavourable publicity or consumer perception

The success of the industry in which the Corporation operates may be significantly influenced by the public's perception of psychedelic inspired medicinal applications. There is no guarantee that future scientific research, publicity, regulations, medical opinion, and public opinion relating to psychedelic inspired medicine will be favourable. The industry in which the Company operates is in its early stages and is constantly evolving, with no guarantee of viability. The market for psychedelic inspired medicines is uncertain, and any adverse or negative publicity, scientific research, limiting regulations, medical opinion and public opinion relating to the consumption of psychedelic inspired medicines may have a material adverse effect on the Company's operational results, consumer base and financial results. While the Company is undertaking research programs using psychedelic inspired compounds, and does not advocate for the legalization of any psychedelic substances or deal with psychedelic substances except within laboratory and clinical trial settings conducted within approved regulatory frameworks, any unfavourable publicity or consumer perception regarding psychedelic substances (in addition to psychedelic inspired medicines) could also have a material adverse effect on the Company's operational results, consumer base and financial results.

The psychedelic therapy industry is difficult to quantify and investors will be reliant on their own estimates of the accuracy of market data

Because the psychedelic therapy industry is in a nascent stage with uncertain boundaries, there is a lack of information about comparable companies available for potential investors to review in deciding about whether to invest in Tryp and, few, if any, established companies whose business model Tryp can follow or upon whose success Tryp can build. Accordingly, investors will have to rely on their own estimates in

deciding about whether to invest in Tryp. There can be no assurance that Tryp'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.

Failure to follow regulatory requirements

The Company's prospects must be considered in light of the risks, expenses, shifts, changes and difficulties frequently encountered with companies whose businesses are regulated by various federal, state and local governments. The health care, wellness, workers compensation and similar companies are subject to a variety of regulatory requirements and the regulatory environment is ever changing particularly with recent legislation, the full impact of which is not yet understood as regulations have not been issued. Failure to follow applicable regulatory requirements will have a materially negative impact on the business of the Company. Furthermore, future changes in legislation cannot be predicted and could irreparably harm the business of the Company.

Additional financing needs

The Company will require equity and/or debt financing to support on-going operations, to undertake capital expenditures or to undertake acquisitions or other business combination transactions. There can be no assurance that additional financing will be available to the Company when needed or on terms which are acceptable. The Company's inability to raise financing to fund capital expenditures or acquisitions could limit its growth and may have a material adverse effect upon its business, prospects, results of operations and financial condition.

If additional funds are raised through further issuances of equity or convertible debt securities, existing shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences and privileges superior to those of holders of common shares. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Company to obtain additional capital and to pursue business opportunities, including potential acquisitions.

Because of the early stage of the industry in which the Company will operate, the Company expects to face additional competition from new entrants. To become and remain competitive, the Company will require research and development, marketing, sales and client support. The Company may not have sufficient resources to maintain research and development, marketing, sales and client support efforts on a competitive basis which could materially and adversely affect the business, financial condition and results of operations of the Company.

Rapid Technological Change

The business of the Company is subject to rapid technological changes. Failure to keep up with such changes may adversely affect the business of the Company. The Company is subject to the risks of companies operating in the medical and healthcare business.

The market in which the Company competes is characterized by rapidly changing technology, evolving industry standards, frequent new service and product announcements, introductions and enhancements and changing customer demands. As a result, an investment in the stocks of the Company is highly speculative and is only suitable for investors who recognize the high risks involved and can afford a total loss of investment.

Financial Risk Exposures

The Company may have financial risk exposure to varying degrees relating to the currency of each of the countries where it operates and has financial risk exposure towards digital currencies. The level of the financial risk exposure related to a currency and exchange rate fluctuations will depend on the Company's ability to hedge such risk or use another protection mechanism.

Attracting and keeping senior management and key scientific personnel

The success of the Company depends on the continued ability to attract, retain, and motivate highly qualified management, clinical, and scientific personnel and to develop and maintain important relationships with leading academic institutions, companies, and thought leaders.

Forward-looking information

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.

An investment in the Company's common shares involves 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 risks and other factors, including those set forth in the Company's final prospectus dated December 8, 2020 and should consult with his, her or its 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.