No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise*. This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. These securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or any state securities laws and may not be offered or sold in the United States (as such term is defined in Regulation S under the U.S. Securities Act) or to, or for the account or benefit of, U.S. persons (as such term is defined in Regulation S under the U.S. Securities Act ("**U.S. Persons**")) except in accordance with the Underwriting Agreement (as defined herein) and pursuant to an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws. This short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby within the United States or to, or for the account or benefit of, U.S. Persons. See "Plan of Distribution".*

Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada. *Copies of the documents incorporated herein by reference may be obtained on request without charge from Bright Minds Biosciences Inc., c/o 1500 – 1055 West Georgia Street, Vancouver, British Columbia, V6E 4N7, and are also available electronically at www.sedar.com.*

SHORT FORM PROSPECTUS

New Issue February 26, 2021

BRIGHT MINDS BIOSCIENCES INC.

$25,003,710.00

3,303,000 Units

$7.57 per Unit

This short form prospectus (the "**Prospectus**") is being filed by Bright Minds Biosciences Inc. (the "**Company**" or "**Bright Minds** ") to qualify the distribution (the "**Offering**") of 3,303,000 units (the "**Units**") of the Company at a price of $7.57 per Unit (the "**Offering Price**") for aggregate gross proceeds to the Company of $25,003,710.00 pursuant to an underwriting agreement (the "**Underwriting Agreement**") dated as of February 23, 2021 among the Company, Eight Capital (the "**Lead Underwriter**"), as lead underwriter and book-runner, Stifel Nicolaus Canada Inc., Beacon Securities Limited, and Haywood Securities Inc. (together with the Lead Underwriter, the "**Underwriters**"). The Offering Price and certain other terms of the Offering were determined by arm's length negotiation between the Company and the Lead Underwriter, with reference to the prevailing market price of the common shares of the Company (the "**Common Shares**") on the Canadian Securities Exchange (the "**CSE**"). The Units will be offered in each of the provinces of Canada, other than Québec (collectively, the "**Offering Jurisdictions**"). See "*Plan of Distribution*".

Each Unit consists of one Common Share of the Company (a "**Unit Share**") and one-half of one Common Share purchase warrant (each whole Common Share purchase warrant, a "**Warrant**"). Each Warrant is exercisable to acquire one Common Share of the Company (a "**Warrant Share**") at an exercise price of $9.46 for a period of 36 months following the Closing Date (as defined herein), subject to adjustment and acceleration in certain events. If, following the closing of the Offering, the daily volume weighted average price of the Common Shares on the CSE for any 10 consecutive trading days equals or exceeds $13.25 the Company may accelerate the expiry date of the Warrants to a date that is not less than 30 trading days following the date that the Company issued a press release providing notification of such acceleration. The Warrants will be governed by a warrant indenture (the "**Warrant Indenture**") to be dated as of the Closing Date between the Company and Computershare Trust Company of Canada as warrant agent (the "**Warrant Agent**"). The Unit Shares and the Warrants comprising the Units will separate immediately upon the closing of the Offering. See "*Description of Securities Being Distributed*".

The Company's outstanding Common Shares are listed and posted for trading on the CSE under the symbol "DRUG". On February 25, 2021, the last trading day prior to the date of this Prospectus, the closing price of the Common Shares on the CSE was $7.70. The Warrants will not be listed on any stock exchange. The Company has given notice to the CSE to list the Unit Shares, the Warrant Shares and the Compensation Shares (as defined herein) issuable upon exercise of the Compensation Warrants (as defined herein) on the CSE. Listing will be subject to the Company fulfilling all of the listing requirements of the CSE. **There is currently no market through which the Warrants offered hereby may be sold and purchasers of the Warrants may not be able to resell the Warrants purchased under this Prospectus. This may affect**

the pricing of the securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities, and the extent of issuer regulation. See "*Risk Factors*".

	Price to the Public[2]	Underwriters' Fee[3]	Net Proceeds to the Company[1][4]
Per Unit	$7.57	$0.4542	$7.1158
Total[5]	$25,003,710.00	$1,500,222.60	$23,503,487.40

Notes:

(1) Assumes no exercise of the Over-Allotment Option (as defined herein).

(2) The Offering Price was determined by negotiation between the Company and the Lead Underwriter.

(3) The Company has agreed to pay the Underwriters (or their registered United States broker-dealer affiliates (their "**U.S. Affiliate**") in the case of the portion of the Offering being conducted in the United States) a cash fee (the "**Underwriters' Fee**") equal to 6.0% of the gross proceeds of the Offering, including in respect of any gross proceeds raised on the exercise of the Over-Allotment Option, subject to a reduced fee equal to 2.5% for Units sold to certain purchasers designated by the Company on a president's list (the "**President's List**"). In addition, the Underwriters will receive such number of compensation warrants (the "**Compensation Warrants**") as is equal to 6% of the number of Units issued pursuant to the Offering, including any Units sold on the exercise of the Over-Allotment Option), subject to a reduced number of Compensation Warrants equal to 3% for Units sold to investors on the President's List. Each Compensation Warrant shall be exercisable to acquire one Common Share of the Company (a "**Compensation Share**") at a price of $7.57 per Compensation Share, for a period of 36 months following the Closing Date, subject to adjustment in certain events.

(4) After deducting the Underwriters' Fee (assuming no President's List sales), but before deducting the expenses of the Offering estimated to be $250,000, which will be paid from the proceeds of the Offering. See "*Use of Proceeds*".

(5) The Company has granted the Underwriters an option (the "**Over-Allotment Option**"), exercisable in whole or in part in the sole discretion of the Underwriters at any time and from time to time up to 30 days from and including the Closing Date, to purchase up to an additional 495,450 Units (the "**Additional Units**") (representing up to 15% of the number of Units sold pursuant to the Offering), at the Offering Price, to cover over-allocations, if any, made by the Underwriters and for market stabilization purposes. A person who acquires securities forming part of the Underwriters' over-allocation position acquires those securities under this Prospectus regardless of whether the Underwriters' over- allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. If the Over-Allotment Option is exercised in full, the total Price to the Public, the Underwriters' Fee and the net proceeds to the Company (before deducting expenses of the Offering and assuming no President's List sales) will be $28,754,266.50, $1,725,255.99 and $27,029,010.51, respectively. This Prospectus also qualifies the distribution of the Over-Allotment Option and the issuance of the Additional Units pursuant to the exercise of the Over-Allotment Option. See "*Plan of Distribution*" and the table below.

The following table sets out the number of securities that may be issued by the Company to the Underwriters pursuant to the Underwriting Agreement:

Underwriters' Position	Maximum Size of Number of Securities Available	Exercise Period	Exercise Price
Over-Allotment Option	495,450 Additional Units	Exercisable for 30 days from the Closing Date	$7.57 per Additional Unit
Compensation Warrants[1]	227,907 Compensation Warrants	Exercisable up to 36 months from the Closing Date	$7.57 per Compensation Share

Notes:

(1) Assuming the exercise of the Over-Allotment Option in full and no Units are allocated to purchasers under the President's List.

(2) This Prospectus qualifies the grant of the Compensation Warrants. See "*Plan of Distribution*".

Unless the context otherwise requires, when used herein, all references to the "**Offering**", "**Units**", "**Unit Shares**", "**Warrants**" and "**Warrant Shares**" assume the exercise of the Over-Allotment Option and includes the Additional Units and the additional Unit Shares and Warrants underlying such Additional Units and the additional Warrant Shares underlying such additional Warrants.

The Underwriters, as principals, conditionally offer the Units, subject to prior sale, if, as and when issued by the Company and accepted by the Underwriters in accordance with the conditions contained in the Underwriting Agreement and subject to the approval of certain legal matters on behalf of the Company by McMillan LLP, and on behalf of the Underwriter by DLA Piper (Canada) LLP. See "*Plan of Distribution*".

The Offering is being made in each of the provinces of Canada, other than the Province of Québec. The Units will be offered in each of such provinces through the Underwriters or their affiliates who are registered to offer the securities for sale in such provinces and such other registered dealers as may be designated by the Underwriters. Subject to applicable law, the Underwriters may offer the Units in the United States and such other jurisdictions outside of Canada and the United States as agreed between the Company and the Underwriter. See "*Plan of Distribution*".

Subject to applicable laws and in connection with this Offering, the Underwriters may over-allot or effect transactions which stabilize or maintain the market price of the Common Shares at levels other than those which might otherwise prevail in the open market in accordance with applicable stabilization rules. Such transactions, if commenced, may be discontinued at any time. The Underwriters propose to offer the Units initially at the Offering Price. **Without affecting the firm obligation of the Underwriters to purchase the securities from the Company in accordance with the Underwriting Agreement after the Underwriters have made reasonable efforts to sell all of the securities offered by this Prospectus at the price specified herein, the Offering Price may be decreased, and further changed from time to time, to an amount not greater than the Offering Price, as applicable. Such decrease in the Offering Price will not affect the net proceeds of $7.1158 per Unit to be paid to the Company by the Underwriters. The compensation realized by the Underwriters will be decreased by the amount that the aggregate price paid by purchasers for the Units is less than the gross proceeds to be paid by the Underwriters to the Company. See "*Plan of Distribution*".**

Subscriptions for the Units will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. Subject to certain exceptions, no certificates evidencing the Units Shares and Warrants will be issued. Instead, the Unit Shares and Warrants sold pursuant to the Offering will be issued in electronic form to the Canadian Depository for Securities ("**CDS**") or nominees thereof and deposited with CDS on the closing of the Offering. Subject to certain exceptions, a purchaser will receive only a customer confirmation of the issuance of the securities purchased pursuant to the Offering from the registered dealer through which the Units are purchased. Closing of the Offering is expected to take place on or about March 9, 2021, or such other date as may be agreed upon by the Company and the Lead Underwriter (the "**Closing Date**"), but in any event not later than the date that is 42 days after the date of the final receipt for the Prospectus.

The Company has not authorized anyone to provide purchasers with information different from that contained or incorporated by reference in this Prospectus. An investment in the Units is highly speculative and involves a high degree of risk, and should only be made by persons who can afford the total loss of their investment. Investors should carefully consider the risk factors described in this Prospectus before purchasing the Units. Prospective investors are advised to consult their legal counsel and other professional advisors in order to assess income tax, legal and other aspects of the investment. See "*Risk Factors*" and "*Cautionary Statement Regarding Forward-Looking Information*".

Prospective purchasers should rely only on the information contained or incorporated by reference in this Prospectus. The Company and the Underwriters have not authorized anyone to provide prospective purchasers with information different from that contained or incorporated by reference in this Prospectus. Investors should not assume that the information contained in this Prospectus is accurate as of any date other than the date on the front page of this Prospectus.

Prospective purchasers should be aware that the acquisition or disposition of securities described herein may have tax consequences in Canada and in the United States. This Prospectus may not describe these tax consequences fully. Prospective purchasers should rely on their own tax advisors with respect to their own particular circumstances. See "*Certain Material Canadian Federal Income Tax Considerations*".

The head office and the registered office of the Company is located at Suite 1500, 1055 West Georgia Street, PO Box 11117, Vancouver, British Columbia V6E 4N7.

A reference to Bright Minds or the Company also includes its subsidiary as the context requires.

Some of the directors of the Company, namely Alan Kozikowski, a director and the Chief Science Officer of the Company, Nils Bottler, a director of the Company, and Jeremy Fryzuk, a director of the Company, reside outside of Canada. Such persons have appointed the following agent for service of process:

Name of Agent	**Address of Agent**
McMillan LLP	Suite 1500, 1055 West Georgia Street, Vancouver, British Columbia, V6E 4N7

Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process.

UNITED KINGDOM INVESTORS

Important Disclaimer for Purchasers in the United Kingdom

Please note that capitalised terms used in this Disclaimer are defined in this Prospectus..

This Prospectus has been prepared and issued by Bright Minds Biosciences Inc. and does not carry any right of publication of disclosure, in whole or in part. It is being distributed to a limited number of recipients by the Company. This Prospectus constitutes an offer of transferable securities to the public on the terms and conditions set out herein but it is not a prospectus for the purposes of the UK Prospectus Regulation because it is an exempt offer to the public on the basis that it will only be addressed to fewer than 150 investors (other than qualified investors).

This Prospectus is a financial promotion for the purposes of section 21 Financial Services and Markets Act 2000 ('FSMA'), but neither has it been issued by, nor has its content been approved by, a person authorised and regulated under FSMA. The Prospectus is being addressed only to persons in the UK ("Relevant Persons") who are:

1. Investment Professionals, within the meaning of article 19 Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 ('FPO');

2. Entities meeting certain minimum worth tests in accordance with article 49 FPO;

3. Directors, employees or officers of any entity falling under 1 or 2 above, where any such person is responsible for such entity's investing and is approached in that capacity.

This Prospectus is not being made available other than to the Relevant Persons; if you are not a Relevant Person, you may not place reliance on this Prospectus for any purposes whatsoever. Relevant Persons have been provided with this Prospectus in confidence and may not share it with others or publicise any aspect of it, other than for the purposes of seeking professional advice.

The content of this Prospectus should not be treated as advice. If you are in any doubt about the offer or the content of this Prospectus and/ or any action you should take, you should consult an independent financial advisor or other authorised person under FSMA who specialises in advising on the investment in shares and other securities. Before subscribing for these securities Investors should make sure to understand the risks involved and are referred to the "Risk Factors" which are set out in full on page 24.

No representation or warranty is made by the Company (or any of its Directors, officers, employees or agents) as to the information and opinions contained in this Prospectus, which are given for your assistance, but are not to be relied upon as authoritative or as the basis of any contractual commitment.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This Prospectus and the documents incorporated herein by reference contain statements and information that, to the extent that they are not historical fact, may constitute "forward-looking information" within the meaning of applicable securities legislation. Forward-looking information may include financial and other projections, as well as statements regarding future plans, objectives or economic performance, or the assumption underlying any of the foregoing. This Prospectus and the documents incorporated herein by reference use words such as "may", "would", "could", "will", "likely", "except", "anticipate", "believe", "intend", "plan", "forecast", "project", "estimate", "outlook", and other similar expressions to identify forward-looking information. These forward-looking statements include, among other things, statements relating to:

- the completion and expected timing of the Offering;
- the receipt of required regulatory approvals (including stock exchange) in respect of the Offering;
- the net proceeds from the Offering, the Company's use of the net proceeds from the Offering and the results of activities conducted using such net proceeds;
- the duration and effects of COVID-19 and any other pandemics on the Company's workforce, business, operations and financial condition;
- the Company's expectations regarding the achievement of clinical and regulatory milestones;
- the executive compensation of the Company;
- the composition of the board of directors (the "**Board**") and management of the Company;
- the Company's expectations regarding its revenue, expenses and research and development operations;
- the Company's anticipated cash needs and its needs for additional financing;
- the Company's intention to grow the business and its operations;
- expectations with respect to the success of its research and development of serotonergic therapeutics;
- expectations regarding growth rates, growth plans and strategies of the Company;
- expectations that the provisional patent applications will be refiled as regular patent applications in Q2 of 2021;
- the Company's strategy with respect to the expansion and protection of its intellectual property;
- the medical benefits, safety, efficacy, dosing and consumer acceptance of serotonergic therapeutics;
- the Company's ability to comply with provincial, federal, local and regulatory agencies in the United States, Canada and other jurisdictions in which the Company operates;
- the Company's competitive position and the regulatory environment in which the Company operates;
- the Company's expected business objectives for the next 12 months;
- the Company's plans with respect to the payment of dividends;
- beliefs and intentions regarding the ownership of material trademarks and domain names used in connection with the design, production, marketing, distribution and sale of the Company's products and services; and
- the Company's ability to obtain additional funds through the sale of equity or debt commitments.

Forward-looking information is based on the reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such statements are made, but which may prove to be incorrect. The material factors and assumptions used to develop the forward-looking statements contained in this Prospectus and in and the documents incorporated herein by reference include, without limitation:

- obtaining the necessary regulatory approvals;
- that regulatory requirements will be maintained;
- general business and economic conditions;

- the duration of COVID-19 and the extent of its economic and social impact;
- the Company's ability to successfully execute its plans and intentions;
- the availability of financing on reasonable terms;
- the Company's ability to attract and retain skilled staff;
- market competition;
- the products, services and technology offered by the Company's competitors; and
- that the Company's current good relationships with the Company's suppliers, service providers and other third parties will be maintained.

Although the Company believes that the assumptions underlying these statements are reasonable, they may prove to be incorrect, and the Company cannot assure that actual results will be consistent with these forward-looking statements. Given these risks, uncertainties and assumptions, prospective purchasers of Units issued pursuant to the Offering should not place undue reliance on these forward-looking statements. Whether actual results, performance or achievements will conform to the Company's expectations and predictions is subject to a number of known and unknown risks, uncertainties, assumptions and other factors, including those listed under "*Risk Factors*", which include:

- limited operating history;
- the Company's actual financial position and results of operations may differ materially from the expectations of the Company's management;
- the Company may be required to obtain and maintain certain permits, licenses, and approvals in the jurisdictions where its products or technologies are being researched, developed, or commercialized;
- the Company may encounter substantial delays or difficulties with its clinical trial;
- clinical trials are very expensive, time consuming and difficult to design and implement;
- the Company may not be successful in its efforts to identify, license or discover additional product candidates;
- risks associated with the development of the Company's products which are at early stages of development;
- there is no assurance that the Company will turn a profit or generate immediate revenues;
- the continued operation of the Company as a going concern;
- the Company's intellectual property and licenses thereto;
- the Company not achieving timelines for project development set out in this Prospectus;
- the Company faces product liability exposure;
- the Company has international operations, which subject the Company to risks inherent with operations outside of Canada;
- exchange rate fluctuations between the U.S. dollar and the Canadian dollar;
- changes to patent laws or the interpretation of patent laws ;
- the risk of patent-related or other litigation;
- the Company may not be able to enforce its intellectual property rights throughout the world;
- the lack of product for commercialization;
- the lack of experience of the Company/management in marketing, selling, and distribution products;
- the size of the Company's target market is difficult to quantify;
- potentials for conflicts of interest for the Company's officers and directors;
- in certain circumstances, the Company's reputation could be damaged;
- negative operating cash flow;
- need for additional financing;
- uncertainty and discretion of use of proceeds;
- the potential for a material weakness in the Company's internal controls over financial reporting;
- difficulties with forecasts;
- market price of Common Shares and volatility; and
- dilution of Common Shares.

If any of these risks or uncertainties materialize, or if assumptions underlying the forward-looking statements prove incorrect, actual results might vary materially from those anticipated in those forward-looking statements. The assumptions referred to above and described in greater detail under "*Risk Factors*" should be considered carefully by readers.

The Company's forward-looking statements are based on the reasonable beliefs, expectations and opinions of management on the date of this Prospectus (or as of the date they are otherwise stated to be made). Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There is no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. We do not undertake to update or revise any forward-looking statements, except as, and to the extent required by, applicable securities laws in Canada.

All of the forward-looking statements contained in this Prospectus and the documents incorporated herein by reference are expressly qualified by the foregoing cautionary statements. Investors should read this entire Prospectus and consult their own professional advisors to assess the income tax, legal, risk factors and other aspects of their investment.

IMPORTANT NOTICE ABOUT INFORMATION IN THIS PROSPECTUS

In evaluating whether or not to purchase Units pursuant to the Offering, a prospective investor should rely only on the information contained in, or incorporated by reference in, this Prospectus and not on certain parts of this Prospectus to the exclusion of others. No person has been authorized to give any information other than that contained in this Prospectus, or to make any representations in connection with the Offering made hereby, and, if given or made, such other information or representations must not be relied upon as having been authorized by the Company or the Underwriter. The information contained in this Prospectus is accurate only as of the date of this Prospectus, regardless of the time of delivery of this Prospectus or any sale of the Units. The Company's business, financial condition, operating results and prospects of the Company may have changed since the date of this Prospectus.

MARKETING MATERIALS

Any "template version" of "marketing materials" (as such terms are defined in NI 41-101), including the Marketing Materials (as defined herein) are not part of this Prospectus to the extent that the contents of the Marketing Materials have been modified or superseded by a statement contained in this Prospectus. Any template version of "marketing materials" (as defined in National Instrument 41-101 – *General Prospectus Requirements*) filed after the date of this Prospectus and before the termination of the distribution under the Offering (including any amendments to, or an amended version of, the Marketing Materials) is deemed to be incorporated by reference into this Prospectus.

ELIGIBILITY FOR INVESTMENT

In the opinion of McMillan LLP, counsel to the Company, and DLA Piper (Canada) LLP, counsel to the Underwriter, based on the current provisions of the Income Tax Act (Canada) and the regulations thereunder (collectively, the "**Tax Act**"), and the proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof, the Unit Shares, Warrants and Warrant Shares, if issued on the date hereof, would be "qualified investments" under the Tax Act for a for a trust governed by a registered retirement savings plan ("**RRSP**"), registered education savings plan ("**RESP**"), registered retirement income fund ("**RRIF**"), deferred profit sharing plan ("**DPSP**"), registered disability savings plan ("**RDSP**") or tax-free savings accounts ("**TFSA**"), each as defined in the Tax Act, provided that:

(1) in the case of the Unit Shares and Warrant Shares, either (A) the Unit Shares or Warrant Shares, as applicable, are listed on a "designated stock exchange" as defined in the Tax Act (which currently includes the CSE), or (B)

the Company is otherwise a "public corporation" (other than a mortgage investment corporation) as defined in the Tax Act, and

(2) in the case of the Warrants, the Warrant Shares are a qualified investment as described in (1) above and the Company is not, and deals at arm's length with each person who is, an annuitant, a beneficiary, an employer or a subscriber under or a holder of such RRSP, RRIF, RDSP, RESP, DPSP or TFSA, as the case may be.

Notwithstanding that the Unit Shares, Warrants and Warrant Shares may be qualified investments as described above, if the Unit Shares, Warrants or Warrant Shares are "prohibited investments" for a RRSP, RRIF, TFSA, RDSP or RESP, the annuitant, holder or subscriber thereof (as the case may be) will be subject to a penalty tax under the Tax Act. The Unit Shares, Warrants and Warrant Shares will generally not be a "prohibited investment" for these purposes unless the annuitant, holder or subscriber, as the case may be, (i) does not deal at arm's length with the Company for purposes of the Tax Act, or (ii) has a "significant interest", as defined in subsection 207.01(4) the Tax Act, in the Company. In addition, the Unit Shares and Warrant Shares will not be "prohibited investments" if they are "excluded property" (as defined in the Tax Act) for a trust governed by a RRSP, RRIF, TFSA, RDSP or RESP.

Prospective investors who intend to acquire or hold the Unit Shares, Warrants or Warrant Shares in a RRSP, RRIF, TFSA, RDSP, DPSP or RESP should consult their own tax advisors.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this Prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained from us upon request without charge from Bright Minds Biosciences Inc., c/o 1500 – 1055 West Georgia Street, Vancouver, British Columbia, V6E 4N7, or by accessing the Company's disclosure documents available through the Internet on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com.

The following documents ("**documents incorporated by reference**" or "**documents incorporated herein by reference**") have been filed by us with various securities commissions or similar authorities in the provinces of Canada in which the Company is a reporting issuer, are specifically incorporated herein by reference and form an integral part of this Prospectus:

1. the Company's final long form non-offering prospectus dated January 28, 2021 (the "**Non-Offering Prospectus**");

2. audited financial statements of the Company for the year ended September 30, 2020 and the period ended September 30, 2019, together with the notes thereto and the auditors' report thereon (the "**Annual Financial Statements**");

3. the Company's management's discussion and analysis for the period from incorporation until September 30, 2019 and for the year ended September 30, 2020 (the "**Annual MD&A**");

4. the "template version" (as such term is defined in National Instrument 41-101 − *General Prospectus Requirements*) of the term sheet in respect of the Offering dated February 22, 2021, filed on SEDAR in connection with the Offering (the "**Marketing Materials**");

5. the amended Marketing Materials dated February 23, 2021; and

6. the Company's material change report dated February 26, 2021 in respect of the pricing of the Company's public offering under the preliminary short form prospectus dated February 22, 2021.

A reference to this Prospectus includes a reference to any and all documents incorporated by reference in this Prospectus. Any document of the type referred to in paragraphs (1)-(6) above or similar material and any documents

required to be incorporated by referred herein pursuant to National Instrument 44-101 – *Short Form Prospectus Distributions* including any annual information form, all material change reports (excluding confidential reports, if any), all annual and interim financial statements and management's discussion and analysis relating thereto, or information circular or amendments thereto filed by the Company after the date of this Prospectus and prior to the completion or withdrawal of the distribution of the Units shall be deemed to be incorporated by reference into this Prospectus.

Any statement contained in this Prospectus or a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this Prospectus to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any statement so modified or superseded shall not constitute a part of this Prospectus, except as so modified or superseded. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document which it modifies or supersedes. The making of such a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Information on any of the websites maintained by the Company does not constitute a part of this Prospectus.

MARKET AND INDUSTRY DATA

Unless otherwise indicated, information contained in this Prospectus concerning the industry and markets in which Bright Minds operates, including its general expectations and market position, market opportunity and market share is based on information from independent industry organizations, and other third-party sources (including industry publications, surveys and forecasts), and management estimates. Unless otherwise indicated, management estimates are derived from publicly available information released by independent industry analysts and third-party sources, as well as data from the Company's internal research, and are based on assumptions made by the Company based on such data and its knowledge of such industry and markets, which it believes to be reasonable. The Company's internal research has not been verified by any independent source, and it has not independently verified any third-party information. While the Company believes the market position, market opportunity and market share information included in this Prospectus is generally reliable, such information is inherently imprecise. In addition, projections, assumptions and estimates of the Company's future performance and the future performance of the industry in which it operates are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described under the heading "*Risk Factors*".

CURRENCY PRESENTATION

In this Prospectus, unless otherwise specified or the context otherwise requires, all references to US$ are to United State (US) dollars. Canadian dollars are denoted as $ or C$.

The daily exchange rate on February 25, 2021, as reported by the Bank of Canada for the conversion of Canadian dollars into United States dollars was C$1.2530 equals US$1.00.

DESCRIPTION OF THE BUSINESS

This summary does not contain all the information about the Company that may be important to you. Investors should read the more detailed information and financial statements and related notes that are incorporated by reference into and are considered to be a part of this Prospectus.

Incorporation and Offices

The Company was incorporated under the *Business Corporations Act* (British Columbia) (the "**BCBCA**") on May 31, 2019 under the name "1210954 B.C. Ltd.". On March 6, 2020, the Company changed its name under the BCBCA to "Bright Minds Biosciences Inc.". The head office of the Company is 1500 – 1055 West Georgia Street, Vancouver, British Columbia, V6E 4N7 and the registered and records office of the Company is 1500 – 1055 West Georgia Street, Vancouver, British Columbia, V6E 4N7.

The Company has one wholly owned subsidiary, PsilocybinLabs Ltd., which is not a material subsidiary to the Company.

Business of the Company

Overview

Bright Minds is a biotechnology company dedicated to developing therapeutics to improve the lives of patients with severe and life-altering diseases. Bright Minds initially focused on new chemical entities for a variety of pain indications, seizures, and neuropsychiatric disorders. By leveraging the extensive drug discovery experience of the Bright Minds team, the Company is endeavouring to create a pipeline of best-in-class 5-HT (serotonin) medicines. While psychedelic medicines like psilocin are currently in clinical trials for the treatment of depression[1], the Company's patented, lead product candidates feature next generation characteristics, such as lower or eliminated cardiac issues, improved pharmacokinetics and shorter half-life, and higher oral bioavailability. The Bright Minds molecules have been designed to offer greater safety over the first-generation serotonergic compounds, as they bind with greater selectivity to specific 5-HT receptor subtypes, thus avoiding off-target related side effects such as heart valve disease.

Bright Minds does not advocate for the legalization of psychedelic substances for recreational use or otherwise, and its business is oriented to the discovery of novel serotonergic therapeutics rather than the use of substances such as psilocybin or other psychedelics in new therapies. Bright Minds does not have any direct or indirect involvement with illegal selling, production or distribution of substances in jurisdictions in which it operates.

Principal Products

Serotonin (5-HT) is the most prominent neurotransmitter in the brain and modulates many functions. Dysfunction of serotonin receptors, transporters, and associated neurocircuits is fundamental to many diseases including epilepsy, pain, and neuropsychiatry. Selective serotonin reuptake inhibitors are widely used in the treatment of depression with a market of $14.3 Billion[2]. Similarly, other serotoninergic drugs are widely used in the treatment of pain (Triptans in migraine)[3], Parkinson's disease related psychosis (Pimavanserin)[4], and seizures (Fintepla)[5]. The Company believes the off-label use of psilocybin extracts in depression and cluster headache, as well as encouraging clinical trial data with psilocybin and Methylenedioxymethamphetamine (MDMA) in depression and post-traumatic stress disorder (PTSD) illustrate the potential for advancing serotoninergic therapies in neuropsychiatry and pain. The Company further believes the full potential of serotonin-based therapeutics has not been achieved due to the lack of drugs that are specific to certain serotonin receptor subtypes that are fundamental to disease pathology, without non-specific effects on other serotonin receptors in the body that are associated with cardiac toxicities and have resulted in previous drugs being withdrawn from the market.[6]

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[1] Multidisciplinary Association for Psychedelic Studies, "Psilocybin Studies: In Progress", online: *MAPS.org* <https://maps.org/other-psychedelic-research/211-psilocybin-research/psilocybin-studies-in-progress/research/psilo/passiepsilocybin1.html%7D>.

[2] Research and Markets, "Global Antidepressants Market (2020 to 2030) - COVID-19 Implications and Growth" (21 April 2020), online: *Intrado GlobeNewswire* <https://www.globenewswire.com/news-release/2020/04/21/2019282/0/en/Global-Antidepressants-Market-2020-to-2030-COVID-19-Implications-and-Growth.html>.

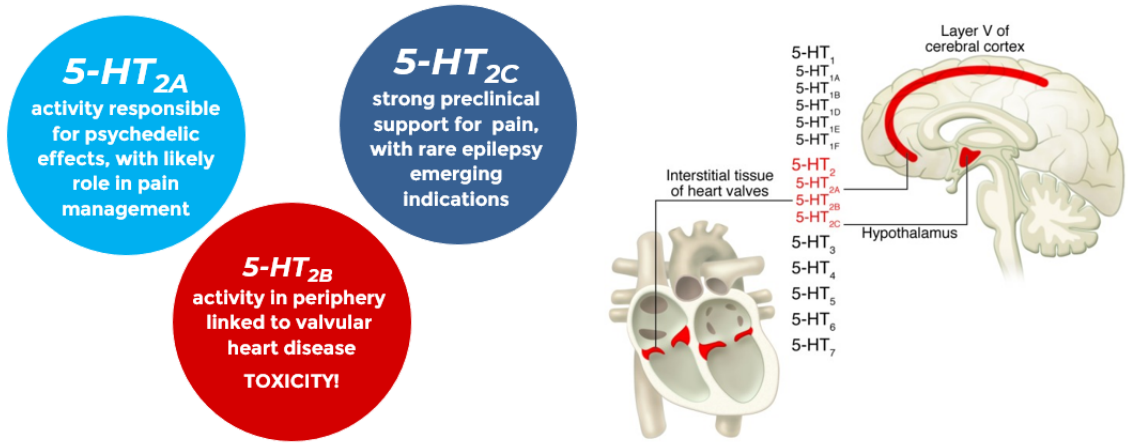
[3] Samar Nicolas & Diala Nicolas, "Triptans" (26 May 2020), online: *National Center for Biotechnology Information* <https://www.ncbi.nlm.nih.gov/books/NBK554507/>.

[4] Cerner Multum, "Pimavanserin" (5 February 2020), online: *Drugs.com* <https://www.drugs.com/mtm/pimavanserin.html>.

[5] "Fintepla FDA Approval History", online: *Drugs.com* <https://www.drugs.com/history/fintepla.html>.

[6] Joshua D. Hutcheson, et al., "Serotonin Receptors and Heart Valve Disease – it was meant 2B" (2 April 2011), 132(2) Pharmacol Ther 146-157, online: *PMC* <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3179857/>; Nistala Pallavi, "5-HT2B Receptor-mediated Cardiac Valvulopath" (2018), online (pdf): <https://scholarscompass.vcu.edu/cgi/viewcontent.cgi?article=6777&context=etd>.

Key $5HT_2$ Receptor Targets



Bright Minds has a portfolio of patented, selective serotonin ($5\text{-}HT_{2C}$ and $5\text{-}HT_{2C/A}$-receptor subtypes) agonists that were identified using high-throughput screening methods in combination with advanced molecular modeling techniques to interrogate the interaction between the drug and its targeted receptors to increase downstream signaling while avoiding off-target effects.

Bright Minds' Drug Pipeline

	Lead Indication (*Follow-on Indications*)	Stage
$5\text{-}HT_{2C}$ *(Granted Patent)*	Dravet (Seizures) *Impulse control disorders (OCD, Binge Eating) Addiction,*	Late Pre Clinical
$5\text{-}HT_{2C/A}$ *(Granted Patent)*	Cluster Headache, *Chemotherapy Induced Neuropathy, Trigeminal Neuralgia*	Early Pre Clinical
$5\text{-}HT_{2A}$ *(2 provisional patents filed)*	Depression, *PTSD, Addiction*	Early Pre Clinical

The Company believes its portfolio of selective 5-HT receptor agonists do not face competition from the non-selective 5-HT agonist psychedelic drug psilocybin. The Company's lead $5\text{-}HT_2$ subtype selective drug portfolio candidate is a "best in class" synthetic $5\text{-}HT_{2C}$ receptor agonist without psychedelic effects. The Company expects its $5\text{-}HT_{2A}$ and $5\text{-}HT_{2A/C}$ selective compounds will possess desirable pharmacokinetic and pharmacodynamic effects and a wide effective dose range in the target populations, and could thus be used without the need for close supervision by psychotherapists in the clinic. Bright Minds is partnered with the National Institutes of Health on the Epilepsy Therapy Screening Program (ETSP) for epilepsy and the pre-clinical screening (PSPP) program for pain.

Recent Developments

On January 28, 2021, the Company filed the Non-Offering Prospectus with the securities regulatory in British Columbia, Alberta, Manitoba and Ontario qualifying the distribution of an aggregate of 16,000 Common Shares issuable upon the

exercise of 40,000 special warrants of the Company (the "**Special Warrants**") issued at a price of $0.50 per Special Warrant.

On February 8, 2021, the Common Shares of the Company were listed on the CSE under the symbol "DRUG".

On May 26, 2020, the Company entered into an option agreement with the Board of Trustees of the University of Illinois (the "**University**") in which the University granted the Company an exclusive option to: (i) evaluate the inventions described in PCT/US2011/023535 and all counterpart patents related thereto and described in PCT/US2016/015019 and all counterpart patents related thereto (collectively, the "**Inventions**"); and (ii) obtain an exclusive license to the Inventions.

The Company has exercised its option to obtain an exclusive license to the Inventions. As of February 15, 2021, a draft exclusive license agreement has been prepared, and Bright Minds and the University (on behalf of itself and the University of North Carolina at Chapel Hill) are working towards finalizing the terms of said exclusive license agreement.

Regulatory Framework

Drug products must be approved by the appropriate governing body before it can be sold in that country or area. The United States Food and Drug Administration (the "**FDA**") approves products for the United States market and Health Canada approves products for the Canadian market. The European Medicines Agency approves products for the European Union. While the process by which products are approved by the FDA and Health Canada is very similar, each regulatory body has its own unique requirements for a product. In both cases, the development of a product through to approval can be a lengthy process and, in some cases, can take over 10 years. While early studies conducted in one jurisdiction will usually be accepted in the other, further and somewhat modified studies may be required to have a product approved in another jurisdiction.

Canada Government Regulation

Drug products in Canada are regulated by Health Canada under the *Food and Drugs Act* and the *Food and Drugs Regulations*. Health Canada regulates, among other things, research and development activities and the testing, approval, manufacture, quality control, safety, effectiveness, labeling, storage, record keeping, advertising and promotion of any product candidates or commercial products.

For a drug product to be approved in Canada, it must provide sufficient evidence of safety, efficacy and chemical quality based on preclinical investigation and Phase I, II and III clinical trials using approved and compliant manufacturing and clinical sites.

To obtain approval to market a drug in Canada, a sponsor usually requests a pre-submission meeting with the review division of Health Canada responsible for the therapeutic field. If the meeting is granted, the sponsor must submit a Pre-Submission Information package to the Therapeutic Products Directorate ("**TPD**") to meet with the review division. This process occurs prior to submitting the New Drug Submission ("**NDS**") application. The purpose of the pre-submission meeting is to review the evidence (non-clinical and clinical research, quality information, indication) that will be submitted in the NDS application.

During the drug development process, the sponsor prepares study reports. Once the sponsor releases the last study required for the submission, the sponsor completes the NDS application and submits it to the TPD. Prior to submitting the NDS and, if applicable, based on the intended use of the product in the identified patient population, the sponsor may submit in advance a request for priority review status.

After submitting the NDS application, the file undergoes a screening process prior to being accepted for review. TPD has 45 calendar days from receipt to complete the screening review process. If granted a priority review, the screening period is reduced to 25 calendar days.

After a comprehensive review of an NDS application, Health Canada will issue a Notice of Compliance ("**NOC**") if the product is approved or a Notice of Non-Compliance ("**NON**") if further questions remain. If a NOC is issued, a Drug

Identification Number ("**DIN**") is also issued that is required to be printed on each label of the product, as well as the final version of the Product Monograph that has been agreed to between Health Canada and the sponsor.

The average target time for reaching a first decision on an NDS is 300 calendar days, unless the submission has received a priority review in which case the time is 180 calendar days. Fees are levied for a review of an NDS application.

The regulatory approval process is generally lengthy and expensive, with no guarantee of a positive result. Once approved, Health Canada continues to monitor the product and license holders have obligations related to reporting to Health Canada, record keeping and ensuring continued safety and efficacy of the product. Failure to comply with any of the above applicable regulations, regulatory authorities or other requirements may result in civil or criminal penalties, recall or seizure of products, injunctive relief including partial or total suspension of production, or withdrawal of a product from the market.

United States Government Regulation

In the United States, the FDA regulates drugs under the United States Food, Drug, and Cosmetic Act (the "**FDCA**"), and its implementing regulations, and biologics under the FDCA and the Public Health Service Act, and its implementing regulations. FDA approval is required before any new unapproved drug or biologic or dosage form, including a new use of a previously approved drug, can be marketed in the United States. In some cases, changes to aspects of an approved drug product also require pre-approval prior to implementation of these changes. Drugs and biologics are also subject to other federal, state, and local statutes and regulations. If Bright Minds fails to comply with applicable FDA or other requirements at any time during the product development process, clinical testing, the approval process or after approval, Bright Minds may become subject to administrative or judicial sanctions. These sanctions could include the FDA's refusal to approve pending applications, license suspension or revocation, withdrawal of an approval, warning letters, product recalls, product seizures, total or partial suspension of production or distribution, civil monetary penalties or criminal prosecution. Any FDA enforcement action could have a material adverse effect on Bright Minds.

The process required by the FDA before drug products may be marketed in the United States generally involves the following:

- completion of extensive preclinical laboratory tests and preclinical animal studies, some performed in accordance with the GLP regulations;
- submission to the FDA of an Investigational New Drug ("**IND**") Application, which must be reviewed by the FDA and become active before human clinical trials may begin and must be updated annually;
- approval by an independent review board ("**IRB**") or ethics committee representing each clinical site before each clinical trial may be initiated;
- performance of adequate and well-controlled human clinical trials conducted under Good Clinical Practices ("**GCP**") to establish the safety and efficacy of the product candidate for each proposed indication;
- preparation of and submission to the FDA of a New Drug Application ("**NDA**") or Biologics License Application ("**BLA**") after completion of all pivotal clinical trials;
- a determination by the FDA within 60 days of its receipt of an NDA or BLA to file the application for review;
- potential review of the product application by an FDA advisory committee, where appropriate and if applicable;
- satisfactory completion of an FDA pre-approval inspection of the manufacturing facilities where the proposed product is produced to assess compliance with current GMP ("**cGMP**");
- a potential FDA audit of the preclinical research and clinical trial sites that generated the data in support of the NDA or BLA; and
- FDA review and approval of an NDA or BLA prior to any commercial marketing or sale of the product in the United States.

The preclinical research, clinical testing and approval process require substantial time, effort, and financial resources, and Bright Minds cannot be certain that any approvals for the Company's product candidates will be granted on a

timely basis, if at all. An IND is a request for authorization from the FDA to administer an investigational new drug product to humans in clinical trials. The central focus of an IND submission is on the general investigational plan and the protocol(s) for human clinical trials. The IND also includes results of animal studies assessing the toxicology, pharmacokinetics, pharmacology, and pharmacodynamic characteristics of the product; chemistry, manufacturing, and controls information; and any available human data or literature to support the use of the investigational new drug.

An IND must become effective before human clinical trials may begin in the US. An IND will automatically become effective 30 days after receipt by the FDA, unless before that time the FDA raises concerns or questions related to the proposed clinical trials. In such a case, the IND may be placed on clinical hold and the IND sponsor and the FDA must resolve any outstanding concerns or questions before clinical trials can begin. Accordingly, submission of an IND may or may not result in the FDA allowing clinical trials to commence. As drug product programs continue in development, clinical trial protocols, additional preclinical testing results, and manufacturing information is submitted with the IND to facilitate discussions with the FDA and approval of additional clinical trials.

Clinical Trials

Clinical trials involve the administration of the IND to human subjects under the supervision of qualified investigators in accordance with GCPs, which include the requirement that all research subjects provide their informed consent for their participation in any clinical trial. Clinical trials are conducted under protocols detailing, among other things, the objectives of the study, the parameters to be used in monitoring safety, and the efficacy criteria to be evaluated. A protocol for each clinical trial and any subsequent protocol amendments must be submitted to the FDA as part of the IND. Additionally, approval must also be obtained from each clinical trial site's IRB or ethics committee, before the trials may be initiated, and the IRB or ethics committee must monitor the trial until completed. All subjects must provide informed consent prior to participating in the trial. There are also requirements governing the reporting of ongoing clinical trials and clinical trial results to public registries.

The clinical investigation of a drug is generally divided into three or four phases. Although the phases are usually conducted sequentially, they may overlap or be combined.

- **Phase I.** The drug is initially introduced into healthy human subjects or, in some cases, patients with the target disease or condition. These studies are designed to evaluate the safety, tolerance, metabolism, pharmacokinetic and pharmacologic actions of the investigational new drug in humans, and the side effects associated with increasing doses.
- **Phase II.** The drug is administered to a limited patient population to evaluate safety and optimal dose levels for safety and efficacy, identify possible adverse side effects and safety risks, and preliminarily evaluate efficacy.
- **Phase III.** The drug is administered to an expanded patient population, generally at geographically dispersed clinical trial sites to generate sufficient data to statistically evaluate dose levels, clinical effectiveness and safety, to establish the overall benefit-risk relationship of the IND product, and to provide an adequate basis for physician labeling.
- **Phase IV.** In some cases, the FDA may conditionally approve an NDA or BLA for a drug product with the sponsor's agreement to conduct additional clinical trials after approval. In other cases, a sponsor may voluntarily conduct additional clinical trials after approval to gain more information about the drug. Such post-approval studies are typically referred to as Phase IV clinical trials.

Clinical trial sponsors must also report to the FDA, within certain timeframes: (i) serious and unexpected adverse reactions, (ii) any clinically important increase in the rate of a serious suspected adverse reaction over that listed in the protocol or investigator's brochure, or (iii) any findings from other studies or animal testing that suggest a significant risk in humans exposed to the product candidate. The FDA, the IRB, the ethics committee or the clinical trial sponsor may suspend or terminate a clinical trial at any time on various grounds, including a finding that the research subjects are being exposed to an unacceptable health risk. Additionally, some clinical trials are overseen by an independent group of qualified experts organized by the clinical trial sponsor, known as a data safety monitoring board or

committee. This group provides authorization for whether or not a trial may move forward at designated check points based on access to certain data from the trial.

The clinical trial process can take years to complete, and there can be no assurance that the data collected will support FDA approval or licensing of the product. Results from one trial are not necessarily predictive of results from later trials. The Company may also suspend or terminate a clinical trial based on evolving business objectives and/or competitive climate.

Submission of an NDA or BLA to the FDA

Assuming successful completion of all required preclinical studies and clinical testing in accordance with all applicable regulatory requirements, detailed IND product information is submitted to the FDA in 34 the form of an NDA or BLA requesting approval to market the product for one or more indications. Under federal law, the submission of most NDAs and BLAs is subject to an application user fee. Applications for Oppositional Defiant Disorder ("**ODD**") products are exempted from the NDA and BLA application user fee, unless the application includes an indication for other than a rare disease or condition, and may be exempted from product and establishment user fees under certain conditions. An NDA or BLA must include all relevant data available from pertinent preclinical studies and clinical trials, including negative or ambiguous results as well as positive findings, together with detailed information relating to the product's chemistry, manufacturing, controls, and proposed labeling, among other things. Data comes from company-sponsored clinical trials intended to test the safety and effectiveness of a use of a product, and may also come from several alternative sources, including clinical trials initiated by investigators. To support marketing approval, the data submitted must be sufficient in quality and quantity to establish the safety and effectiveness of the investigational new drug product to the satisfaction of the FDA.

Once an NDA or BLA has been submitted, the FDA's goal is to review the application within ten months after it accepts the application for filing, or, if the application relates to an unmet medical need in a serious or life-threatening indication, six months after the FDA accepts the application for filing. The review process is often significantly extended by the FDA's requests for additional information or clarification. Before approving an NDA or BLA, the FDA typically will inspect the facility or facilities where the product is manufactured. The FDA will not approve an application unless it determines that the manufacturing processes and facilities are in compliance with cGMP requirements and adequate to assure consistent production of the product within required specifications. Additionally, before approving an NDA or BLA, the FDA will typically inspect one or more clinical sites to assure compliance with GCP and related regulations.

The FDA is required to refer an NDA or BLA for a novel drug (in which no active ingredient has been approved in any other application) to an advisory committee or explain why such referral was not made. Typically, an advisory committee is a panel of independent experts, including clinicians and other scientific experts, that reviews, evaluates and provides a recommendation as to whether the application should be approved and the conditions thereof. The FDA is not bound by the recommendations of an advisory committee, but it considers such recommendations carefully when making decisions.

The FDA's Decision on an NDA or BLA

After the FDA evaluates the NDA or BLA and conducts inspections of manufacturing facilities where the product will be produced, the FDA will issue either an approval letter or a complete response letter ("**Complete Response Letter**"). An approval letter authorizes commercial marketing of the drug with specific prescribing information for specific indications. A Complete Response Letter indicates that the review cycle of the application is complete and the application is not ready for approval. To satisfy deficiencies identified in a Complete Response Letter, additional clinical data and/or an additional Phase III clinical trial(s), and/or other significant, expensive and time-consuming requirements related to clinical trials, preclinical studies or manufacturing may be required for the drug product.

Even if such additional information is submitted, the FDA may ultimately decide that the NDA or BLA does not satisfy the criteria for approval. The FDA could also approve the NDA or BLA with a risk evaluation and mitigation strategy, which could include medication guides, physician communication plans, or elements to assure safe use, such as

restricted distribution methods, patient registries and other risk minimization tools. The FDA may also conditionally approve a drug product subject to, among other things, changes to proposed labeling, development of adequate controls and specifications, or a commitment to conduct one or more post-market studies or clinical trials. Such post-market testing may include Phase IV clinical trials and surveillance to further assess and monitor the product's safety and effectiveness after commercialization. New government requirements, including those resulting from new legislation, may be established during the review process, or the FDA's policies may change, which could delay or prevent regulatory approval of the Company's products under development.

The Company is subject to changes in Canadian and United States laws, regulations and guidelines which could adversely affect the Company's business, financial condition and results of operations. See "*Risk Factors*".

CONSOLIDATED CAPITALIZATION

Except as described below, there have been no material changes in the Company's share and debt capital, on a consolidated basis, since September 30, 2020, being the date of the Annual Financial Statements incorporated by reference in this Prospectus, other than as follows:

- 4,072,843 Common Shares were issued on November 2, 2020 pursuant to the second tranche of the Company's non-brokered private placement of 5,632,690 pre-Consolidation Common Shares at a price of $0.50 per pre-Consolidation Common Share for total gross proceeds of $2,816,345 (the "**Private Placement**").

- On November 10, 2020, the Common Shares were consolidated on the basis of 2.5 pre-consolidation Common Shares for each one post-consolidation Common Share, resulting in 6,372,679 Common Shares issued and outstanding (the "**Consolidation**").

- On January 13, 2021, 14,799 Common Shares were issued in connection with a debt settlement agreement between the Company and a consultant to settle an aggregate amount of $18,499.95 in debt owed to the consultant by the Company for past services rendered.

- On February 3, 2021, 16,000 Common Shares were issued upon the deemed exercise of 40,000 Special Warrants, as adjusted to give effect to the Consolidation, resulting in 6,403,478 Common Shares issued and outstanding.

USE OF PROCEEDS

The net proceeds to the Company from the Offering (not including any exercise of the Over-Allotment Option), assuming no President's List sales, after payment of the Underwriters' Fee and after deducting the expenses of the Offering (estimated to be $250,000), will be $23,253,487.40. In the event the Over-Allotment Option is exercised in full and assuming no President's Lists sales, the net proceeds to the Company from the Offering are expected to be $26,779,010.51, after payment of the Underwriters' Fee and after deducting the expenses of the Offering (estimated to be $250,000). Based on the Company's estimated working capital of $2,006,932.92 as of January 31, 2021, the Company expects to have approximately $25,260,420.32 of total available funds upon completion of the Offering (or $28,785,943.43 assuming exercise of the Over-Allotment Option), assuming no President's List sales.

From January 28, 2021 to January 31, 2021, the Company has spent available funds substantially as described in the Company's Long Form Prospectus dated January 28, 2021. The Company currently intends to use the remaining portion of such available funds as described in the Long Form Prospectus.

The Company currently intends to use the net proceeds from the Offering as detailed in the table hereunder which is based on an estimate prepared by management of the Company.

Use of Proceeds	Amount[(1)]
Pre-Clinical Development	$7,850,000.00
Clinical Development	$7,400,000.00
General and Administrative Expenses	$4,000,000.00[(2)]
Unallocated General Working Capital	$4,003,487.40
Total Proceeds	$23,253,487.40

Notes:

(1) Exclusive of the exercise of the Over-Allotment Option. The Company intends to use the proceeds from the Over-Allotment Option, if any, towards unallocated working capital.

(2) Comprised of $1,000,000 in salaries and consulting fees, $2,000,000 in office and administrative expenses, $200,000 in regulatory and filing fees, $100,000 in audit fees, $550,000 in legal fees, and $150,000 in travel expenses.

Unallocated funds are intended to be for contingency purposes. Unallocated funds will be deposited in the Company's bank account and added to the working capital of the Company. The Chief Financial Officer of the Company is responsible for the supervision of all financial assets of the Company. Based on the Company's requirements, management will determine the appropriate level of liquidity required for operations and will draw down such funds as necessary.

The amounts and timing of the actual use of the net proceeds of the Offering will depend on multiple factors and there may be circumstances, where for business reasons, a reallocation of funds may be necessary in order for the Company to achieve its stated business objectives. As a result, management of the Company will retain broad discretion in the application of the net proceeds of the Offering, and investors will be relying on management's judgment regarding the application of the net proceeds from the Offering. See "*Risk Factors*".

The Company generates no operating revenue and has negative cash flow from operating activities. The Company anticipates that it will continue to have negative cash flow until such time as commercial production is achieved on one or more of its drug candidates. The Company does not plan to use the proceeds of the Offering to fund any anticipated negative cash flow from operating activities. See "*Risk Factors*".

Business Objectives and Milestones

The Company is advancing a drug development pipeline based on early stage compound in-licensing and in-house proprietary drug discovery programs. The Company has been encouraged by its data and has thus accelerated this development pipeline. The funds received pursuant to the Offering will be used for advancements of various preclinical IND enabling studies, as well as funding clinical trial work, thereby de-risking the Company's portfolio.

The main business objective for the Company is advancement of its drug development pipeline, which is achieved through completion of pre-clinical development and clinical development.

Milestone	Significant Event	Time Period in which Event is Expected to Occur	Cost related to Event
Pre-Clinical Development	Laboratory creation of compounds for testing by chemists on behalf of the Company	June 2021	$2.5 million
	Animal Studies – testing safety and toxicology through the use of studies on animals that take the produced compounds	September 2021	$4 million
	Production of regulatory	September 2021	$1.35 million

	reports and other document preparation, including toxicology reports and data interpretation		
Clinical Development	Laboratory creation of compounds for testing by chemists on behalf of the Company, for use in clinical trials	October 2021	$2 million
	Organization of clinical trials, including selection of the physical site for clinical trials, and coordination of regulatory review, preparation, and submissions	November 2021	$1.4 million
	Commencement of Phase 1 clinical trials – the beginning of testing of the Company's compounds in humans	December 2021	$4 million

Due to the nature of the Company's business, management does not at this time anticipate significant disruptions of its operations due to the COVID-19 pandemic. Restrictions on activities may occur in various geographic regions of the world as a response to COVID-19. The Company anticipates completing clinical trials in Australia in Q4 of 2021 as outlined above; if at such time there are restrictions that limit the ability to complete those activities, delays may occur in the completion of such clinical trials, which would also delay the ability of the Company to deliver any related products to market, assuming successful completion of testing and licensing.

PLAN OF DISTRIBUTION

Pursuant to the Underwriting Agreement, the Company has agreed to sell and the Underwriters have severally, and not jointly (or jointly and severally), agreed to purchase, on the Closing Date, all but not less than all of the Units offered hereunder at the Offering Price, for gross proceeds of $25,003,710.00 payable in cash to the Company against delivery of the Unit Shares and Warrants comprising the Units, subject to compliance with all necessary legal requirements and to the terms and conditions of the Underwriting Agreement.

The Offering Price was determined by negotiation between the Company and the Lead Underwriter. Among the factors considered in determining the Offering Price were the following:

- the market price of the Common Shares;
- prevailing market conditions;
- historical performance and capital structure of the Company;
- estimates of the business potential and earnings prospects of the Company;
- availability of comparable investments;
- an overall assessment of management of the Company; and
- the consideration of these factors in relation to market valuation of companies in related businesses.

The obligations of the Underwriters under the Underwriting Agreement are several (and not joint nor joint and several), and may be terminated at their discretion upon the occurrence of certain stated events, including: (a) any inquiry, action, suit, investigation or other proceeding (whether formal or informal), including matters of regulatory transgression or unlawful conduct, is commenced, announced or threatened or any order is made or issued under or pursuant to any federal, provincial, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality (including without limitation the CSE or any securities regulatory authority) against the Company or its directors, officers or principal shareholders, or there is any enactment or change in any law, rule or regulation, or the interpretation or administration thereof, which, in the reasonable opinion of the Underwriters (or any of them), could operate to prevent, restrict or otherwise seriously adversely affect the distribution or trading of the Units or the market price or value of the Common Shares; (b) there shall occur or come into effect any material change in the business, affairs, financial condition, prospects, capital or control of the Company and its subsidiaries, taken as a whole, or any change in any material fact or new material fact, or there should be discovered any previously undisclosed fact which, in each case, in the reasonable opinion of the Underwriters (or any of them), has or could reasonably be expected to have a significant adverse effect on the market price or value or marketability of the Units; (c) there should develop, occur or come into effect or existence any event, action, state, or condition or any action, law or regulation, inquiry, including, without limitation, terrorism, accident or major financial, political or economic occurrence of national or international consequence, any escalation in the severity of the COVID-19 pandemic or any action, government, law, regulation, inquiry or other occurrence of any nature, which, in the reasonable opinion of the Underwriters (or any of them), seriously adversely affects or involves, or may seriously adversely affect or involve, the financial markets in Canada or the United States or the business, operations or affairs of the Company or the marketability of the Units; (d) the state of the financial markets in Canada or the United States is such that in the reasonable opinion of the Underwriters (or any of them) the Units cannot be profitably marketed; (e) the Company is in breach of any material term, condition or covenant of the Underwriting Agreement or any representation or warranty given by the Company becomes or is false, or (f) a receipt for this Prospectus has not been issued by the British Columbia Securities Commission, as principal regulator, by 3:00 PM (PST), on March 2, 2021. The Underwriters are, however, obligated to take up and pay for all of the Units if any of the Units are purchased under the Underwriting Agreement.

The Company has granted the Underwriter the Over-Allotment Option, exercisable in whole or in part, at the sole discretion of the Underwriter, not later than 30 days after the Closing Date, to purchase up to 495,450 Additional Units for the aggregate principal amount of up to $3,750,556.50 on the same terms and conditions as the Offering. This Prospectus also qualifies the grant of the Over-Allotment Option and the distribution of the Additional Units to be issued and sold upon exercise of the Over-Allotment Option. A purchaser who acquires securities forming part of the Underwriters' over-allocation position acquires those securities under this Prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

Pursuant to the Underwriting Agreement, the Underwriter will receive an Underwriters' Fee equal to 6.0% of the gross proceeds of the Offering (subject to reduction to 2.5% of the gross proceeds derived from the sale of Units to investors on the President's List). Assuming no president's list purchasers, the Underwriters' Fee will be $1,500,222.60, and the net proceeds to the Company, before deducting the estimated expenses of $250,000 in connection with the Offering, will be $23,503,487.40. If the Over-Allotment Option is exercised in full and assuming no president's list purchasers, the total Underwriters' Fee will be $1,725,255.99, and the net proceeds to the Company, before deducting the estimated expenses of $250,000 in connection with the Offering, will be $27,029,010.51.

The Company also has agreed to issue the Underwriters the Compensation Warrants. The Compensation Warrants are exercisable to acquire one Compensation Share at a price of $7.57 per Compensation Share for a period of 36 months following the Closing Date, subject to adjustment in certain events. This Prospectus also qualifies the distribution of the Compensation Warrants.

Subject to applicable laws and in connection with this Offering, the Underwriters may over-allot or effect transactions which stabilize or maintain the market price of the Common Shares at levels other than those which might otherwise prevail in the open market in accordance with applicable stabilization rules. Such transactions, if commenced, may be discontinued at any time. **The Underwriters propose to offer the Units initially at the Offering Price. Without affecting the firm obligation of the Underwriters to purchase the securities from the Company in accordance with the Underwriting Agreement, after the Underwriters have made reasonable efforts to sell all of the Units offered by this Prospectus at the price specified herein, the Offering Price may be decreased, and further changed from time to time, to an amount not greater than the Offering Price, as applicable. Such decrease in the Offering Price will not affect the net proceeds of $7.1158 per Unit to be paid to the Company by the Underwriters. The compensation realized by the Underwriters will be decreased by the amount that the aggregate price paid by purchasers for the Units is less than the gross proceeds to be paid by the Underwriters to the Company.**

The Units will be offered in each of the provinces of Canada, other than the Province of Québec, through the Underwriters or their respective affiliates who are registered to offer the Units in such provinces and such other registered dealers as may be designated by the Underwriters.

The Units, Unit Shares and Warrants comprising the Units (and the Warrant Shares issuable upon exercise of the Warrants), the securities issuable upon exercise of the Over-Allotment Option (and the Warrant Shares issuable upon exercise of such Warrants), and the Compensation Warrants (and the Compensation Shares issuable upon exercise thereof), have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or any state securities laws and, subject to registration under the U.S. Securities Act and applicable state securities laws or certain exemptions therefrom, may not be offered, sold, transferred, delivered or otherwise disposed of, directly or indirectly, within the United States or to, or for the account or benefit of, any U.S. Person (as defined in Regulation S under the U.S. Securities Act) or any person in the United States. The Underwriter has agreed that, except as permitted under the Underwriting Agreement, it will not offer, sell, transfer, deliver or otherwise dispose of, directly or indirectly, the Units at any time within the United States, except pursuant to an exemption from registration under the U.S. Securities Act.

The Underwriting Agreement permits the Underwriters, acting through their U.S. Affiliate, to offer and resell the Units in the United States to (a) "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act), provided such offers and sales are made in accordance with Rule 144A; and (b) to "accredited investors" (as defined in Rule 501(a) of Regulation D under the U.S. Securities Act) on a substituted-purchaser basis, provided such offers and sales are made in accordance with Rule 506(b) of Regulation D; and (c) in either case in compliance with similar exemptions under applicable state securities laws. Moreover, the Underwriting Agreement provides that the Underwriter will offer and sell the Units outside the United States only in accordance with Rule 903 of Regulation S under the U.S. Securities Act. Any Unit Shares, Warrants (including any Unit Shares and Warrants issuable upon exercise of the Over-Allotment Option) that are sold in the United States will be restricted securities within the meaning of Rule 144 of the U.S. Securities Act, and may only be offered, sold or otherwise transferred pursuant to certain exemptions from the registration requirements of the U.S. Securities Act.

This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any of the securities in the United States. In addition, until 40 days after the commencement of the Offering, an offer or sale of the securities within the United States by any dealer (whether or not participating in the Offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with an exemption from registration under the U.S. Securities Act and similar exemptions under applicable state securities laws.

Subscriptions for the Units will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. Subject to certain exceptions, no certificates evidencing the Units Shares and Warrants will be issued. Instead, the Unit Shares and Warrants sold pursuant to the Offering will be issued in electronic form to CDS or its nominees thereof and deposited with CDS on the closing of the Offering. Subject to certain exceptions, a purchaser will receive only a customer confirmation of the issuance of the securities purchased pursuant to the Offering from the registered dealer through which the Units are purchased. The Closing Date is

expected to be on or about March 9, 2021, or such other date as may be agreed upon by the Company and the Underwriter.

Pursuant to the Underwriting Agreement, the Company has agreed for a period of 90 days following the Closing Date (the "**Standstill Period**") not to issue, agree to issue or announce any intention to issue, any additional debt, Common Shares or any securities convertible into or exchangeable for shares of the Company without the prior written consent of the Lead Underwriter, except in respect of: (i) the grant of stock options and other similar issuances pursuant to the stock option plans, other employee incentive plans of the Company or any other employee incentive arrangements for directors, officers, employees and consultants; (ii) issuances in connection with the exchange, transfer, conversion or exercise rights of existing outstanding options, warrants, convertible debentures and other securities or existing commitments to issue securities; (iii) the issuance of securities as consideration pursuant to one or more arm's length acquisitions; or (iv) the filing of a base shelf prospectus provided that the Company does not qualify the issuance of any Common Shares or any securities convertible into or exchangeable for shares of the Company thereunder during the Standstill Period;

In addition, the Company has agreed to use its best efforts to cause each of the senior officers and directors of the Company to enter into an agreement in favour of the Underwriters pursuant to which he or she shall covenant and agree that he or she will not, directly or indirectly, sell, transfer or pledge, or otherwise dispose of any Common Shares or any securities convertible into or exchangeable for, or otherwise exercisable to acquire Common Shares or other equity securities of the Company for a period of 90 days after the Closing Date, without the prior written consent of the Lead Underwriter, on behalf of the Underwriters, such consent not to be unreasonably withheld or delayed.

The Common Shares are listed and posted for trading on the CSE under the symbol "DRUG", and the last reported sale price of the Common Shares on the CSE on February 25, 2021, the last trading day prior to the date of this Prospectus, was $7.70 per Common Share.

The Company has agreed to indemnify the Underwriters and their affiliates and the respective directors, officers, agents, shareholders and employees against certain expenses and liabilities or will contribute to payments that the Underwriters may be required to make in respect thereof.

DESCRIPTION OF SECURITIES BEING DISTRIBUTED

Common Shares

The authorized share capital of the Company consists of an unlimited number of Common Shares without par value, of which 6,403,478 Common Shares were issued and outstanding as at the date of this Prospectus.

Holders of Common Shares are entitled to receive notice of, and to attend and vote at, all meetings of the shareholders of the Company, and each Common Share confers the right to one vote, provided that the shareholder is a holder on the applicable record date declared by the Board. The holders of Common Shares, subject to the prior rights, if any, of any other class of shares of the Company with special rights as to dividends, are entitled to receive such dividends in any financial year as the Board may determine. In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, the holders of the Common Shares are entitled to receive, subject to the prior rights, if any, of the holders of any other class of shares of the Company, the remaining property and assets of the Company. The Common Shares are not subject to call or assessment rights, redemption rights, rights regarding purchase for cancellation or surrender, or any pre-emptive or conversion rights. See "*Consolidated Capitalization*".

Warrants

The following is a summary of the material attributes and characteristics of the Warrants. This summary does not purport to be complete and is subject to, and qualified in its entirety by reference to, the terms of the Warrant Indenture, which will be filed with the applicable Canadian securities regulatory authorities and available on SEDAR at www.sedar.com as of the Closing Date.

General

Each Warrant will be transferable and will entitle the holder thereof to acquire one Warrant Share at an exercise price of $9.46 prior to 4:00 p.m. (Vancouver time) for a period of 36 months following the date of issuance of such Warrants, subject to the Acceleration Right (as defined below) and adjustment in certain customary events, after which time the Warrants will expire.

The Warrants will be issued under and governed by the Warrant Indenture to be entered into on the Closing Date between the Company and the Warrant Agent. The Company will appoint the principal transfer office of the Warrant Agent in Vancouver, British Columbia, or such other place as may be designated in accordance with the Warrant Indenture, as the location at which the Warrants may be surrendered for exercise, transfer or exchange. Under the Warrant Indenture, the Company may, subject to applicable law, purchase by private contract or otherwise, any of the Warrants then outstanding, and any Warrants so purchased will be cancelled.

The Warrant Indenture will provide for adjustment in the number of Warrant Shares issuable upon the exercise of the Warrants and/or the exercise price per Warrant Share upon the occurrence of certain events, including:

(a) if, at any time during the Adjustment Period (as such term will be defined in the Warrant Indenture), the Company shall:

   a. issue Common Shares or securities exchangeable for, or convertible into, Common Shares to all or substantially all of the holders of the Common Shares by way of a stock dividend or other distribution (other than a distribution of Common Shares upon the exercise of any Warrants or options outstanding as of the date of the Warrant Indenture);

   b. subdivide, re-divide or change the Common Shares into a greater number of Common Shares; or

   c. consolidate, reduce or combine the Common Shares into a lesser number of Common Shares;

   (collectively, a "**Share Reorganization**", as such term will be defined in the Warrant Indenture)

(b) if and whenever at any time during the Adjustment Period (as such term will be defined in the Warrant Indenture), the Company shall fix a record date for the issuance of rights, options or warrants to all or substantially all of the holders of the Common Shares entitling them, for a period expiring not more than 45 days after such record date, to subscribe for or purchase Common Shares (or securities convertible or exchangeable into Common Shares) at a price per Common Share (or having a conversion or exchange price per Common Share) less than 95% of the "Current Market Price" ("**Current Market Price**" will be defined in the Warrant Indenture as the weighted average of the trading price per Common Share for such Common Shares for each day there was a closing price for the twenty consecutive Trading Days (as such term will be defined in the Warrant Indenture) ending three days prior to such date on the CSE) for the Common Shares on such record date (a "**Rights Offering**", as such term will be defined in the Warrant Indenture); and

(c) if and whenever at any time during the Adjustment Period (as such term will be defined in the Warrant Indenture), the distribution to all or substantially all of the holders of the Common Shares of (i) securities of any class, whether of the Company or any other entity (other than Common Shares); (ii) rights, options or warrants to subscribe for or to purchase Common Shares, or other securities convertible into or exchangeable for Common Shares (other than a "**Rights Offering**", as such term will be defined in the Warrant Indenture); (iii) evidence of indebtedness; or (iv) any property or other assets.

The Warrant Indenture will also provide for adjustment in the class and/or number of securities issuable upon the exercise of the Warrants and/or exercise price per security in the event of the following additional events at any time during the Adjustment Period (as such term will be defined in the Warrant Indenture):

(a) reclassifications of the Common Shares or capital reorganizations, other than a Share Reorganization;

(b) reclassifications, changes, capital reorganizations, consolidations, amalgamations, arrangements or mergers of the Company with or into any other body corporate, trust, partnership or other entity; or

(c) the transfer, sale or conveyance of the property and assets of the Company as an entirety or substantially as an entirety to any other body corporate, trust, partnership or other entity.

No adjustment in the exercise price or the number of Warrant Shares issuable upon the exercise of the Warrants will be required to be made unless the cumulative effect of such adjustment or adjustments would result in a change of at least 1% in the exercise price.

The Company will covenant in the Warrant Indenture that, during the period in which the Warrants are exercisable, it will give notice to the Warrant Agent and to the holders of the Warrants of certain stated events, including events that would result in an adjustment to the Exercise Price for the Warrants or the number of Warrant Shares issuable upon exercise of the Warrants. The notice shall be given in each case not less than 14 days prior to any such applicable record date. If notice has been given and the adjustment is not then determinable, the Company shall promptly, after the adjustment is determinable, file with the Warrant Agent a computation of the adjustment and give notice to the holders of the Warrants of such adjustment computation.

The Warrant Indenture will provide that, if, at any time following the closing of the Offering, the daily volume weighted average trading price of the Common Shares on the CSE for any ten consecutive trading days equals or exceeds $13.25 per Common Share, the Company shall have the right to, upon issuing a news release, to accelerate the expiry date of the Warrants to a date that is at least 30 days following the date of such news release (the "**Acceleration Right**").

No fractional Warrant Shares will be issuable upon the exercise of any Warrants and no compensation will be paid in lieu of fractional Warrant Shares. Except as may be specifically provided in the Warrant Indenture, nothing in the Warrant Indenture or in the holding of a Warrant certificate, entitlement to a Warrant or otherwise, shall, in itself, confer or be construed as conferring upon holders of Warrants any right or interest whatsoever as a shareholder of the Company, including, but not limited to, the right to vote at, to receive notice of, or to attend, meetings the Company's shareholders or any other proceedings of the Company, or the right to dividends and other allocations.

The Warrant Indenture will provide that, from time to time, the Warrant Agent may amend or supplement the Warrant Indenture for certain purposes, without the consent of the holders of the Warrants, including curing defects or inconsistencies that do not prejudice the rights of any holder of Warrants or the Warrant Agent. Any amendment or supplement to the Warrant Indenture that would prejudice the interests of the holders of Warrants may only be made by "**extraordinary resolution**", which will be defined in the Warrant Indenture as a resolution either: (i) proposed at a meeting of the holders of Warrants duly convened for that purpose and held in accordance with the provisions of the Warrant Indenture at which there are holders of Warrants present in person or by proxy representing of at least 20% of the aggregate number of Common Shares that could be acquired on exercise of the Warrants and passed by an affirmative vote of such holders of Warrants representing not less than 66 2/3% of the aggregate number of Common Shares that could be acquired on exercise of the Warrants at the meeting and voting on the poll upon such resolution; or (ii) adopted by an instrument in writing signed by the holders of Warrants representing not less than 66 2/3% of the aggregate number of the then outstanding Warrants.

The Warrants and the Warrant Shares issuable upon the exercise of the Warrants have not been and will not be registered under the U.S. Securities Act or any state securities laws. The Warrants will not be exercisable in the United States, or by, or on behalf of, a person in the United States or a U.S. Person (as such term is defined in Regulation S under the U.S. Securities Act), nor will any certificates representing the Warrant Shares issuable upon exercise of the Warrants be delivered to an address in the United States, absent an available exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws.

Compensation Warrants

The Company has agreed to issue the Compensation Warrants, the distribution of which are qualified by this Prospectus. The Compensation Warrants will entitle the Underwriters to purchase such number of Compensation Shares equal to 6% of the number of Units issued under the Offering (to be reduced to 3% of the number of Units issued under the Offering to purchasers on the President's List) (including any Units issued upon exercise of the Over-Allotment Option). The Compensation Warrants will be exercisable for a period of 36 months following the Closing Date at an exercise price of $7.57 per Compensation Share, subject to adjustment in certain events. The terms of the Compensation Warrants will set out in the definitive certificates representing the Compensation Warrants and will include, among other things, customary provisions for the appropriate adjustment of the number of Compensation Shares issuable pursuant to any exercise of the Compensation Warrants upon the occurrence of certain events, including any subdivision, consolidation or reclassification of the Common Shares, any capital reorganization of the Company, or any arrangement, merger, consolidation or amalgamation of the Company with or into another corporation or entity, as well as customary amendment provisions.

The Compensation Warrants will not be listed or quoted on any securities exchange. The holders of the Compensation Warrants do not have the rights or privileges of holders of Common Shares and any voting rights until they exercise their Compensation Warrants and receive the Compensation Shares issuable upon exercise thereof.

PRIOR SALES

This table sets out particulars of the Common Shares that have been issued or sold within the 12 months prior to the date of this Prospectus.

Date of Issuance/Sale	Security Type	Number of Securities	Issue/Sale Price
September 30, 2020	Common Shares	623,941[(1)(2)]	$1.25[(1)]
November 2, 2020	Common Shares	1,629,138[(1)(3)]	$1.25[(1)]
January 13, 2021	Common Shares	14,799[(4)]	$1.25
February 3, 2021	Common Shares	16,000[(5)]	$1.25[(1)]

Notes:

(1) After giving effect to the Consolidation on the basis of 2.5 pre-consolidation Common Shares for every 1 post-Consolidation Common Share; the issue price listed is the price after adjustment in connection with the Consolidation.
(2) Issued in connection with the first tranche of the Private Placement.
(3) Issued in connection with the second tranche of the Private Placement.
(4) Issued in connection with a debt settlement agreement between the Company and a consultant to settle an aggregate amount of $18,499.95 in debt owed to the consultant by the Company for past services rendered.
(5) Issued on the deemed exercise of Special Warrants, with every 2.5 Special Warrants being exercised into 1 Common Share at an effective price of $0.50 per Special Warrant or $1.25 per Common Share. The issue price listed is the price after adjustment in connection with the Consolidation.

This table sets out particulars of securities exercisable for or exchangeable into Common Shares issued within the 12 months prior to the date of this Prospectus.

Date of Issuance	Security Type	Number of Securities	Issue/Exercise Price
July 23, 2020	Options	150,000[(1)]	$1.25
July 23, 2020	RSUs	150,000[(1)]	N/A
September 18, 2020	RSUs	230,000[(1)]	N/A

November 2, 2020	Special Warrants	40,000 (2)	$0.50
November 17, 2020	Options	447,000	$1.25

Notes:

(1) After giving effect to the Consolidation on the basis of 2.5 pre-consolidation Common Shares for every 1 post-Consolidation Common Share; the issue price listed is the price after adjustment in connection with the Consolidation.

(2) Issued in connection with the Special Warrant Offering on a pre-Consolidated basis. In accordance with the terms thereof, on February 3, 2021, every 2.5 Special Warrants were deemed exercised in exchange for one Common Share, resulting in the issuance of 16,000 Common Shares. The issue price per Special Warrant was $0.50, however after adjustment, holders of Special Warrants received one Common Share upon deemed exercise of 2.5 Special Warrants, resulting in an adjusted price of $1.25 per Common Share.

TRADING PRICE AND VOLUME

On February 8, 2021, the Company began trading on the CSE under the trading symbol "DRUG". The following table sets forth trading information for the Common Shares since listing on the CSE on February 8, 2020.

	Price Range		
Month	**High**	**Low**	**Trading Volume**
February 8-25, 2021	$9.15	$5.55	238,563

RISK FACTORS

The securities of the Company should be considered a highly speculative investment and investors should carefully consider all of the information disclosed in this Prospectus and the Company's profile on the SEDAR website at www.sedar.com prior to making an investment in the securities of the Company, including the risk factors set out or incorporated by reference herein. Discussion of certain risks affecting the Company's business are set out under the heading "*Risk Factors*" in the Long Form Prospectus (incorporated by reference in this Prospectus). The risks described herein are not the only risks faced by the Company and securityholders of the Company. Additional risks and uncertainties not currently known to the Company, or that the Company currently deems immaterial, may also materially and adversely affect its business. The business, financial condition, revenues or profitability of the Company could be materially adversely affected by any of the risks set forth in this Prospectus, in the documents incorporated by reference herein or such other risks. The trading price of the Common Shares could decline due to any of these risks and investors could lose all or part of their investment. This Prospectus contains forward-looking statements that involve risks and uncertainties. The Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks faced by the Company described below and elsewhere in this Prospectus. See "*Forward-Looking Statements*". No inference should be drawn, nor should an investor place undue importance on, the risk factors that are included in this Prospectus as compared to those included in the documents incorporated by reference herein, as all risk factors are important and should be carefully considered by a potential investor.

If any of the following risks actually occur, the Company's business could be materially harmed. The risks and uncertainties described below and incorporated by reference herein are not the only ones that the Company faces. Additional risks and uncertainties, including those of which the Company is currently unaware or that it deems immaterial, may also adversely affect the Company's business financial condition, operating results or prospects.

Risks Relating to the Company's Business

Limited Operating History

The Company has a very limited history of operations and is considered a start-up company. As such, the Company is subject to many risks common to such 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 the Company's success must be considered in light of its early stage of operations.

The Company's actual financial position and results of operations may differ materially from the expectations of the Company's management.

The Company's actual financial position and results of operations may differ materially from management's expectations. The Company has experienced some changes in its operating plans and certain delays in its plans. As a result, the Company's revenue, net income and cash flow may differ materially from the Company's projected revenue, net income and cash flow. The process for estimating the Company's revenue, net income and cash flow requires the use of judgment in determining the appropriate assumptions and estimates. These estimates and assumptions may be revised as additional information becomes available and as additional analyses are performed. In addition, the assumptions used in planning may not prove to be accurate, and other factors may affect the Company's financial condition or results of operations.

Regulatory Approval, Licenses, and Permits

The Company, or its service providers, may be required to obtain and maintain certain permits, licenses, and approvals in the jurisdictions where its products or technologies are being researched, developed, or commercialized. The Company has not obtained regulatory approval for any product candidate and it is possible that none of its existing product candidates or any future product candidates will ever obtain regulatory approval. There can be no assurance that the Company will be able to obtain or maintain any necessary licenses, permits, or approvals. Any material delay or inability to receive these items is likely to delay and/or inhibit the Company's ability to conduct its business, and would have an adverse effect on its business, financial condition, and results of operations. In particular, the Company will require approval from the FDA and equivalent organizations in other countries before any of its products can be marketed. There is no assurance that such approvals will be forthcoming. Furthermore, the exact nature of the studies these regulatory agencies will require is not known and can be changed at any time by the regulatory agencies, increasing the financing risk and potentially increasing the time to market the Company faces, which could adversely affect the Company's business, financial condition or results of operations.

The Company may encounter substantial delays or difficulties with its clinical trials.

The Company may not commercialize, market, promote or sell any product candidate without obtaining marketing approval from the FDA or comparable foreign regulatory authorities, and the Company may never receive such approvals. It is impossible to predict when or if any of the Company's product candidates will prove effective or safe in humans and will receive regulatory approval. Before obtaining marketing approval from regulatory authorities for the sale of its product candidates, the Company must complete preclinical development and then conduct extensive clinical trials to demonstrate the safety and efficacy of its product candidates. Clinical testing is expensive, difficult to design and implement, can take many years to complete and is uncertain as to outcome. A failure of one or more clinical trials can occur at any stage of testing. Moreover, preclinical and clinical data are often susceptible to varying interpretations and analyses, and many companies that have believed their product candidates performed satisfactorily in preclinical studies and clinical trials have nonetheless failed to obtain marketing approval of their products.

The Company may experience numerous unforeseen events prior to, during, or as a result of, clinical trials that could delay or prevent its ability to receive marketing approval or commercialize current and any future product candidates, including:

- delays in reaching a consensus with regulatory authorities on design or implementation of clinical trials;
- regulators or institutional review boards, or IRBs, may not authorize the Company or its investigators to commence a clinical trial or conduct a clinical trial at a prospective trial site;
- delays in reaching agreement on acceptable terms with prospective clinical research organizations and clinical trial sites;
- the number of patients required for clinical trials of the Company's product candidates may be larger than the Company anticipates, enrollment in these clinical trials may be slower than the Company anticipates, patients may drop out of these clinical trials at a higher rate than Company anticipates or fail to return for post-treatment follow-up or the Company may fail to recruit suitable patients to participate in a trial;
- clinical trials of the Company's product candidates may produce negative or inconclusive results;
- imposition of a clinical hold by regulatory authorities as a result of a serious adverse event, concerns with a class of product candidates or after an inspection of the Company's clinical trial operations, trial sites or manufacturing facilities;
- occurrence of serious adverse events associated with the product candidate that are viewed to outweigh its potential benefits;
- changes in regulatory requirements and guidance that require amending or submitting new clinical protocols; or
- the Company may decide, or regulators may require the Company, to conduct additional clinical trials or abandon product development programs.

Any inability to successfully complete preclinical and clinical development could result in additional costs to the Company or impair the Company's ability to generate revenue. In addition, if the Company makes manufacturing or formulation changes to its product candidates, it may need to conduct additional testing to bridge its modified product candidate to earlier versions. Clinical trial delays could also shorten any periods during which the Company may have the exclusive right to commercialize its product candidates, if approved, or allow competitors to bring competing drugs to market before the Company, which could impair the Company's ability to successfully commercialize its product candidates and may harm the Company's business, financial condition, results of operations and prospects.

Additionally, if the results of the Company's clinical trials are inconclusive or if there are safety concerns or serious adverse events associated with product candidates, the Company may:

- be delayed in obtaining marketing approval, if at all;
- obtain approval for indications or patient populations that are not as broad as intended or desired;
- obtain approval with labeling that includes significant use or distribution restrictions or safety warnings;
- be subject to additional post-marketing testing requirements;
- be required to perform additional clinical trials to support approval or be subject to additional post-marketing testing requirements;
- be subject to the addition of labeling statements, such as warnings or contraindications;
- be sued; or
- experience damage to its reputation.

The Company's product development costs will also increase if the Company experiences delays in testing or obtaining marketing approvals. The Company does not know whether any of its preclinical studies or clinical trials will begin as planned, need to be restructured or be completed on schedule, if at all.

Further, the Company, the FDA or an IRB may suspend the Company's clinical trials at any time if it appears that the Company or its collaborators are failing to conduct a trial in accordance with regulatory requirements, such as the FDA's current GCP, that the Company is exposing participants to unacceptable health risks, or if the FDA finds deficiencies in the Company's INDs, or in the conduct of these trials. Therefore, the Company cannot predict with any certainty the schedule for commencement and completion of future clinical trials. If the Company experiences delays in the commencement or completion of its clinical trials, or if the Company terminate a clinical trial prior to completion, the commercial prospects of the Company's product candidates could be negatively impacted, and the Company's ability to generate revenues from its product candidates may be delayed.

Clinical trials are very expensive, time consuming and difficult to design and implement.

The Company's product candidates will require clinical testing before the Company can submit an NDA or BLA for regulatory approval. The Company cannot predict with any certainty if or when it might submit an NDA or BLA for regulatory approval for any of its product candidates or whether any such NDA or BLA will be approved by the FDA. Human clinical trials are very expensive and difficult to design and implement, in part because they are subject to rigorous regulatory requirements. For instance, the FDA may not agree with the Company's proposed endpoints for any future clinical trial of its product candidates, which may delay the commencement of the Company's clinical trials. The clinical trial process is also time consuming. Furthermore, failure can occur at any stage, and the Company could encounter problems that cause it to abandon or repeat clinical trials

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

Although a substantial amount of the Company's effort will focus on the continued research and pre-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 would have a material adverse effect on its business 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.

There is no assurance that the Company will turn a profit or generate immediate revenues.

There is no assurance as to whether the Company will be profitable, earn revenues, or pay dividends. The Company has incurred and anticipates that it will continue to incur substantial expenses relating to the development and initial operations of its business. The payment and amount of any future dividends will depend upon, among other things, the Company's results of operations, cash flow, financial condition, and operating and capital requirements. There is no assurance that future dividends will be paid, and, if dividends are paid, there is no assurance with respect to the amount of any such dividends.

The Company as a going concern

The continued operation of the Company as a going concern is dependent upon the Company's ability to generate positive cash flows and/or obtain additional financing sufficient to fund continuing activities and acquisitions. While the Company continues to review its operations in order to identify strategies and tactics to increase revenue streams and financing opportunities, there is no assurance that the Company will be successful in such efforts; if the Company is not successful, it may be required to significantly reduce or limit operations, or no longer operate as a going concern. It is also possible that operating expenses could increase in order to grow the business. If the Company does not significantly increase its revenue to meet these increased operating expenses and/or obtain financing until its revenue meets these operating expenses, its business, financial condition and operating results could be materially adversely affected. The Company cannot be sure when or if it will ever achieve profitability and, if it does, it may not be able to sustain or increase that profitability.

The Company's intellectual property and licences thereto

The Company's success will depend in part on its ability to protect and maintain its intellectual property rights and its licenses. No assurance can be given that the license or rights used by the Company will not be challenged, invalidated, infringed or circumvented, nor that the rights granted thereunder will provide competitive advantages to the Company. It is not clear whether the pending patent applications will result in the issuance of patents. There is no assurance that the Company will be able to enter into licensing arrangements, develop or obtain alternative technology in respect of patents issued to third parties that incidentally cover its production processes. Moreover, the Company could potentially incur substantial legal costs in defending legal actions which allege patent infringement or by instituting patent infringement suits against others. The Company's commercial success also depends on the Company not infringing patents or proprietary rights of others and not breaching any license granted to the Company. There can be no assurance that the Company will be able to maintain such licenses that it may require to conduct its business or that such licences have been obtained at a reasonable cost. Furthermore, there can be no assurance that the Company will be able to remain in compliance with its licenses. Consequently, there may be a risk that such licenses may be withdrawn with no compensation or penalties to the Company.

The Company not achieving timelines for project development set out in this Prospectus

The Company's business is dependent on a number of key inputs and their related costs including raw materials and supplies related to its operations, as well as electricity, water and other utilities. Any significant interruption or negative change in the availability or economics of the supply chain for key inputs could materially impact the business, financial condition operating results, and timelines for project development of the Company. Any inability to secure required supplies and services or to do so on appropriate terms could have a materially adverse impact on the business, financial condition, operating results, and timelines for project development of the Company.

Need for additional financing

The Company believes that it will have sufficient capital to operate its business for at least 12 months following Listing. However, it is possible that costs associated with the operation of the Company's business will exceed its projections depending on the timing of future operating and capital expenses. Assuming the Company's existing funds sustain its operations for this period, the Company believes that it may thereafter require additional capital for additional product development, sales and marketing operations, other operating expenses and for general corporate purposes to fund growth in the Company's markets. The Company does not know how much additional funding it may require. The Company may therefore be required to seek other sources of financing in the future, which sources (assuming it is able to locate such alternative sources of financing) may be on terms less favorable to the Company than those in the Offering. Any additional equity financing may be dilutive to shareholders, and debt financing, if available, may involve restrictive covenants. If additional funds are raised through the issuance of equity securities, the percentage ownership of the shareholders of the Company will be reduced, shareholders may experience additional dilution in net book value per share, or such equity securities may have rights, preferences or privileges senior to those of the holders of the Common Shares. If adequate funds are not available on acceptable terms, the Company may be unable to develop or enhance its products and services, take advantage of future opportunities or respond to competitive pressures, any of which could have a material adverse effect on its business, financial condition and operating results, or the Company may be forced to cease operations.

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 the Company's products due to negative public perception;
- injury to the Company's 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.

The Company intends to obtain clinical trial insurance once a clinical trial is initiated. However, the 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, financial condition and results of operations.

Health and Safety Issues

Health and safety issues related to the Company's products may arise that could lead to litigation or other action against the Company or to regulation of certain of its product components. The Company may be required to modify its products and may also be required to pay damages that may reduce its profitability and adversely affect its financial condition. Even if these concerns prove to be baseless, the resulting negative publicity could affect the Company's ability to market certain of its products and, in turn, could harm its business and results from operations.

The Company has international operations, which subject us to risks inherent with operations outside of Canada.

The Company has international operations and may seek to obtain market approvals in foreign markets that it deems could generate significant opportunities. However, even with the cooperation of a commercialization partner, conducting drug development in foreign countries involves inherent risks, including, but not limited to: difficulties in staffing, funding and managing foreign operations; different and unexpected changes in regulatory requirements; export restrictions; tariffs and other trade barriers; different reimbursement systems; economic weaknesses or political instability in particular foreign economies and markets; compliance with tax, employment, immigration and labour laws for employees living or travelling abroad; supply chain and raw materials management; difficulties in protecting, acquiring, enforcing and litigating intellectual property rights; fluctuations in currency exchange rates; and potentially adverse tax consequences.

If the Company were to experience any of the difficulties listed above, or any other difficulties, its international development activities and its overall financial condition may suffer and cause it to reduce or discontinue the Company's international development and market approval efforts.

Exchange rate fluctuations between the U.S. dollar and the Canadian dollar may negatively affect the Company's earnings and cash flows.

The Company's functional currency is the Canadian dollar. The Company may incur expenses Canadian dollars and U.S. dollars. As a result, we are exposed to the risks that the Canadian dollar may devalue relative to the U.S. dollar, or, if the Canadian dollar appreciates relative to the U.S. dollar, that the inflation rate in Canada may exceed such rate of devaluation of the Canadian dollar, or that the timing of such devaluation may lag behind inflation in Canada. The Company cannot predict any future trends in the rate of inflation in Canada or the rate of devaluation, if any, of the Canadian dollar against the U.S. dollar.

If patent laws or the interpretation of patent laws change, the Company's competitors may be able to develop and commercialize the Company's discoveries.

Important legal issues remain to be resolved as to the extent and scope of available patent protection for biopharmaceutical products and processes in Canada and other important markets outside Canada, such as Europe or the United States. As such, litigation or administrative proceedings may be necessary to determine the validity, scope and ownership of certain of the Company's and others' proprietary rights. Any such litigation or proceeding may result in a significant commitment of resources in the future and could force the Company to do one or more of the following: cease selling or using any of its future products that incorporate a challenged intellectual property, which would adversely affect its revenue; obtain a license or other rights from the holder of the intellectual property right alleged to have been infringed or otherwise violated, which license may not be available on reasonable terms, if at all; and redesign its future products to avoid infringing or violating the intellectual property rights of third parties, which may be time-consuming or impossible to do. In addition, changes in patent laws in Canada and other countries may result in allowing others to use its discoveries or develop and commercialize the Company's products. The Company cannot provide assurance that the patents it obtains will afford it significant commercial protection.

The Company may not be able to enforce its intellectual property rights throughout the world. This risk is exacerbated because it expects that one or more of its product candidates will be manufactured and used in a number of foreign countries.

The laws of foreign countries may not protect intellectual property rights to the same extent as the laws of Canada. Many companies have encountered significant problems in protecting and defending intellectual property rights in certain foreign jurisdictions. This risk is exacerbated for the Company because it expects that future product candidates could be manufactured, and used in a number of foreign countries.

The legal systems of some countries, particularly developing countries, do not favor the enforcement of patents and other intellectual property protection, especially those relating to life sciences. This could make it difficult to stop the infringement or other misappropriation of the Company's intellectual property rights. For example, several foreign countries have compulsory licensing laws under which a patent owner must grant licenses to third parties. In addition, some countries limit the enforceability of patents against third parties, including government agencies or government contractors. In these countries, patents and trade secrets may provide limited or no benefit.

Most jurisdictions in which the Company intends to apply for patents have patent protection laws similar to those of Canada, but some of them do not. For example, the Company may do business in the future in countries that may not provide the same or similar protection as that provided in Canada. Additionally, due to uncertainty in patent protection law, the Company has not filed applications in many countries where significant markets exist.

Proceedings to enforce patent rights in foreign jurisdictions could result in substantial costs and divert the Company's efforts and attention from other aspects of its business. Accordingly, efforts to protect intellectual property rights in such countries may be inadequate. In addition, changes in the law and legal decisions by courts in Canada, the U.S., and foreign countries may affect the ability of the Company to obtain adequate protection for the Company's technology and the enforcement of its intellectual property.

The lack of product for commercialization

If the Company cannot successfully develop, manufacture and distribute its products, or if the Company experiences difficulties in the development process, such as capacity constraints, quality control problems or other disruptions, the Company may not be able to develop market-ready commercial products at acceptable costs, which would adversely affect the Company's ability to effectively enter the market. A failure by the Company to achieve a low-cost structure through economies of scale or improvements in cultivation and manufacturing processes would have a material adverse effect on the Company's commercialization plans and the Company's business, prospects, results of operations and financial condition.

Development of New Products

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

The lack of experience of the Company/management in marketing, selling, and distribution products

The Company's management's lack of experience in marketing, selling, and distributing our products could lead to poor decision-making, which could result in cost-overruns and/or the inability to produce the desired products. Although management of the Company intends to hire experienced and qualified staff, this inexperience could also result in the company's inability to consummate revenue contracts or any contracts at all. Any combination of the aforementioned may result in the failure of the Company and a loss of your investment.

The size of the Company's target market is difficult to quantify, and investors will be reliant on their own estimates on the accuracy of market data.

Because the industry in which the Company operates 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 whether to invest in the Company and, few, if any, established companies whose business model the Company can follow or upon whose success the Company can build. Accordingly, investors will have to rely on their own estimates in deciding about whether to invest in the Company. There can be no assurance that the Company's estimates are accurate or that the market size is sufficiently large for its business to grow as projected, which may negatively impact its financial results.

The Company continues to sell shares for cash to fund operations, capital expansion, mergers and acquisitions that will dilute the current shareholders.

There is no guarantee that the Company will be able to achieve its business objectives. The continued development of the Company will require additional financing. The failure to raise such capital could result in the delay or indefinite postponement of current business objectives or the Company going out of business. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Company.

If additional funds are raised through 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. The Company's articles permit the issuance of an unlimited number of Common Shares, and shareholders will have no pre-emptive rights in connection with such further issuance. The directors of the Company have discretion to determine the price and the terms of issue of further issuances. In addition, from time to time, the Company may enter into transactions to acquire assets or the shares of other companies. These transactions may be financed wholly or partially with debt, which may temporarily increase the Company's debt levels above industry standards. 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. The Company may require additional financing to fund its operations to the point where it is generating positive cash flows. Negative cash flow may restrict the Company's ability to pursue its business objectives.

If you purchase the Common Shares in an offering, you will experience substantial and immediate dilution, because the price that you pay will be substantially greater than the net tangible book value per share of the Common Shares that you acquire. This dilution is due in large part to the fact that the Company's earlier investors will have paid substantially less than a public offering price when they purchased the Common Shares.

The Company's officers and directors may be engaged in a range of business activities resulting in conflicts of interest.

The Company may be subject to various potential conflicts of interest because some of its officers and directors may be engaged in a range of business activities. In addition, the Company's executive officers and directors may devote time to their outside business interests, so long as such activities do not materially or adversely interfere with their duties to the Company. In some cases, the Company's executive officers and directors may have fiduciary obligations associated with these business interests that interfere with their ability to devote time to the Company's business and affairs and that could adversely affect the Company's operations. These business interests could require significant time and attention of the Company's executive officers and directors.

In addition, the Company may become involved in other transactions which conflict with the interests of its directors and officers who may from time to time deal with persons, firms, institutions or companies with which the Company may be dealing, or which may be seeking investments similar to those desired by it. The interests of these persons could conflict with those of the Company. In addition, from time to time, these persons may be competing with the

Company for available investment opportunities. Conflicts of interest, if any, will be subject to the procedures and remedies provided under applicable laws. In particular, if such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with applicable laws, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company.

In certain circumstances, the Company's reputation could be damaged.

Damage to the Company's reputation can be the result of the actual or perceived occurrence of any number of events, and could include any negative publicity, whether true or not. The increased usage of social media and other web-based tools used to generate, publish and discuss user-generated content and to connect with other users has made it increasingly easier for individuals and groups to communicate and share opinions and views regarding the Company and its activities, whether true or not. Although the Company believes that it operates in a manner that is respectful to all stakeholders and that it takes care in protecting its image and reputation, the Company does not ultimately have direct control over how it is perceived by others. Reputation loss may result in decreased investor confidence, increased challenges in developing and maintaining community relations and an impediment to the Company's overall ability to advance its projects, thereby having a material adverse impact on financial performance, financial condition, cash flows and growth prospects.

Negative Operating Cash Flow

The Company's business has incurred losses since its inception. Although the Company expects to become profitable, there is no guarantee that will happen, and the Company may never become profitable. The Company currently has a negative operating cash flow and may continue to have a negative operating cash flow for the foreseeable future. To date, the Company has not generated any revenues and a large portion of the Company's expenses are fixed, including expenses related to facilities, equipment, contractual commitments and personnel. As a result, the Company expects for its net losses from operations to improve. The Company's ability to generate additional revenues and potential to become profitable will depend largely on its ability to manufacture and market its products and services. There can be no assurance that any such events will occur or that the Company will ever become profitable. Even if the Company does achieve profitability, the Company cannot predict the level of such profitability. If the Company sustains losses over an extended period of time, the Company may be unable to continue its business.

Forward-Looking Statements May Prove to be Inaccurate

Investors should not place undue reliance on forward-looking statements. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, of both general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking statements or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate. Additional information on the risks, assumptions and uncertainties can be found in this Prospectus under the heading "Forward-Looking Statements".

Uncertainty of Use of Proceeds

Although the Company has set out its intended use of proceeds from this Offering, these intended uses are estimates only and may be subject to change. While management does not contemplate any material variation, management does retain broad discretion in the application of such proceeds. The failure by the Company to apply these funds effectively could have a material adverse effect on the Company's business, including the Company's ability to achieve its stated business objectives.

If the Company has a material weakness in its internal controls over financial reporting, investors could lose confidence in the reliability of its financial statements, which could result in a decrease in the value of its securities.

One or more material weaknesses in the Company's internal controls over financial reporting could occur or be identified in the future. In addition, because of inherent limitations, the Company's internal controls over financial reporting may not prevent or detect misstatements, and any projections of any evaluation of effectiveness of internal controls to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the Company's policies or procedures may deteriorate. If the Company fails to maintain the adequacy of its internal controls, including any failure or difficulty in implementing required new or improved controls, its business and results of operations could be harmed, the Company may not be able to provide reasonable assurance as to its financial results or meet its reporting obligations and there could be a material adverse effect on the price of its securities.

Difficulties with Forecasts

The Company must rely largely on its own market research to forecast sales as detailed forecasts are not generally obtainable from other sources at this early stage of the medical marijuana industry in Canada. A failure in the demand for its products and services to materialize as a result of competition, technological change or other factors could have a material adverse effect on the business, results of operations and financial condition of the Company.

COVID-19 may materially and adversely affect the Company's business and financial results.

The Company's business could be materially and adversely affected by health epidemics in regions where the Company conducts research and development activities.

In December 2019, a novel strain of COVID-19 was reported in China. Since then, COVID-19 has spread globally. On March 11, 2020, the World Health Organization (WHO) declared the outbreak of COVID-19 as a "pandemic", or a worldwide spread of a new disease. Many countries around the world, including Canada, the United States and most countries in Europe, have imposed quarantines and restrictions on travel and mass gatherings to slow the spread of the virus, and have closed non-essential businesses.

The COVID-19 pandemic and any other health epidemics have the potential to cause significant disruption in the operations of the laboratories upon whom the Company relies, including laboratories situated in various parts of the United States and Europe. The Company is reliant on the continued operations of such laboratories. The regulations imposed by governments in response to the COVID-19 pandemic may cause laboratories to operate at limited occupancy rates, which may slow the rate at which research and development activities can be conducted. The Company may not have control over the protocols adopted in response to the COVID-19 pandemic by such laboratories in response to the regulations imposed by the governments in the regions in which they operate. The effects of such protocols and/or regulations may negatively impact productivity, disrupt the Company's business and delay the Company's research and development timelines, as well as potentially impact the Company's financial condition and result of operations. The magnitude of these potential effects are uncertain and will depend, in part, on the length and severity of the COVID-19 pandemic and the restrictions imposed by governments in response.

To the knowledge of the Company's management as of the date hereof, COVID-19 does not present, at this time, any specific known impacts to the Company in relation to the Company's plan of distribution and use of proceeds related to the Offering, nor the timelines, business objectives or disclosed milestones related thereto. The Company relies on third parties to process and manufacture its products.

Risks Relating to the Units

Market Price of Common Shares and Volatility

Securities of companies with a small market capitalization have experienced substantial volatility in the past, often based on factors unrelated to the companies' financial performance or prospects. These factors include macroeconomic developments in North America and globally, as well as market perceptions of the attractiveness of particular industries. Factors unrelated to the Company's performance that may affect the price of the Common Shares include the following: the extent of analytical coverage available to investors concerning the Company's business may be limited if investment banks with research capabilities do not follow the Company; lessening in trading volume and general market interest in the Common Shares may affect an investor's ability to trade significant numbers of Common Shares; the size of the Company's public float may limit the ability of some institutions to invest in Common Shares; and a substantial decline in the price of the Common Shares that persists for a significant period of time could cause the Common Shares, if listed on an exchange, to be delisted from such exchange, further reducing market liquidity. As a result of any of these factors, the market price of the Common Shares at any given point in time may not accurately reflect the Company's long-term value. Securities class action litigation often has been brought against companies following periods of volatility in the market price of their securities. The Company may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert management's attention and resources. The fact that no market currently exists for the Common Shares may affect the pricing of the Common Shares in the secondary market, the transparency and availability of trading prices and the liquidity of the Common Shares.

The market price of the Common Shares is affected by many other variables which are not directly related to the Company's success and are, therefore, not within the Company's control. These include other developments that affect the breadth of the public market for the Common Shares, the release or expiration of lock-up or other transfer restrictions on the Common Shares, and the attractiveness of alternative investments. The effect of these and other factors on the market price of the Common Shares is expected to make the Common Share price volatile in the future, which may result in losses to investors. The value of the Units issued pursuant to the Offering will be affected by such volatility.

Volatile Stock Price

The stock price of the Company is expected to be volatile and will be drastically affected by governmental and regulatory regimes and other factors outside of the control of the Company. The Company cannot fully predict the results of its operations expected to take place in the future. The results of these activities will inevitably affect the Company's decisions related to future operations and will likely trigger major changes in the trading price of the Company shares.

Liquidity

The Company cannot predict at what prices the Company's Common Shares will trade, and there can be no assurance that an active trading market in the Company will develop or be sustained. There is a significant liquidity risk associated with an investment in the Company.

Dividends

The Company intends to retain earnings, if any, to finance the growth and development of the Company's business and does not intend to pay cash dividends on the Common Shares in the foreseeable future. The payment of future cash dividends, if any, will be reviewed periodically by the Board and will depend upon, among other things, conditions then existing including earnings, financial condition and capital requirements, restrictions in financing agreements, business opportunities and conditions and other factors.

Dilution

Future sales or issuances of equity securities could decrease the value of the Common Shares, dilute shareholders' voting power and reduce future potential earnings per Common Share. The Company intends to sell additional equity securities in subsequent offerings (including through the sale of securities convertible into Common Shares) and may issue additional equity securities to finance its operations, development, exploration, acquisitions or other projects. The Company cannot predict the size of future sales and issuances of equity securities or the effect, if any, that future sales and issuances of equity securities will have on the market price of the Common Shares. Sales or issuances of a substantial number of equity securities, or the perception that such sales could occur, may adversely affect prevailing market prices for the Common Shares. With any additional sale or issuance of equity securities, investors will suffer dilution of their voting power and may experience dilution in the Company's earnings per Common Share.

Warrants are Speculative

The Warrants do not confer any rights of Common Share ownership on their holders, such as voting rights or the right to receive dividends, but rather merely represent the right to acquire Common Shares at a fixed price for a limited period of time. Specifically, commencing on the date of issuance, holders of the Warrants may exercise their right to acquire Warrant Shares and pay an exercise price of $9.46 per Warrant Share, subject to adjustment and acceleration in certain events, prior to the date that is 36 months following the Closing Date, after which date any unexercised Warrants will expire and have no further value. Moreover, following completion of the Offering, the market value of the Warrants, if any, is uncertain and there can be no assurance that the market value of the Warrants will equal or exceed their imputed offering price. There can be no assurance that the market price of the Common Shares will ever equal or exceed the exercise price of the Warrants, and consequently, whether it will ever be profitable for holders of the Warrants to exercise the Warrants.

CERTAIN MATERIAL CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of McMillan LLP, counsel to the Company, and DLA Piper (Canada) LLP, counsel to the Underwriter, the following is a general summary, as of the date hereof, of certain material Canadian federal income tax considerations under the Tax Act generally applicable to an investor who acquires Units pursuant to the Offering and who, for purposes of the Tax Act and at all relevant times, (i) holds the Unit Shares and Warrants, and any Warrant Shares received on the exercise of Warrants, as capital property, (ii) deals at arm's length with the Company and the Underwriter and (iii) is not affiliated with the Company or the Underwriter. An investor who meets all of the foregoing requirements is referred to as a "**Holder**" in this summary, and this summary only addresses such Holders. For purposes of this summary, references to Common Shares include Unit Shares and Warrant Shares unless otherwise indicated. Generally, the Common Shares and Warrants will be considered to be capital property to a Holder unless they are held or acquired in the course of carrying on a business of trading or dealing in securities or as part of an adventure or concern in the nature of trade.

This summary is not applicable to: (a) a Holder that is a "financial institution", as defined in the Tax Act for purposes of the mark-to-market rules, (b) a Holder an interest in which would be a "tax shelter investment" as defined in the Tax Act, (c) a Holder that is a "specified financial institution" as defined in the Tax Act, (d) a Holder that has made an election under section 261 of the Tax Act to determine its Canadian tax results in a foreign currency, (e) a Holder that is exempt from tax under Part I of the Tax Act, (f) a Holder that has entered or will enter into a "derivative forward agreement", "dividend rental arrangement" or "synthetic disposition arrangement" under the Tax Act with respect to relevant securities, or (f) a Holder that is otherwise of special status or in special circumstances. This summary also does not address the possible application of the "foreign affiliate dumping" rules that may be applicable to a Holder that is a corporation resident in Canada (for the purposes of the Tax Act) and is, or becomes (or does not deal at arm's length with a corporation resident in Canada that is or that becomes), as part of a transaction or event or series of transactions or events that includes the acquisition of the Units, controlled by a non-resident corporation, individual, trust or a group of any combination of non-resident individuals, trusts, and/or corporations that do not deal with each other at arm's length for purposes of the relevant rules in the Tax Act. All of the foregoing Holders should consult their own tax advisors with respect to all tax consequences of the Offering.

This summary is based on the facts set out in this Prospectus, the current provisions of the Tax Act, all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) (the "**Tax Proposals**") before the date of this Prospectus, counsel's understanding of the current published administrative policies and assessing practices of the Canada Revenue Agency, and the *Canada – United States Tax Convention* (1980), as amended (the "**U.S. Treaty**"). No assurance can be given that the Tax Proposals will be enacted in the form proposed or at all. This summary is not exhaustive of all possible Canadian federal income tax considerations and, except as mentioned above, does not take into account or anticipate any changes in law or administrative policy or assessing practice, whether by legislative, regulatory, administrative or judicial decision or action, nor does it take into account other federal, provincial, state, local or foreign tax legislation or considerations, which may differ significantly from the Canadian federal income tax considerations discussed herein.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Holder, and no representations concerning the tax consequences to any particular Holder or prospective Holder are made. This summary also does not address the deductibility of interest on any funds borrowed by a Holder to purchase Units. All prospective investors (including Holders as defined above) should consult their own tax advisors with respect to an investment in the Units having regard to their particular circumstances.

Allocation of Cost

The total purchase price of a Unit to a Holder must be allocated on a reasonable basis between the Unit Share and the one-half of one Warrant to determine the cost of each to the Holder for purposes of the Tax Act.

For its purposes, the Company intends to allocate $7.23 of the Offering Price as consideration for the issue of each Unit Share and $0.34 of the Offering Price for the issue of each one-half of one Warrant ($0.68 for each whole Warrant). Although the Company believes that its allocation is reasonable, it is not binding on the Canada Revenue Agency or the Holder, and no valuation, tax ruling, legal opinion or other opinion has been sought or obtained in this regard. The Holder's adjusted cost base of the Unit Share comprising a part of each Unit will be determined by averaging the cost of the Unit Share with the adjusted cost base to the Holder of all Common Shares owned by the Holder as capital property immediately prior to such acquisition.

Exercise of Warrants

No gain or loss will be realized by a Holder upon the exercise of a Warrant to acquire a Warrant Share. When a Warrant is exercised, the Holder's cost of the Warrant Share acquired thereby will be the aggregate of the Holder's adjusted cost base of such Warrant and the exercise price paid for the Warrant Share. The Holder's adjusted cost base of the Warrant Share so acquired will be determined by averaging such cost with the adjusted cost base to the Holder of all Common Shares owned by the Holder as capital property immediately prior to such acquisition.

Holders Resident in Canada

This portion of the summary applies to a Holder (as defined above) who, for purposes of the Tax Act and at all relevant times, is or is deemed to be a resident of Canada (a "**Resident Holder**"). Resident Holders whose Common Shares do not otherwise qualify as capital property may in certain circumstances make an irrevocable election in accordance with subsection 39(4) of the Tax Act to have their Common Shares and every other "Canadian security" (as defined in the Tax Act) owned by such Resident Holder in the taxation year of the election and in all subsequent taxation years deemed to be capital property. This election does not apply to the Warrants. Resident Holders should consult their own tax advisors with respect to whether the election is available and advisable in their particular circumstances.

Expiry of Warrants

In the event of the expiry of an unexercised Warrant, a Resident Holder generally will realize a capital loss equal to the Resident Holder's adjusted cost base of such Warrant. The tax treatment of capital gains and capital losses is discussed in general terms below under "*Holders Resident in Canada — Taxation of Capital Gains and Capital Losses*".

Dividends on Common Shares

In the case of a Resident Holder who is an individual, dividends received or deemed to be received on the Common Shares will be included in computing the Resident Holder's income and, except in the case of certain trusts, will be subject to the gross-up and dividend tax credit rules that apply to taxable dividends received from taxable Canadian corporations, including the enhanced gross-up and dividend tax credit provisions where the Company designates the dividend as an "eligible dividend" in accordance with the provisions of the Tax Act. There may be limitations on the Company's ability to designate dividends and deemed dividends as eligible dividends, and the Company has made no commitments in this regard.

Dividends received or deemed to be received on the Common Shares by a Resident Holder that is a corporation will be required to be included in computing the corporation's income for the taxation year in which such dividends are received, but such dividends will generally be deductible in computing the corporation's taxable income, subject to all rules and restrictions under the Tax Act. In certain circumstances, subsection 55(2) of the Tax Act will treat a taxable dividend received by a Resident Holder that is a corporation as proceeds of disposition or a capital gain. Resident Holders that are corporations should consult their own tax advisors having regard to their own circumstances.

A Resident Holder that is a "private corporation" or a "subject corporation" (each as defined in the Tax Act) may be liable under Part IV of the Tax Act to pay a special tax (refundable in certain circumstances) on dividends received or deemed to be received on the Common Shares to the extent that such dividends are deductible in computing the Resident Holder's taxable income for the taxation year.

Dispositions of Common Shares and Warrants

On a disposition or deemed disposition of a Common Share or Warrant (other than on an exercise of the Warrants), a capital gain (or loss) will generally be realized by a Resident Holder to the extent that the proceeds of disposition are greater (or less) than the aggregate of the adjusted cost base of such security to the Resident Holder immediately before the disposition and any reasonable costs of disposition. The adjusted cost base of a Common Share or Warrant to a Resident Holder will be determined in accordance with the Tax Act by averaging the cost to the Resident Holder of a Common Share or Warrant, as applicable, with the adjusted cost base of all other Common Shares or Warrants, as applicable, held by the Resident Holder as capital property. Such capital gain (or capital loss) will be subject to the treatment described in general terms below under "*Holders Resident in Canada — Taxation of Capital Gains and Capital Losses*".

Taxation of Capital Gains and Capital Losses

Generally, a Resident Holder is required to include in computing income for a taxation year one-half of the amount of any capital gain (a "**taxable capital gain**") realized by the Resident Holder in such taxation year. Subject to and in accordance with the rules contained in the Tax Act, a Resident Holder is required to deduct one-half of the amount of any capital loss (an "**allowable capital loss**") realized in a particular taxation year against taxable capital gains realized by the Resident Holder in the year. Allowable capital losses in excess of taxable capital gains for the taxation year of disposition may, in general terms, be carried back and deducted in any of the three preceding taxation years, or in any subsequent year, against net taxable capital gains realized in such years, to the extent and subject to the restrictions described in the Tax Act.

The amount of any capital loss realized by a Resident Holder that is a corporation on the disposition or deemed disposition of a Common Share may be reduced by the amount of any dividends received or deemed to have been

received by such Resident Holder on such share, to the extent and under the circumstances described in the Tax Act. Similar rules may apply where a corporation is a member of a partnership or a beneficiary of a trust that owns Common Shares, directly or indirectly. Corporations to whom these rules may be relevant should consult their own tax advisors.

A Resident Holder that is throughout the relevant taxation year a "Canadian-controlled private corporation" (as defined in the Tax Act) may be liable to pay an additional tax (refundable in certain circumstances) on its "aggregate investment income", which includes taxable capital gains . Such Resident Holders should consult their own tax advisors.

Alternative Minimum Tax

Capital gains realized and dividends received or deemed to be received by a Resident Holder that is an individual or a trust, other than certain specified trusts, may give rise to alternative minimum tax under the Tax Act. Resident Holders should consult their own tax advisors in this regard.

Non-Resident Holders

This section of the summary applies to a Holder (as defined above) who, for the purposes of the Tax Act and any applicable income tax treaty or convention, and at all relevant times, is not, and is not deemed to be, resident in Canada, and does not use or hold, and is not deemed to use or hold, the Unit Shares, Warrants or Warrant Shares in the course of carrying on a business in Canada. A Holder who meets all of the foregoing requirements is referred to in this section of the summary as a "**Non-Resident Holder**", and this section of the summary only addresses such Non-Resident Holders. This section also does not apply to a Non-Resident Holder that is (i) an insurer that carries on an insurance business in Canada and elsewhere, (ii) an "authorized foreign bank" (as defined in the Tax Act), or (iii) a "foreign affiliate" (as defined in the Tax Act) of a taxpayer resident in Canada. Such Non-Resident Holders should consult their own tax advisors.

Dividends on Common Shares

Dividends paid or credited or deemed to be paid or credited to a Non-Resident Holder on the Common Shares will be subject to Canadian withholding tax. The Tax Act imposes withholding tax at a rate of 25% on the gross amount of the dividend, although such rate may be reduced by virtue of an applicable tax treaty. For example, where dividends on the Common Shares are considered to be paid to a Non-Resident Holder that is the beneficial owner of the dividends and is a U.S. resident for the purposes of, and substantiates entitlement to the benefits of, the U.S. Treaty, the applicable rate of Canadian withholding tax is generally reduced to 15%. Non-Resident Holders should consult their own tax advisors regarding the application of any applicable tax treaty to dividends based on their particular circumstances.

Dispositions of Common Shares and Warrants

A Non-Resident Holder generally will not be subject to tax under the Tax Act in respect of a capital gain realized on the disposition or deemed disposition of a Unit Share, a Warrant or a Warrant Share unless such Unit Share, Warrant Share or Warrant, as the case may be, constitutes "taxable Canadian property" (as defined in the Tax Act) to the Non-Resident Holder at the time of disposition and the gain is not exempt from tax pursuant to the terms of an applicable tax treaty between Canada and the Non-Resident Holder's jurisdiction of residence.

Provided the Unit Shares and Warrant Shares are listed on a "designated stock exchange", as defined in the Tax Act (which currently includes the CSE) at the time of disposition, the Unit Shares, Warrants, and Warrant Shares will generally not constitute taxable Canadian property of a Non-Resident Holder at that time, unless at any time during the 60-month period immediately preceding the disposition the following two conditions are met concurrently: (a) (i) the Non-Resident Holder, (ii) persons with whom the Non-Resident Holder did not deal at arm's length for purposes of the Tax Act; (iii) partnerships in which the Non-Resident Holder or a person described in (ii) holds a membership interest directly or indirectly through one or more partnerships; or (iv) any combination of the persons and partnerships described in (a)(i) through (iii), owned 25% or more of the issued shares of any class or series of shares of the Company; AND (b) more than 50% of the fair market value of the Unit Shares or Warrant Shares, as applicable, was derived directly or indirectly from one or any combination of: real or immovable property situated in Canada, "Canadian

resource properties", "timber resource properties" (each as defined in the Tax Act), and options in respect of, or interests in or for civil law rights in, such properties. Notwithstanding the foregoing, Unit Shares, Warrants and Warrant Shares may also be deemed to be taxable Canadian property to a Non-Resident Holder under certain other provisions of the Tax Act.

Non-Resident Holders who may hold Unit Shares, Warrants or Warrant Shares as taxable Canadian property should consult their own tax advisors.

In the event that a Unit Share, Warrant or Warrant Share constitutes taxable Canadian property of a Non-Resident Holder and any capital gain that would be realized on the disposition thereof is not exempt from tax under the Tax Act pursuant to an applicable income tax treaty or convention, the income tax consequences discussed above under "*Holders Resident in Canada – Disposition of Common Shares and Warrant*" will generally apply to the Non-Resident Holder, Non-Resident Holders should consult their own tax advisor in this regard.

PROMOTERS

Other than as set out below, there are no promoters of the Company or any subsidiary of the Company within the last two years immediately preceding the date hereof:

Name	Number of Common Shares Beneficially Owned	Nature and Amount of Compensation Received by the Promoter	Nature of Services Rendered by the Company
Ian McDonald	844,800 (13.19%)	Nil	President, Chief Executive Officer and Director
Alan Kozikowski	1,000,000 (15.62%)	Nil	Chief Science Officer and Director

No person who was a promoter of the Company within the last two years:

- sold or otherwise transferred any asset to the Company or a subsidiary within the last two years;
- has been a director, CEO or CFO of any company that during the past 10 years was the subject of a cease trade order or similar order or an order that denied the company access to any exemptions under securities legislation for a period of more than 30 consecutive days or became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver or receiver manager or trustee appointed to hold its assets;
- has been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority;
- has been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision; or
- has within the past 10 years become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver or receiver manager or trustee appointed to hold its assets.

INTEREST OF EXPERTS

The following are the names of each person or company who has prepared or certified a report, valuation, statement or opinion in this Prospectus, either directly or in a document incorporated by reference and whose profession or business gives authority to the report, valuation, statement or opinion made by the person or the Company.

De Visser Gray LLP is the external auditor of the Company and reported on the Company's audited consolidated financial statements for the year ended September 30, 2020 and the period ended September 30, 2019, which are filed on SEDAR.

Certain legal matters related to the Offering have been passed upon on behalf of the Company by McMillan LLP and on behalf of the Underwriter by DLA Piper (Canada) LLP. As at the date hereof, the partners and associates of McMillan LLP beneficially own, directly or indirectly, in the aggregate, less than 1% of the outstanding securities of the Company and the partners and associates of DLA Piper (Canada) LLP beneficially own, directly or indirectly, in the aggregate, 4.95% of the outstanding securities of the Company.

AUDITOR

The independent auditors of the Company are De Visser Gray LLP, of Vancouver, British Columbia. De Visser Gray LLP is independent of the Company in accordance with the Code of Professional Conduct of the Chartered Professional Accountants of British Columbia.

TRANSFER AGENT, REGISTRAR AND WARRANT AGENT

The transfer agent and registrar of the Company is Computershare Trust Company of Canada at its office located in Vancouver, British Columbia.

Computershare Trust Company of Canada, at its principal office in Vancouver, British Columbia, will act as Warrant Agent in respect of the Warrants.

STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus relating to the securities purchased by a purchaser and any amendment thereto. In several of the provinces of Canada, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, damages, if the prospectus relating to the securities purchased by a purchaser and any amendment thereto contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

In an offering of Warrants, investors are cautioned that the statutory right of action for damages for a misrepresentation contained in this Prospectus is limited, in certain provincial securities legislation, to the price at which the Warrant is offered to the public under the prospectus offering. This means that, under the securities legislation of certain provinces, if the purchaser pays additional amounts upon the exercise of the security, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of this right of action for damages or consult with a legal advisor.

CERTIFICATE OF THE COMPANY

Dated: February 26, 2021

This short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces of Canada, other than Québec.

"Ian McDonald"
Ian McDonald
Chief Executive Officer, President and Director

"Ryan Cheung"
Ryan Cheung
Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

"Alan Kozikowski"
Alan Kozikowski
Director

"Nils Bottler"
Nils Bottler
Director

CERTIFICATE OF THE PROMOTERS

Dated: February 26, 2021

This short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces of Canada, other than Québec.

"Ian McDonald"
Ian McDonald
Promoter

"Alan Kozikowski"
Alan Kozikowski
Promoter

CERTIFICATE OF THE UNDERWRITERS

Dated: February 26, 2021

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces of Canada, other than Québec.

EIGHT CAPITAL

(signed) "Elizabeth Staltari"
Elizabeth Staltari
Managing Director

STIFEL NICOLAUS CANADA INC.

(signed) "Harris Fricker"
Harris Fricker
President

BEACON SECURITIES LIMITED

(signed) "Daniel Belchers"
Daniel Belchers
Managing Director

HAYWOOD SECURITIES INC.

(signed) "Mathieu Couillard"
Mathieu Couillard
Managing Director