PROSPECTUS

New Issue Prospectus **July 9, 2021**

LEVITEE LABS

This prospectus is being filed by Levitee Labs Inc. (formerly Fibonacci Capital Corp, the "**Corporation"** or **"Levitee Labs**") to qualify the distribution of (i) up to 21,090,000 units (each, a "**Subscription Receipt Unit**") of the Corporation, (ii) the common shares in the capital of the Corporation (the "**Subscription Receipt Shares**") and common share purchase warrants (the "**Subscription Receipt Warrants**") issuable for no additional consideration upon the deemed exercise or exchange of up to 21,090,000 subscription receipts of the Corporation (each a "**Subscription Receipt**"), (iii) up to 2,460,000 units (each, a "**Special Warrant Unit**") of the Corporation, and (iv) the common shares in the capital of the Corporation (the "**Special Warrant Shares**") and common share purchase warrants (the "**Special Warrant Warrants**") issuable for no additional consideration upon the deemed exercise or exchange of up to 2,460,000 special warrants of the Corporation (each a "**Special Warrant**"). The Subscription Receipts were issued pursuant to non-brokered private placements (the "**Subscription Receipt Private Placements**") that were completed on January 20, 2021 and February 4, 2021 at a price of $0.50 per Subscription Receipt for aggregate gross proceeds of $10,545,000 and the Special Warrants were issued pursuant to a non-brokered private placement that was completed on March 19, 2021 (the "**Special Warrant Private Placement**"). Each Subscription Receipt Unit and each will be composed of one (1) Subscription Receipt Share and one half of one (1/2) Subscription Receipt Warrant, each Subscription Receipt Warrant exercisable at an exercise price for 36 months from issuance. Each Special Warrant entitles the holder to acquire, without further payment, one Special Warrant Unit. The Subscription Receipts and Special Warrants are not available for purchase pursuant to this prospectus and no additional funds are to be received by the Corporation from the distribution of the Subscription Receipt Shares or the Special Warrant Shares upon the deemed exercise or exchange of the Subscription Receipts or the Special Warrants, respectively. As no securities are being sold pursuant to this prospectus, no proceeds will be raised, and all expenses incurred in connection with the preparation and filing of this prospectus will be paid by the Corporation from its general funds.

There is currently no market through which these securities may be sold and purchasers may not be able to resell securities 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*".

No underwriter has been involved in the preparation of this prospectus or performed any review or independent due diligence of the contents of this prospectus.

As at the date of this prospectus, Levitee Labs does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, Aequitas NEO Exchange Inc., a U.S. marketplace, or a marketplace outside Canada and the United States of America (other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc.).

An investment in the securities of the Corporation is highly speculative and involves significant risks that should be carefully considered by prospective purchasers before purchasing such securities. The risks outlined in this prospectus should be carefully reviewed and considered by prospective purchasers in connection with an investment in such securities. An investment in the Subscription Receipt Shares, Subscription Receipt Warrants Special Warrant Units and Special Warrant Warrants is suitable only for those purchasers who are willing to risk a loss of some or all of their investment and who can afford to lose some or all of their investment. See "*Risk Factors*".

Notwithstanding that this prospectus is being filed to qualify the distribution of all securities issuable upon the exercise or deemed exercise of the Special Warrants, in the event that a holder of Special Warrants exercises the Special Warrants prior to the date on which the Receipt is issued by the British Columbia Securities Commission, the securities issued upon exercise of those Special Warrants will be subject to statutory hold periods under applicable securities legislation and will bear any legends as required by applicable securities laws.

$10,529,700 (the "**Escrowed Funds**"), being the gross proceeds from the sale of the Subscription Receipts pursuant to the Subscription Receipt Private Placements, less the BMO Commission, were deposited in escrow and are held by Odyssey Trust Company, as escrow agent (the "**Subscription Receipt Escrow Agent**"), pursuant to the terms of an escrow agreement dated January 13, 2021 among the Corporation and the Subscription Receipt Escrow Agent (the "**Subscription Receipt Escrow Agreement**"). The Escrowed Funds will be released from escrow upon satisfaction of the Escrow Release Conditions (as defined herein) and the balance of the Escrowed Funds together with interest earned thereon will be paid to the Corporation. The Corporation will use the Escrowed Funds, once released, for sales and marketing, strategic acquisitions, general, administrative, and other costs, and for general working capital purposes. See "*Funds Available and Use of Available Funds*".

The Finder's Fee (as defined herein) will be payable by the Corporation to Haywood Securities Inc., PI Financial Corp., Echelon Wealth Partners Inc., Canaccord Genuity Corp., Leede Jones Gable Inc. and Mackie Research Capital Corp. (collectively, the "**Finders**") in connection with the issuance of the Subscription Receipt Shares and Subscription Receipt Warrants upon deemed exercise or exchange of the Subscription Receipts on the following terms: (i) a cash fee of 8% of all gross proceeds realized from the sale of the Subscription Receipts to investors introduced by the relevant Finder; and (ii) finders' warrants entitling the relevant Finder to purchase that number of Finder's Shares equal to 8% of the number of Subscription Receipt Shares to be issued to holders of Subscription Receipts who were introduced by the relevant Finder, such warrants to be exercisable at a price of $0.75 per share for a period of 24 months from issuance. BMO Nesbitt Burns Inc. ("**BMO**") was also paid a commission of $15,300 (the "**Paid BMO Commission**") in connection with the issuance of Subscription Receipts to investors introduced by BMO. A further $15,300 will be paid to BMO in connection with the issuance of the Subscription Receipt Shares and Subscription Receipt Warrants to investors introduced by BMO upon deemed exercise or exchange of the Subscription Receipts (the "**Payable BMO Commission**" and, together with the Paid BMO Commission, the "**BMO Commission**"). This prospectus also qualifies the distribution of the Finder's Warrants (as defined herein).

Each Subscription Receipt is represented by a Subscription Receipt Certificate and will be deemed exchanged, without payment of any additional consideration and without any further action by the holder, for one (1) Subscription Receipt Share and one half of one (1/2) Subscription Receipt Warrant on the satisfaction of the following escrow release conditions: (i) the Common Shares will have been conditionally approved for listing on the

CSE; and (ii) the Corporation will have obtained a final receipt for this prospectus from the applicable regulatory authority (the foregoing being the "**Escrow Release Conditions**"). The Subscription Receipts and the conditions necessary for them to be exercised for Common Shares are described in more detail under the heading "*Plan of Distribution*" in this prospectus. If the Escrow Release Conditions are not satisfied by September 21, 2021, the subscription proceeds from the Subscription Receipt Private Placement will be returned to the holders without interest or deduction unless otherwise agreed to by the holders.

Each Special Warrant Unit will be comprised of one (1) Special Warrant Share and one half of one (1/2) Special Warrant Warrant, each Special Warrant Warrant exercisable at an exercise price for 36 months from issuance. Each Special Warrant will automatically convert at 5:00 p.m. (Vancouver time) on the date that is the earlier of: (a) the third business day after the date on which the Receipt is issued by the British Columbia Securities Commission; and (b) one year from the date of the Special Warrant Private Placement, being May 19, 2021. Upon exercise or deemed exercise of the Special Warrants, and without additional payment therefor, the Corporation will issue 2,460,000 Special Warrant Units.

The Subscription Receipts and Special Warrants were purchased by subscribers pursuant to private placement exemptions from the prospectus requirements in the Provinces of Alberta, British Columbia, Nova Scotia, Ontario and Saskatchewan. There is no market through which the Subscription Receipts may be sold and none is expected to develop.

Except in certain limited circumstances, no certificates representing the Subscription Receipt Shares or the Special Warrant Shares will be issued to purchasers in the Private Placement. Instead, holders of Subscription Receipts upon satisfaction of the Escrow Release Conditions or Special Warrants upon exercise of the Special Warrants will have their securities registered in the name of CDS Clearing and Depository Services Inc. (**CDS**) or its nominee and electronically deposited with CDS.

The head office and the mailing address of Levitee Labs is located at 215 - 800 W Pender St, Vancouver, BC V6C 2V6. The registered office of Levitee Labs is located at 6th Floor, 905 West Pender St, Vancouver, BC V6C 1L6.

Investors should rely only on the information contained in this prospectus and the documents incorporated by reference herein. The Corporation has not authorized anyone to provide investors with information different from that contained in this prospectus. The information contained in this prospectus is accurate only as of the date of this prospectus.

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FORWARD-LOOKING STATEMENTS

Certain statements in this prospectus may constitute "forward-looking" statements which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Corporation, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. When used in this prospectus, such statements use such words as "may", "would", "could", "will", "intend", "expect", "believe", "plan", "anticipate", "estimate" and other similar terminology. These statements reflect the Corporation's current expectations regarding future events and operating performance and speak only as of the date of this prospectus. Forward-looking statements involve significant risks and uncertainties, should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not such results will be achieved. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including, but not limited to, the factors discussed below and under "Risk Factors". Although the forward-looking statements contained in this prospectus are based upon what management of the Corporation believes are reasonable assumptions, the Corporation cannot assure investors that actual results will be consistent with these forward-looking statements. **These forward-looking statements are made as of the date of this prospectus and are expressly qualified in their entirety by this cautionary statement. Subject to applicable securities laws, the Corporation does not assume any obligation to update or revise them to reflect new events or circumstances.**

In particular, this prospectus contains forward-looking statements pertaining to the following:

- expectations regarding industry trends, overall market growth rates and growth rates and development strategies;
- predictions regarding future commerce trends;
- results of operations, level of activity, future capital and other requirements and expenditures (including the amount, nature, and resources of funding thereof);
- potential business prospects and opportunities;
- potential marketing and distribution strategies;
- competitive position in its industry and its competitive advantages;
- compliance with legislative and regulatory requirements;
- director and executive compensation levels and plans;
- investment objectives and strategies;
- the proposed use of available funds;
- dependence on personnel; and
- expectations regarding market prices and costs.

With respect to forward-looking statements contained in this prospectus, the Corporation has made assumptions regarding, among other things:

- the Corporation’s ability to generate revenue while controlling costs and expenses;
- the impact of increasing competition;
- the absence of material adverse changes in the industry or regulatory regimes;
- the Corporation’s ability to attract and retain key personnel;
- the Corporation’s ability to manage its growth effectively;
- trends in the Corporation’s industry and markets;
- the Corporation’s ability to keep pace with technological developments;
- the Corporation’s ability to protect its intellectual property rights;
- the Corporation’s continued compliance with relevant regulatory regimes;
- the Corporation’s ability to raise sufficient financing to support continued growth; and
- the Corporation’s ability to obtain additional financing on satisfactory terms.

The Corporation's actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below and elsewhere in this prospectus:

- the Corporation’s limited history of operations;
- there is currently no market through which any of the Corporation’s securities may be sold;
- substantial additional financing may be required if the Corporation is to successfully develop its business;
- the Corporation has had negative cash flow from operating activities since inception;
- the Corporation’s products are subject to extensive regulation;
- the Corporation may be subject to growth-related risks;
- the success of the Corporation’s products are dependent on pronounced and rapidly changing public tastes;
- the Corporation is dependent on the reliable supply of its raw materials;
- the Corporation is heavily reliant on a limited number of products;
- the Corporation is highly dependent on consumer perception of mushrooms;
- the Corporation has not achieved, and there is no assurance that it will be able to achieve brand awareness;
- the Corporation’s success may be dependent on its ability to develop, market and produce new products, which may require substantial capital;
- the Corporation is heavily dependent on certain key senior managers;
- the Corporation relies on third parties to manufacture and package its products;
- the Corporation may be subject to product liability claims ;
- the Corporation may be required to recall its products; and
- the Corporation faces significant competition.

MARKET AND INDUSTRY DATA

This prospectus includes market and industry data that has been obtained from third party sources, including industry publications, as well as industry data prepared by Levitee Labs management on the basis of its knowledge of and experience in the industry in which it operates (including management’s estimates and assumptions relating to the industry based on that knowledge). Levitee Labs believes that its industry data is accurate and that its estimates and assumptions are reasonable, but there is no assurance as to the accuracy or completeness of this data. Third-party sources generally state that the information contained therein has been obtained from sources believed to be reliable, but there is no assurance as to the accuracy or completeness of included information. Although the data is believed to be reliable, neither Levitee Labs or its management has independently verified any of the data from third-party sources referred to in this prospectus or ascertained the underlying economic assumptions relied upon by such sources.

CURRENCY

All dollar amounts in this prospectus are in Canadian dollars unless otherwise indicated, and all references to $ in this prospectus are to Canadian dollars unless otherwise indicated.

GLOSSARY

When used in this prospectus, the following terms have the following meanings ascribed thereto:

"**Amalgamation**" means the amalgamation completed on November 30, 2020 under Division 3 of Part 9 of the BCBCA, between the Corporation, Monk-E, and Amalgamation SubCo, which resulted in the formation of Levitee OpCo;

"**Amalgamation Agreement**" means the amalgamation agreement entered into between the Corporation, Levitee OpCo, and Monk-E, dated November 10, 2020, which effected the Amalgamation;

"**Amalgamation SubCo**" means 1273586 B.C. LTD., a company incorporated under the laws of the BCBCA;

"**BCBCA**" means the *Business Corporations Act*, S.B.C. 2002, c. 57, as amended, including the regulations promulgated thereunder;

"**BMO**" means BMO Nesbitt Burns Inc.;

"**BMO Commission**" means collectively, the Paid BMO Commission and the Payable BMO Commission;

"**Board**" or "**Board of Directors**" means the board of directors of the Corporation;

"**Business Day**" means a day other than a Saturday, Sunday or other day when banks in the City of Vancouver, British Columbia are not generally open for business;

"**Common Shares**" means the common shares in the capital of the Corporation;

"**Consolidation**" means the consolidation of the Common Shares at a ratio of one new post-consolidation Common Share for every 2.5 pre-consolidation Common Shares completed by the Corporation on November 10, 2020;

"**Control**" and related terms including "**controlling**" and "**controlled**", shall mean the possession, directly or indirectly, by or on behalf of a person or group of persons acting jointly or in concert, of the following in respect of another person:

(i) in the case where the other person is a corporation, the power to vote more than 50% of the securities having ordinary voting power for the election of directors of such corporation;

(ii) in the case where the other person is a limited partnership, the power to control the general partner of the limited partnership; and

(iii) in the case where the other person is other than a corporation or limited partnership, any of: (1) the power to exercise more than 50% of the voting rights in such person; or (2) the right to receive more than 50% of the distributions made by that person;

"**CSE**" means the Canadian Securities Exchange;

"**Escrow Agent**" means Odyssey Trust Company;

"**Escrow Agreement**" means the escrow agreement dated July 8, 2021 entered into pursuant to NP 46-201 among the Escrowed Shareholders, the Corporation and the Escrow Agent;

"**Escrow Funds**" means the proceeds of the Subscription Receipt Private Placement that have been deposited with the Subscription Receipt Escrow Agent;

"**Escrow Release Conditions**" has the meaning set forth on the face page of this prospectus;

"**Escrow Securities**" means those Common Shares required to be escrowed pursuant to NP 46-201;

"**Escrowed Shareholders**" means the Shareholders who are directors or officers of the Corporation;

"**Finders**" means, collectively, Haywood Securities Inc., PI Financial Corp., Echelon Wealth Partners Inc., Canaccord Genuity Corp., Leede Jones Gable Inc., and Mackie Research Capital Corp.;

"**Finder's Fee**" means (i) a cash finder's fee of 8% of all gross proceeds realized from the sale of the Subscription Receipts to investors introduced by the relevant Finder, to be paid to the Finder upon satisfaction of the Escrow Release Conditions and (ii) issuance of the Finder's Warrants upon satisfaction of the Escrow Release Conditions;

"**Finder's Warrants**" means warrants granted to the Finder entitling the Finder to purchase that number of Finder's Shares equal to 8% of the number of Subscription Receipt Shares to be issued to holders of Subscription Receipts who were introduced by the relevant Finder upon satisfaction of the Escrow Release Conditions exercisable at a price of $0.75 per Finder's Share for a period of 24 months from issuance;

"**Finder's Shares**" means the Common Shares, if any, to be issued to the Finder on exercise of the Finder's Warrants;

"**First Subscription Receipt Private Placement**" means the non-brokered private placement of the Corporation of 15,491,000 Subscription Receipts completed on January 20, 2021 at a price of $0.50 per Subscription Receipt and which will result (subject to the satisfaction of the Escrow Release Conditions) in the deemed exercise or exchange of Subscription Receipts for Subscription Receipt Shares and Subscription Receipt Warrants;

"**Founders Pooling Agreement**" means the voluntary pooling agreement entered into among the Corporation and all investors who participated in the July 2020 Founders Round, pursuant to which the common shares issued to such persons through the July 2020 Founders Round may not be traded, sold, or otherwise disposed of until released under the Founders Pooling Agreement;

"**IFRS**" means International Financial Reporting Standards;

"**July 2020 Founders Round**" means the private placement of common shares of Monk-E carried out on July 15, 2020;

"**Levitee Labs**" or the "**Corporation**" means Levitee Labs Inc., a corporation incorporated under the BCBCA, and, where the context requires, includes its wholly-owned Subsidiary Levitee OpCo;

"**Levitee OpCo**" means Levitee Labs Holdings Inc., the wholly-owned operating Subsidiary of the Corporation;

"**Listing Date**" means the date on which the Common Shares are listed on the CSE;

"**Monk-E**" means Monk-E Nutraceuticals Inc., a BCBCA company incorporated on May 24, 2020;

"NI 41-101" means National Instrument 41-101 - *General Prospectus Requirements*;

"**NP 46-201**" means National Policy 46-201 - *Escrow for Initial Public Offerings*;

"**Option Plan**" means the incentive Common Share option plan of the Corporation;

"**Option**" means an option to acquire Common Shares granted pursuant to the Option Plan;

"**Paid BMO Commission**" means the commission of $15,300 paid to BMO in connection with the issuance of Subscription Receipts to investors introduced by BMO;

"**Payable BMO Commission**" means the commission of $15,300 to be paid to BMO in connection with the issuance of the Subscription Receipt Shares and Subscription Receipt Warrants to investors introduced by BMO upon deemed exercise or exchange of the Subscription Receipts;

"**Person**" includes any individual, partnership, firm, trust, body corporate, government, governmental body, agency or instrumentality, unincorporated body of persons or association and pronouns have a similarly extended meaning;

"**Private Placements**" means, collectively, the Subscription Receipt Private Placements and the Special Warrant Private Placement;

"**prospectus**" means this prospectus of the Corporation dated July 9, 2021;

“**Receipt**” means a receipt for the final prospectus received by the Corporation from the British Columbia Securities Commission to qualify the distribution of the Subscription Receipt Shares, the Subscription Receipt Warrants, the Special Warrant Shares, the Special Warrant Warrants, the common shares underlying the Subscription Receipt Warrants and the Special Warrant Warrants, the Finder’s Warrants and the Finder’s Shares underlying the Finder’s Warrants;

"**Second Subscription Receipt Private Placement**" means the non-brokered private placements of the Corporation of 5,599,000 Subscription Receipts completed on February 4, 2021 at a price of $0.50 per Subscription Receipt and which will result (subject to the satisfaction of the Escrow Release Conditions) in the deemed exercise or exchange of Subscription Receipts for Subscription Receipt Shares and Subscription Receipt Warrants;

"**Securities Act**" means the *Securities Act* (British Columbia), as amended;

“**Seed Shareholders Pooling Agreement**” means the voluntary pooling agreement pursuant to which all common shares issued pursuant to the September 2020 Seed Round may not be traded, sold, or otherwise disposed of until the date that is six (6) months from the Listing Date;

“**September 2020 Seed Round**” means the private placement of 4,705,000 common shares of Monk-E carried out on September 3, 2020 at a price of $0.10 per share;

"**Shareholder**" means a holder of Common Shares;

“**Special Warrants**” means the special warrants issued by the Corporation at an issue price of $0.50 per Special Warrant, pursuant to the Special Warrant Private Placement;

“**Special Warrant Certificate**” means a certificate representing Special Warrants;

“**Special Warrant Shares**” means the Common Shares to be issued upon the deemed exercise or exchange of the Special Warrants;

“**Special Warrant Unit**” means a unit of the Corporation to be issued upon the deemed exercise or exchange of a Special Warrant, to be composed of one (1) Special Warrant Share and one-half of one (1/2) Special Warrant Warrant;

“**Special Warrant Private Placement**” means the private placement by the Corporation completed on March 19, 2021, and consisting of 2,460,000 Special Warrants at a price of $0.50 per Special Warrant;

“**Special Warrant Warrants**" means the common share purchase warrants to be issued upon the deemed exercise or exchange of the Special Warrants, each Special Warrant Warrant to be exercisable into one common share of the Corporation at $0.75 for 36 months from issuance;

"**Subsidiary**" has the meaning ascribed thereto in the Securities Act (and shall include all trusts or partnerships directly or indirectly owned by Levitee Labs);

"**Subscription Receipts**" means the subscription receipts issued by the Corporation at an issue price of $0.50 per Subscription Receipt, pursuant to the Subscription Receipt Private Placements;

"**Subscription Receipt Certificate**" means a certificate representing Subscription Receipts;

"**Subscription Receipt Escrow Agent**" means Odyssey Trust Company, in its capacity as escrow agent for the proceeds of the Subscription Receipt Private Placements;

"**Subscription Receipt Escrow Agreement**" means the escrow agreement dated January 13, 2021 among the Corporation and the Subscription Receipt Escrow Agent;

"**Subscription Receipt Private Placements**" means, collectively, the First Subscription Receipt Private Placement and the Second Subscription Receipt Private Placement;

"**Subscription Receipt Shares**" means the Common Shares to be issued upon the deemed exercise or exchange of the Subscription Receipts upon satisfaction of the Escrow Release Conditions; and

“**Subscription Receipt Unit**” means a unit of the Corporation, composed of one (1) Subscription Receipt Share and one-half of one (1/2) Subscription Receipt Warrant;

"**Subscription Receipt Warrants**" means the common share purchase warrants to be issued upon the deemed exercise or exchange of the Subscription Receipts upon satisfaction of the Escrow Release Conditions, each Subscription Receipt Warrant to be exercisable into one common share of the Corporation at $0.75 for 36 months from issuance; and

"**U.S.**" means the United States of America.

PROSPECTUS SUMMARY

The following is a summary of the principal features of this distribution and should be read together with the more detailed information and financial data and statements appearing elsewhere in this prospectus. Certain capitalized terms used but not defined in this summary are defined elsewhere in this prospectus.

The Corporation	The Corporation was incorporated under the Business Corporations Act (British Columbia) (the "**BCBCA**") on January 23, 2019, under the name Fibonacci Capital Corp. On November 30, 2020, the Corporation changed its name to "Levitee Labs Inc." as part of the Amalgamation. See "*Corporate Structure*". Levitee OpCo was created on November 30, 2020 pursuant to section 279 of the BCBCA on the closing of the Amalgamation, and is a wholly-owned operating Subsidiary of the Corporation. The Corporation has developed a suite of mushroom-infused products designed to improve health and wellbeing and boost cognition. See "*Business of the Corporation – Description of Business"*
The Subscription Receipt Private Placements	Pursuant to the Subscription Receipt Private Placements, the Corporation issued 21,090,000 Subscription Receipts for gross proceeds of $10,545,000. Each Subscription Receipt will be automatically exchanged for one (1) Subscription Receipt Share and one half of one (1/2) Subscription Receipt Warrant upon satisfaction of the Escrow Release Conditions. The gross proceeds from the Subscription Receipt Private Placements have been deposited into escrow pursuant to the Subscription Receipt Escrow Agreement and will be released upon satisfaction of the Escrow Release Conditions. See "*Plan of Distribution*" and "*Description of Securities Distributed*".
Finder's Fee	The Finder's Fee will be payable by the Corporation to the Finder in connection with the issuance of the Subscription Receipt Shares and Subscription Receipt Warrants upon deemed exercise or exchange of the Subscription Receipts. The Finder's Fee will be composed of (i) a cash finder's fee of 8% of all gross proceeds realized from the sale of the Subscription Receipts to investors introduced by the relevant Finder and (ii) the issuance of the Finder's Warrants, entitling the relevant Finder to purchase that number of Finder's Shares equal to 8% of the number of Subscription Receipts sold to investors introduced by the relevant Finder. BMO was also paid the Paid BMO Commission in connection with the issuance of Subscription Receipts to investors introduced by BMO. The further Payable BMO Commission will be paid to BMO in connection with the issuance of the Subscription Receipt Shares and Subscription Receipt Warrants to investors introduced by BMO upon deemed exercise or exchange of the Subscription. The Finder's Warrants will be exercisable at an exercise price of $0.75 for 24 months from issuance. See "*Plan of Distribution".*
The Special Warrant Private Placements	Pursuant to the Special Warrant Private Placements, the Corporation issued 2,460,000 Special Warrants for gross proceeds of $1,230,000. The Special Warrants will automatically convert at 5:00 p.m. on the date that is the earlier of: (a) the third business day after the date on which the Receipt is granted by the British Columbia Securities Commission; and (b) one year from the date of the Special Warrant Private Placement. The Special Warrants were issued on March 19, 2021 at a price of $0.50 per Special Warrant and there will be no additional proceeds to the Corporation from the exercise of the Special Warrants. See "*Plan of Distribution*" and "*Description of Securities Distributed*".

Qualification for Distribution

In addition to the Subscription Receipt Shares, the Subscription Receipt Warrants, the Special Warrant Shares and the Special Warrant Warrants, this prospectus also qualifies the common shares underlying the Subscription Receipt Warrants and the Special Warrant Warrants, the Finder's Warrants issued to the Finders and the Finder's Shares underlying the same. See "*Plan of Distribution*".

Use of Available Funds

As at June 30, 2021, the Corporation had working capital of $256,047, excluding restricted cash attributable to gross proceeds of Subscription Receipt Private Placements. Assuming satisfaction of the Escrow Release Conditions, the estimated funds available to the Corporation will be $10,174,127, after the deduction of the cash Finder's Fee of $596,320 and the $15,300 Payable BMO Commission.

The Corporation intends to use its available funds for sales and marketing activities, strategic acquisitions, and for general corporate purposes, including working capital, operating expenses, and capital expenditures. The Corporation may use a portion of the net proceeds to acquire complementary businesses, products, services, or technologies. However, no agreements or commitments for any material acquisitions at this time have been entered into. See "*Funds Available and Use of Available Funds*".

Risk Factors

An investment in the Corporation is speculative and involves a high degree of risk. Accordingly, prospective investors should carefully consider and evaluate all risks and uncertainties involved in an investment in the Corporation, including risks related to:

- The Corporation has a limited history of operations
- There is currently no market through which any of the Corporation's securities may be sold
- Substantial additional financing may be required if the Corporation is to successfully develop its business
- The Corporation has had negative cash flow from operating activities since inception
- The Corporation's products are subject to extensive regulation
- The Corporation may be subject to growth-related risks
- The success of the Corporation's products are dependent on pronounced and rapidly changing public tastes
- The Corporation is dependent on the reliable supply of its raw materials
- The Corporation is heavily reliant on a limited number of products
- The Corporation is highly dependent on consumer perception of mushrooms
- The Corporation has not achieved, and there is no assurance that it will be able to achieve brand awareness
- The Corporation's success may be dependent on its ability to develop, market and produce new products, which may require substantial capital
- The Corporation is heavily dependent on certain key senior managers
- The Corporation relies on third parties to manufacture and package its products
- The Corporation may be subject to product liability claims
- The Corporation may be required to recall its products
- The Corporation faces significant competition

There is currently no market through which the Common Shares may be sold. An investment in the Common Shares involves a high degree of risk and should be considered highly speculative due to the nature of the Corporation's business and its relatively early stage of development and should only be considered by persons who can afford to lose all or some of their investment. Other risk factors associated with an investment in the Common Shares are listed under the heading "*Risk Factors*".

Selected Financial Information of the Corporation

The following tables set forth summary information for Levitee Labs for the year ended September 30, 2020 and the six months ended March 31, 2021 and for Monk-E Nutraceuticals Inc. (“**Monk-E**”) for the period from incorporation on May 24, 2020 (incorporation) to September 30, 2020. This information has been summarized from the Corporation’s audited financial statements for the year ended September 30, 2020, the Corporation’s unaudited consolidated financial statements for the three and six months ended March 31, 2021 and Monk-E’s audited financial statements for the period from incorporation on May 24, 2020 to September 30, 2020. This summary financial information should only be read in conjunction with the financial statements of Levitee Labs, including the notes thereto, included elsewhere in the prospectus. See "*Management's Discussion and Analysis*".

	Levitee Labs, as at and for the six months ended March 31, 2021 **($)** **(unaudited)**	**Levitee Labs, as at and for the year ended September 30, 2020** **($)** **(audited)**	**Monk-E, as at and for the period from May 24, 2020 (incorporation) to September 30, 2020** **($)** **(audited)**
Revenue	Nil	Nil	Nil
Total Expenses	1,931,131	431,680	240,208
Net loss and comprehensive loss for the period	1,641,937	441,729	240,208
Loss per share (basic and diluted)	0.07	0.10	0.02
Current Assets	12,083,615	156,990	409,303
Total Assets	12,812,481	156,990	410,391
Current Liabilities	951,235	2,572	119,517
Non-Current Liabilities	283,804	nil	Nil

Shareholders' Equity (Deficit)	11,577,442	156,990	290,874

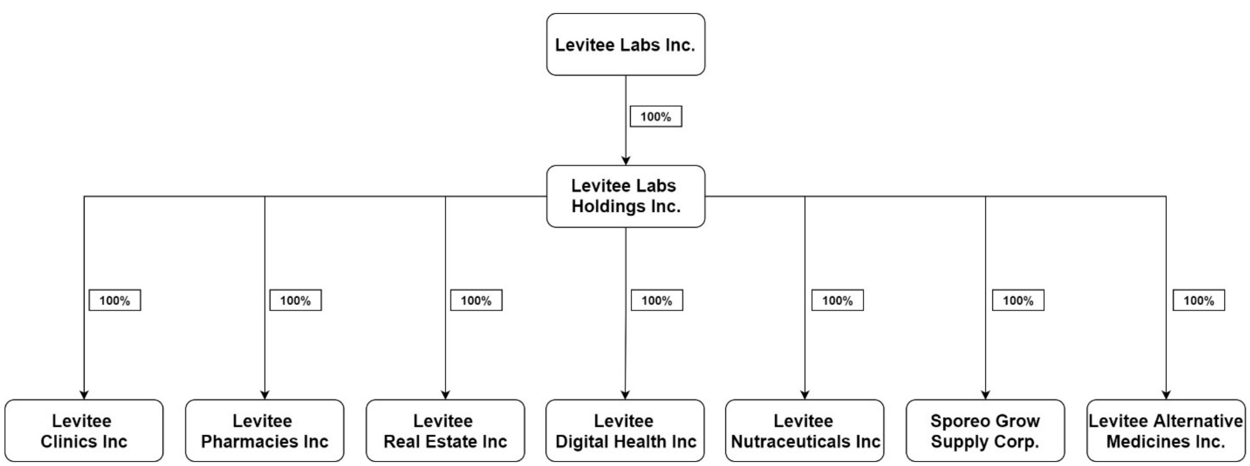
CORPORATE STRUCTURE

The Corporation was incorporated under the BCBCA on January 23, 2019 under the name Fibonacci Capital Corp. It changed its name to Levitee Labs Inc. on November 30, 2020. See "*Business of the Corporation – History*". On November 10, 2020, the Corporation completed a consolidation of the Common Shares at a ratio of one new post-consolidation Common Share for every 2.5 pre-consolidation Common Shares (the "**Consolidation**"). All references to Common Shares in this prospectus refer to post-Consolidation Common Shares.

The head office of Levitee Labs is located at 215 - 800 W Pender St, Vancouver, BC V6C 2V6. The registered office of Levitee Labs is located at 6th Floor, 905 West Pender St, Vancouver, BC V6C 1L6.

The business of the Corporation is conducted through its Subsidiary, Levitee OpCo, a company organized under the BCBCA and formed through the Amalgamation on November 30, 2020. On December 1, 2021, the name of Levitee OpCo was changed from "Monk-E Nutraceuticals Inc." to "Levitee Labs Holdings Inc.". The head office of Levitee OpCo is located at 215 - 800 W Pender St, Vancouver, BC V6C 2V6. The registered office of Levitee OpCo is located at 6th Floor, 905 West Pender St, Vancouver, BC V6C 1L6.

Levitee OpCo is also the sole shareholder of a number of British Columbia-domiciled operating Subsidiaries, most of which are inactive as of the date of this prospectus. An organizational chart of Levitee Labs, setting out its Subsidiaries and intercorporate relationships is as follows.



BUSINESS OF THE CORPORATION

Summary

Levitee Labs is a functional mushrooms company. Within the functional mushrooms space, Levitee Labs is focused on the development and sale of high potency mushroom extract nutraceuticals and supplies and equipment for mushroom cultivation. Levitee Labs believes, based on a growing body of research, that mushrooms can be an effective way to enhance wellbeing and potentially treat various kinds of mental and physical health problems.

Functional Mushrooms

The term "functional mushrooms" refers to a category of mushrooms that have been used for their medicinal-like properties and superfood benefits. Functional mushrooms are mushrooms that have functional benefits, meaning that beyond nutritional value, these mushrooms have been clinically found to support health and wellbeing. Research has shown that consuming certain functional mushrooms can help strengthen immune systems[1], increase cognitive function[2], and boost energy and mental acuteness[3], among other benefits. Mushrooms that have the effect of increasing cognitive function are often considered "nootropics", which is a term used to describe drugs, supplements, and other substances that are claimed to improve cognitive function.

Functional mushrooms are often considered a subset of the broader category of "nutraceuticals", a term used to describe any product derived from food sources with extra health and physiological benefits, in addition to the basic nutritional value found in foods. Functional mushrooms should be differentiated from the common mushrooms readily found in grocery stores, which do not offer the same nutrient density and associated health benefits.

The category of functional mushrooms encompasses a range of different cultivars of mushrooms, but some of the most popular cultivars include: Reishi, Chaga, Cordyceps, Lion's Mane, and Turkey Tail, all of which are incorporated in Levitee Labs' products. See "*Monk-e Nutraceuticals - Summary of Products and Formulations*" for a discussion of each of these mushrooms and their benefits.

Functional mushrooms should also be differentiated from psilocybin mushrooms. Psilocybin mushrooms are the group of mushrooms that contain psilocybin, a naturally occurring psychoactive and hallucinogenic compound, and which are a controlled substance. Functional mushrooms do not have psychoactive or hallucinogenic characteristics, and Levitee Labs' products do not incorporate psilocybin mushrooms.

In the last several years, public awareness of the positive health effects of nutraceuticals generally, and functional mushrooms specifically, has been heightened by widely publicized reports of scientific findings supporting such claims.[4] However, there is still a dearth of rigorous studies examining the reputed health benefits of functional mushrooms and nutraceuticals. Therefore, although these ingredients have been used in traditional medicines for their medicinal-like properties, their benefits have not been extensively tested scientifically.

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[1] Wachtel-Galor S, Yuen J, Buswell JA, Benzie IFF. Chapter 9 Ganoderma lucidum (Lingzhi or Reishi): A Medicinal Mushroom. In: Benzie IFF, Wachtel-Galor S, editors. Herbal Medicine: Biomolecular and Clinical Aspects. 2nd edition. Boca Raton (FL): CRC Press; 2011.
[2] Mori K, Inatomi S, Ouchi K, Azumi Y and Tuchida T. Improving Effects of the Mushroom Yamabushitake (Hericium erinaceus) on Mild Cognitive Impairment: A Double-blind Placebo-controlled Clinical Trial. Phytotherapy Research 2009;23:367-372.
[3] Godfrey A, Saunders PR, Barlow K, Gilbert C, Gowan M, Smith F. Principles and Practices of Naturopathic Botanical Medicine. Volume 1: Botanical Medicine Monographs. Toronto (ON): CCNM Press; 2010.
[4] Giavasis, Ioannis. "Bioactive fungal polysaccharides as potential functional ingredients in food and nutraceuticals." Current opinion in biotechnology 26 (2014): 162-173; and Rahi, Deepak K., and Deepika Malik. "Diversity of mushrooms and their metabolites of nutraceutical and therapeutic significance." Journal of Mycology (2016).

The Levitee Labs Business

Levitee currently operates two lines of business. The first line, Monk-E, produces a line of mushroom-based nutraceutical supplements with a core focus on mushroom extracts. The second line of business, Sporeo, produces supplies for mushroom cultivation – specifically, sterilized spawn and substrates which are necessary for mushroom cultivation at various scales. The mushroom cultivation supplies business is operated under the brand “Sporeo”.

Monk-E has focused on sourcing high quality mushroom extracts and its products are currently in production through a third-party GMP certified co-packer. Sporeo branded spawn and substrate will be produced by the Corporation at its manufacturing facility in Port Coquitlam, BC. (the “**Sporeo Facility**”).

In addition to developing its own proprietary brands and products under the Monk-E and Sporeo lines, the Corporation plans to expand its portfolio of product offerings including through a disciplined M&A strategy focused on acquisitions in the nutraceuticals, dietary supplements, nootropics and integrated wellness spaces. Levitee Labs has identified and entered into preliminary letters of intent with several potential acquisition targets and is conducting due diligence to further evaluate the potential business synergies. Levitee intends to pursue these acquisitions following the Listing. See “*Growth Strategy*”.

Principal Products and Services

- Monk-E Nutraceuticals

Through Monk-E, Levitee Labs offers two mushroom blends designed to enhance general health and well-being: the Mind Blend and the Body Blend.

Developed in collaboration with industry experts Paul Kroeger (former president and current board member of the Vancouver Mycological Society) and Mendel Skulski (former president and now vice-president of the Vancouver Mycological Society), Monk-E’s blends are of high quality and have a high potency of key ingredients.

a. Key Ingredients and Inputs

Monk-E’s products contain the following functional mushrooms and related adaptogens, each with its own unique characteristics. The benefits described in the table below have not been evaluated by Health Canada or the FDA and this table is intended to be an informational summary of the health and medicinal benefits suggested by recent research and traditional experience.

Reishi 16:1 Extract	Reishi is nicknamed “the mushroom of immortality” for its immune boosting properties. Reishi is most often used to improve the quality of sleep, reduce stress, and to boost the immune system. There are two main bioactive constituents in reishi: antioxidants, said to be responsible for a protective and anti-cancer effect on cells; and prebiotic polysaccharides, which have been found to support immune activity by activating leukocytes (white blood cells).[5]
Lion’s Mane 8:1 Extract	Lion’s Mane has the reputation of primarily improving cognitive function, improving focus, and supporting brain health. Lion’s mane mushrooms are thought to contain

[5] Money NP. Are mushrooms medicinal?. Fungal biology. 2016 Apr 1;120(4):449-53.

	compounds which may stimulate the synthesis of nerve growth factor, a protein that some consider to be responsible for the growth and survival of brain cells. Research has also linked Lion's Mane to better cognitive performance in humans.[6] There have also been claims that lion's mane mushrooms may help protect brain cells from damage caused by Alzheimer's disease, but more human research is needed to confirm this.[7]
Cordyceps 10:1 Extract	Cordyceps are primarily used for their benefits of improving physical performance, fighting fatigue and lethargy, increasing energy and improving respiratory function. For these reasons, cordyceps mushrooms can often be found in natural pre-workout formulas. Cordyceps are thought to increase the body's production of the molecule adenosine triphosphate (ATP), which is essential for delivering energy to muscles.[8]
Chaga 8:1 Extract	Chaga are very high in antioxidants and are therefore used for their benefits in supporting the immune system and reducing inflammation.[9]
Turkey Tail 8:1 Extract	Turkey tail is another mushroom that is very high in antioxidants. Turkey tail is most often used to support the immune system, reduce inflammation and improve gut health and digestion.[10]
KSM-66 (Ashwagandha)	KSM-66 is a branded, full-spectrum ashwagandha extract produced by Ixoreal Biomed Inc. KSM-66 is known as the highest concentration full-spectrum ashwagandha extract on the market, due to Ixoreal's proprietary extraction process and its use only of the roots of the ashwagandha plant. Ashwagandha is primarily used to reduce stress and anxiety, increase energy, improve immune function and decrease inflammation.[11]
L-Theanine	L-theanine is an amino acid found primarily in green and black tea. L-theanine is used primarily to reduce anxiety and stress, assist with sleep, and improve mental alertness.[12]

[6] Stamets P. Lion's Mane: A Mushroom That Improves Your Memory and Mood?. Huffington Post, Aug. 2012.
[7] Kawagishi, Hirokazu, et al. "The Anti-Dementia effect of Lion's Mane mushroom (Hericium erinaceum) and its clinical application." Townsend Letter for Doctors and Patients, no. 249, 2004, p. 54.
[8] Miller RA. The Cordyceps sinensis medicinal mushroom. Nexus. 2009:23-8.
[9] Hirsch KR, Smith-Ryan AE, Roelofs EJ, Trexler ET, Mock MG. Cordyceps militaris Improves Tolerance to High-Intensity Exercise After Acute and Chronic Supplementation. J Diet Suppl. 2017;14(1):42-53. doi:10.1080/19390211.2016.1203386.
[10] Supra Note 1.
[11] Chandrasekhar K, Kapoor J, Anishetty S. A prospective, randomized double-blind, placebo-controlled study of safety and efficacy of a high-concentration full-spectrum extract of ashwagandha root in reducing stress and anxiety in adults. Indian J Psychol Med.2012;34(3):255-262; Mikolai J, Erlandsen A, Murison A, et al. In vivo effects of ashwagandha (Withania somnifera) extract on the activation of lymphocytes. J Altern Complement Med. 2009;15(4):423-430.
[12] Kimura K, Ozeki M, Juneja LR, Ohira H. L-Theanine reduces psychological and physiological stress responses. Biological psychology. 2007 Jan 1;74(1):39-45.

Guarana Seed Powder	Guarana is a plant native to the Amazon basin and its seeds are used to increase energy and mental alertness due to its naturally occurring caffeine content.[13]
Gingko Leaf Powder	Gingko contains high levels of flavonoids and terpenoids, which are compounds known for their strong antioxidant effects. Gingko is primarily used to support the immune system, reduce inflammation and improve circulation and heart health.[14]

<u>Nammex</u>

The mushroom extracts used in Monk-E's products are sourced from Nammex Inc. ("**Nammex**"), an experienced grower and extractor based in Roberts Creek, BC, pursuant to purchase orders on an as-needed basis. Nammex has significant inventories and production capacity and Levitee Labs expects Nammex will have sufficient supply to meet the demand for Monk-E's products going forward. Nammex operates a facility in Los Angeles, CA, and delivers its extracts directly to Monk-E's co-packer, NutraScience Labs. ("**NutraScience**"), which is based in Farmingdale, NY.

Nammex's extracts are derived from organic mushroom fruit bodies through a water and alcohol extraction process that results in a high concentration of terpenes and beta-glucans, the principal active compounds found in Reishi, Lion's Mane and Cordyceps. Nammex employs a panel of tests to ensure the high quality of its extracts: beta-glucans testing, triterpenoids testing through high performance liquid chromatography (HPLC), ergosterol testing, microbial testing, heavy metals analysis, pesticide testing, alpha-glucan testing, cordycepin content analysis (for cordyceps extracts only), and organoleptic evaluation.

b. Core Products

Monk-E core products are its Mind Blend and its Body Blend. Both are powders packaged into capsules for convenient and efficient consumption:

Mind Blend: a nootropic blend designed to increase mental alertness and cognitive function. Its principal ingredients include Lion's Mane extract, Chaga Extract, Ginkgo Leaf powder, L-theanine and Guarana Seed Powder.

Body Blend: a blend designed to enhance physical performance and positively influence overall physiological wellness. Its principal ingredients include Turkey Tail extract, Reishi extract, Cordyceps extract and KSM-66 Ashwagandha Root Extract.

Monk-E's blends were licensed by Health Canada on February 4, 2021 under Canada's *Natural Health Products Regulations* ("**NHPR**"). The Mind Blend is registered under Natural Product Number (NPN) 80107886 and the Body Blend is registered under NPN 80107881.

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[13] Schimpl FC, da Silva JF, de Carvalho Gonçalves JF, Mazzafera P. Guarana: revisiting a highly caffeinated plant from the Amazon. Journal of ethnopharmacology. 2013 Oct 28;150(1):14-31.
[14] Goh LM, Barlow PJ. Antioxidant capacity in Ginkgo biloba. Food Research International. 2002 Jan 1;35(9):815-20.

c. Production and Fulfillment

Monk-E's products are co-packed, warehoused and fulfilled by NutraScience, an NSF certified GMP ("**cGMP**") warehouse and distribution facility based in Farmingdale, New York, pursuant to a three-year fulfillment agreement (the "**Fulfillment Agreement**") with NutraScience, dated November 24, 2020. Through the co-packing process, NutraScience compounds the relevant powdered inputs, assembles the blend into capsules of 225 mg each, packs the capsules into matte glass bottles of 60 capsules each and labels the bottles with pre-printed labels. Monk-E's products are expected to have a shelf life of two (2) years.

<u>Testing</u>

As a cGMP facility, NutraScience employs rigorous quality assurance and quality control testing at every stage of the production process. On arrival at NutraScience's facility, the raw inputs used in Monk-E's products are quarantined and subsequently tested for identity, potency, microbiological compliance and heavy metal compliance. During production, the compounded products are tested again for identity, potency, microbiological compliance and heavy metal compliance and also subjected to testing for uniformity of mix and content uniformity. Once capsulated, the finished products are subjected to dissolution testing to ensure digestibility and stability testing to ensure shelf-life in various environmental scenarios.

<u>Fulfillment</u>

NutraScience has also been engaged to drive Monk-E's logistics and fulfillment, shipping all orders for Monk-E products, reporting tracking information and inventory counts to the Corporation after the close of each Business Day and invoicing the Corporation for shipping, pick/pack charges and storage on a monthly basis.

As of the date of this prospectus, the first production run of 4,000 units has been completed.

d. Sales and Distribution

<u>Sales</u>

Levitee Labs intends to sell its Monk-E products first in the United States and then in Canada. Within the United States, the Corporation's initial focus will be on the states of California, Arizona and Washington, as the Corporation has determined that those states have the highest proportion of residents with interest in functional mushrooms and mushroom supplements. Once sales in the United States have gained traction, the Corporation will target the Canadian market, as natural health products generally have been widely adopted by Canadian consumers, with an estimated 70% of Canadians consuming natural health products.[15]

Monk-E's sales will be directed through an omni-channel approach, initially focused on eCommerce. eCommerce sales will be driven organically through Monk-E's platform at www.monkenutra.com and sales through Amazon. www.monkenutra.com is powered by WooCommerce, a customizable eCommerce plug-in, which facilitates inventory management, payment processing and order fulfillment. Both sales platforms are ready to go live has and the eCommerce feature will be enabled once product is ready to ship.

After the initial launch, the Corporation also intends to pursue distribution arrangements for placement of Monk-E's products in North American grocery stores, health food stores and retail chains.

<u>Fulfillment</u>

[15] Natural Health Products Directorate: Baseline natural health products survey among consumers. 2005, Ipsos Reid; Health Canada.

Orders filled through www.monkenutra.com will be fulfilled by NutraScience and orders filled through Amazon will be fulfilled through Amazon through the Fulfilled by Amazon program ("**FBA**").

- <u>Sporeo</u>

Through Sporeo, Levitee Labs offers two agricultural products that target the emerging functional mushroom cultivation industry. At the Sporeo Facility, located in Coquitlam, BC, Sporeo produces two principal products: a mushroom spawn and a mushroom substrate.

a. Core Products

<u>Spawn</u>

Mushroom spawn is any substance that has been inoculated with mycelium, the vegetative growth of a mushroom. Spawn is used to transfer mycelium onto a material (from which mushrooms will grow) called a substrate.

Sporeo's spawn is composed of rye berries (grain) that have been inoculated with sterile mycelium cultures. Rye berry has long been a preferred spawn medium due to its high moisture holding capacity and its usability with a wide variety of mushroom species.

Sporeo's spawn will be offered in two formats: (i) pre-inoculated with functional mushroom culture; and (ii) blank spawn, which can be inoculated by the consumer. Sporeo has collected a library of liquid cultures with which it will pre-inoculate spawn, including lion's mane, blue oyster, golden oyster, maitake, turkey tail, reishi and morel. The Corporation intends to maintain working inventories of pre-inoculated spawn, but larger orders of more than 50 bags will need to be inoculated upon order.

<u>Substrate</u>

Mushroom substrate is any substance on which mycelium will grow. A variety of media can be used as substrate, including logs, straw, cardboard, saw dust or compost. Sporeo's substrate is a mix of pasteurized compost, which will provide an optimal combination of nutrients, moisture and energy for mushroom cultivation and has been designed for use with Sporeo's grain spawn. The Corporation also intends to introduce a variety of fruit body growth factors into its substrate, including bone meal, seaweed mulch and hay. These growth factors have been shown to improve mushroom quality and yield and act in a buffering capacity.

b. Inputs and Packaging

<u>Rye Berries</u>

The rye berries used for Sporeo's spawn are sourced from Chin Ridge Seeds Inc. ("**Chin Ridge**"), a seed retailer based in Roseriau, AB, on an as-needed basis. The Corporation expects Chin Ridge will continue to have sufficient supply on hand, as demand for the Corporation's products increases, but has identified a number of alternative suppliers on which it could rely in the event of a disruption in supply from Chin Ridge.

Compost

The compost mix used in Sporeo's substrate is a pasteurized cow manure blend sourced from Valid Manufacturing Ltd. ("**Valid**"), located in Abbotsford, BC, on an as needed basis. Although other sources for pasteurized cow manure are readily available in the Fraser Valley, BC, and the Corporation can use other product mixtures to create substrate, the Corporation anticipates that Valid will have sufficient supply on hand as demand for the Corporation's products increases.

Packaging

Sporeo's spawn and substrate products are packaged in 5 lb polypropylene bags outfitted with self-sealing injection ports and 0.2 micron filters to create optimal humidity and gas exchange conditions for mycelial growth. Sporeo's bags are procured from Satrise Industry Co. ("**Satrise**"), a firm based in Zhengzhou City, China, focused on the edible fungi industry. To date, the Corporation has taken delivery of 10,000 bags at its Sporeo Facility. Although the Corporation expects to be able to rely on Satrise for its next production runs, other potential suppliers have been identified in the event Satrise can not meet the Corporation's demand for bags.

Production

Spawn

Levitee Labs's spawn is processed through the following four (4) principal steps:

Stage 1	The spawn is soaked for 24 hours to allow bacteria growth to germinate and bloom.
Stage 2	The spawn is transferred to a steam jacketed kettle and cooked to optimize moisture content and to eliminate bacteria.
Stage 3	The spawn is transferred via conveyor belt into a bagging machine which fills each polypropylene bag.
Stage 4	The bags are heat sealed and transferred to an autoclave for five (5) hours to eliminate remaining bacteria.

Substrate

Levitee Labs's spawn is processed through the following three (3) principal steps:

Stage 1	The substrate is transferred via conveyor belt into a bagging machine which fills each polypropylene bag.
Stage 2	Water is added to the substrate inside the bag to ensure a specific moisture content.
Stage 3	The bags are heat sealed and transferred to an autoclave for five (5) hours to eliminate bacteria.

The Sporeo products will be produced and fulfilled in-house from the Corporation's Sporeo Facility, a 4,226 sqft warehouse facility located in Port Coquitlam, BC. As of the date of this prospectus, Levitee Labs has invested approximately $489,200 towards the purchase and installation of production equipment and leasehold improvements at the Sporeo Facility. In this regard, Sporeo has installed the following at the Sporeo Facility:

(i) a 350-gallon steam jacketed kettle, used to cook spawn;

(ii) a 50HP hurst boiler, used to produce steam for the steam jacketed kettle and the autoclave;

(iii) a 300-gallon electric stainless steel kettle, used to cook spawn;

(iv) a bag filling machine for spawn;

(v) a bag filling machine for substrate;

(vi) a conveyor belt with a 1,000 bag / hour capacity;

(vii) two (2) bag sealing machines;

(viii) a 96” diameter carbon steel Hodge autoclave sterilizer;

(ix) a 400-gallon air receiver and compressor, used for atmospheric pressure stabilization within the autoclave;

(x) a COR pump, used for moving product between stages of production;

(xi) a 100-gallon condensate tank and pump, used to remove water build up from the autoclave;

(xii) a system of steam temperature control valves and pressure safety valves for various machinery; and

(xiii) clean condensate skid packages to minimize environmental impact.

As of the date hereof, this machinery has been tested, optimized and calibrated and the Sporeo Facility recently commenced production. Levitee expects that the initial configuration of the Sporeo Facility will allow the Corporation to reach produce up to 100,000 bags (5 lbs each) of spawn and substrate per month, based on seven (7) shifts of ten (10) hours each per week. Based on the Corporation’s projections, capacity at the Sporeo Facility will need to be increased in late 2022. If increased capacity is required, the Corporation will add an additional shift or install additional equipment at the Sporeo Facility.

On February 8, 2021, Levitee Labs engaged RDConsulting and EMB Management, two Vancouver-based engineering firms, for facility design, industrial engineering and commissioning of the Sporeo Facility. The Sporeo Facility has been staffed with a general manager, two (2) plant managers and a logistics coordinator. The Corporation plans to engage a further five (6) full-time general labourers and a team of part-time supplemental labourers once production is fully underway.

c. Sales and Distribution

Levitee Labs intends to sell its Sporeo products in North America, initially focusing sales on provinces and states with populations in excess of three (3) million, including British Columbia, Ontario, California, Oregon, Texas, Florida and New York. Sales will be facilitated through (i) Sporeo’s eCommerce platform at www.sporeogrow.com (ii) FBA (Fulfilled by Amazon) and (iii) the Corporation’s distribution and strategic alliance with My Green Planet Wholesale Ltd. (“**Green Planet**”). Like the www.monkenutra.com platform, www.sporeogrow.com is powered by WooCommerce, a customizable eCommerce plug-in, which facilitates inventory management, payment processing and order fulfillment.

Green Planet Agreement

Levitee Labs is party to a three-year distribution and strategic alliance agreement (the “**Green Planet Agreement**”), dated December 29, 2020, with Green Planet, a British Columbia-based wholesale distributor of indoor gardening, hydroponic and hobby greenhouse products. Green Planet’s principal retail relationship is with Pacific Northwest Garden Supply and it also operates a direct-to-consumer e-commerce platform at www.mygreenplanet.com.

Pursuant to the Green Planet Agreement, Green Planet will serve as Sporeo's exclusive distributor in all countries other than China (the "**Excluded Territory**) and Green Planet will purchase a minimum of 75,000 bags of Spawn and/or Substrate (in the aggregate) per month at wholesale pricing specified in the agreement. Notwithstanding this exclusivity, Levitee Labs may sell its Sporeo products directly to customers. Green Planet may also engage sub-distributors and resellers where appropriate to sell products purchased under the agreement. The Green Planet Agreement has an initial term of three (3) years and will automatically renew for successive twelve (12) month terms unless terminated by either party on thirty (30) days' notice. Either party may terminate the agreement on written notice to the other party if the non-terminating party

Pursuant to the Green Planet Agreement, Levitee Labs and Green Planet have also agreed to cooperate with each other to identify, develop, and exploit new business opportunities in the mushroom cultivation equipment industry. Specifically, in respect of Sporeo's products, Green Planet has agreed to support Sporeo's marketing events and facilities where appropriate by providing suitable speakers, presentations, products and services. The Green Planet Agreement also obligates the parties to work together to introduce ancillary products to the market together, including casings and mushroom grow kits.

- Growth Strategy

The Corporation's strategy is to become an integrated health and wellness company, deriving revenues across an e-commerce value chain. To accomplish this objective, the Corporation intends to (i) launch its Monk-E products in the United States and Canada; (ii) launch its Sporeo products in the United States and Canada; (iii) expand its marketing program; (iv) diversify its portfolio of assets; (v) expand and optimize its operations; (vi) establish five (5) distribution agreements for the Corporation's products in retail locations; and (vii) launch three new supplement products under the Monk-E brand. See "Funds Available and Use of Available Funds".

Levitee Labs is looking to accelerate its growth by acquisition. Acquisitions will initially primarily be focused on nutraceutical and dietary supplement brands, with the subsequent goal of expanding the scope of acquisitions to include medical clinics and other assets with a focus on mental health treatment through natural means. Levitee Labs expects that it will value acquisition targets primarily based on multiples of key financial metrics and performance indicators. The actual multiples used will vary depending on industry, location, and other variables.

Although the Corporation intends to implement its growth strategy, the strategy actually carried out by Levitee Labs could vary significantly depending on market interest, regulatory changes, unforeseen events and the Corporation's future operating and capital needs from time to time. There may be circumstances where, for sound business reasons, a different growth strategy could be necessary or advisable. See "*Forward Looking Statements*" and "*Risk Factors*".

To date, Levitee Labs has identified four (4) potential targets and entered into non-binding letters of intent ("**LOIs**") with respect to their potential acquisition. Given the significant competition for assets in the functional mushrooms space, each LOI binds the potential target under a standstill provision to minimize the risk of it being acquired by a company other than Levitee Labs. Completion of each acquisition is subject to entry into of definitive documentation, exchange approval, if required, completion of satisfactory due diligence and other required conditions. To date, Levitee Labs has entered into LOIs with the following potential targets:

*a. Earth Circle Organics ("**Earth Circle**")*

Industry:	Nutritional supplements and superfoods
Principal Product:	182 nutritional supplement and superfood SKU's, including coconut oil, spirulina and coconut water powder

Expected Benefits:	Expanded product portfolio of complementary natural health products
Sales Channel:	Online direct to consumer and wholesale to business
Proposed Financial Terms of Acquisition:	Acquisition of 100% of Earth Circle for US$2,125,000, payable in cash, common shares or a combination of cash and common shares, plus certain post-closing performance-based milestones
Other Notable Terms:	Levitee paid a non-refundable deposit of US$125,000

b. BODIEPhytoceuticals Ltd.("**BODIE**")

Industry:	Consumer packaged goods (CPG) tea company
Principal Product:	Functional mushroom-based teas and hot tonic drinks, including matcha, golden milk and chocolate
Expected Benefits:	Expanded product portfolio of complementary natural health products
Sales Channel:	When sales commence, products will be sold online, in retail and wholesale
Proposed Financial Terms of Acquisition:	Acquisition of BODIE for a purchase price based on 4x to 6x cash flow. *On April 9, 2021, the Corporation acquired a 15% equity stake in BODIE (the "**BODIE Investment**") in exchange for 120,000 Common Shares at a deemed issue price of $0.25 per share. Through the partnership formed through the BODIE Investment, the Corporation hopes to cross-sell BODIE's products with the Monk-E product line.
Other Notable Terms:	Acquisition is to be completed only if BODIE achieves over $1,000,000 in revenues and at Levitee Labs' sole discretion.

c. 1253135 BC Ltd.

Industry:	Research and development in the area of psychedelic medicine
Principal Product:	1253135 BC Ltd. ("**1253135**") has applied for a dealer's license (the "**License**") under the Controlled Drugs and Substances Act (the "**CDSA**") from Health Canada. The License will authorize, among other things, the possession, production, packaging, sale, transport and import of various substances including psilocybin and ketamine. If granted the CDSA license by Health Canada, any further activities conducted by the 1253135 will be aligned with CDSA regulatory requirements and guidelines.
Expected Benefit:	Research and development of new products in the area of psychedelic medicine
Sales Channel:	To be determined
Proposed Financial Terms of Acquisition:	Acquisition of 100% of 1253135 for $200,000 in cash, $650,000 in common shares and 200,000 common share purchase options of the Corporation

Other Notable Terms:	The acquisition would be conditional on receipt of the License.

d. <u>ACT Medical Inc.</u>

Industry:	Medical clinics and pharmacies
Principal Product:	ACT operates 6 clinics and 3 pharmacies, which offer addiction and pain management medical services as well as drug dispensing.
Expected Benefits:	ACT Medical could bring over 20,000 yearly patients to the Levitee platform
Sales Channel:	Alberta, Canada
Proposed Financial Terms of Acquisition:	Acquisition of 100% of ACT Medical for $5,900,000, 65% of which will be payable in cash, and 35% of which will be payable in common shares
Other Notable Terms:	Levitee paid a non-refundable deposit of $50,000

There is no guarantee that all or any of these potential acquisitions will close. Although Levitee is working toward the completion of these proposed acquisitions, due diligence has not been completed and definitive agreements have not been entered into. The proposed terms of the acquisitions are non-binding and there is no guarantee that an acquisition, if completed, will be completed on the terms proposed and outlined above.

Industry Overview

A. <u>Nutraceuticals</u>

Nutraceuticals is a term used to describe the category of products derived from food sources with extra health and physiological benefits, in addition to the basic nutritional value found in foods. The nutraceuticals market is segmented into functional foods, functional beverages and dietary supplements, which include functional mushrooms. A 2019 Industry Research report estimated that the global nutraceuticals market is predicted to reach US$671 billion by 2024, reflecting a CAGR of 7.5% between 2019 and 2024[16]. The growing demand for functional foods and beverages is expected to create new opportunities for the nutraceuticals market growth during that period. In recent years there has been a surge in product development and innovation activities, as well as rising availability of nutraceutical products, which has contributed and is expected to continue to contribute to this growth in the market.

Globally, nutraceuticals are gaining importance and are becoming a part of the consumer's daily diet. The major reasons for this change have been the increasing prevalence of lifestyle diseases and people consciously taking preventive healthcare measures. Developed markets, like the United States and Europe, are discovering the untapped segment of customized products based on health claims.

The global nutraceuticals industry has been witnessing key developments in terms of product innovation and portfolio expansion over the past few years. Companies, both private and publicly-traded, have been proactive in initiating strategies to gain a competitive advantage in the nutraceuticals industry. See "*Competitive Conditions*".

[16] Industry Research, "Nutraceuticals Market - Growth, Trends, and Forecast (2019-2024)" https://www.industryresearch.co/nutraceuticals-market-14244787.

B. Functional Mushrooms

Functional mushrooms are a fast-growing market subset of Nutraceuticals. Functional mushrooms are mushrooms that have functional benefits. This means that beyond nutritional value, these mushrooms have been clinically found to support health and wellbeing. Each individual functional mushrooms serves a specific health benefit. However, since all functional mushrooms contain polyphenols, polysaccharides, beta-glucans, and antioxidants, all functional mushrooms work to support your immunity and energy levels through these compounds.

A report from Data Bridge Market Research estimates that the functional mushroom market will grow at a 7.2% compound annual growth rate ("**CAGR**") between 2021 and 2028, reaching US$ 556 billion by 2028[17].

Demand for functional mushroom products has increased as awareness of the health and nutritional benefits these products provide has grown. The rise in use of functional mushrooms in healthcare and pharmaceutical products and their extensive use in health supplements has also increased widespread consumer adoption. A surge in research and development activities surrounding functional mushrooms, plus technological advancement and innovations surrounding these ingredients, extend profitable opportunities to functional mushroom market players.

C. Nootropics

Nootropics are drugs, supplements, and other substances that are claimed to improve cognitive function, particularly executive functions, memory, creativity, or motivation, in healthy individuals. Certain mushroom-based supplements – particularly those containing mushroom cultivars that are known to improve cognitive function or focus, such as Lion's mane – may be considered nootropics.

The global nootropics market size was valued at US$2.2 billion in 2018 and is expected to grow at a CAGR of 12.5% between 2019 and 2025.[18] An increasing demand for brain boosters and "smart drugs" is anticipated to drive the growth. A growing number of students and professionals consume these products for their ability to improve focus and memory.[19] Continued product development using both synthetic and natural raw materials is projected to further fuel the demand.[20]

Specialized Skill and Knowledge

The Corporation and its operations depend on key management as well as experienced and capable personnel to attract and motivate the personnel. In this, the Corporation is dependent upon the continued services of its key executives and other key personnel in the areas of mycology and biology, supply chain and procurement, e-commerce and digital marketing.

Levitee Labs' team members have scaled e-commerce and product-based businesses in the past. The individuals below will be leading the overall direction of the Corporation with regards to the addition of new products, social media, influencers, digital marketing expansion and supply chain review and optimization. In addition to these team members, Levitee Labs also plans to bring on e-commerce experts to optimize and advise on the growth of the Corporation.

Leadership

[17] *Data Bridge Market Research "Global Functional Mushroom Market – Industry Trends and Forecast to 2028"*

[18] Grand View Research, "*Nootropics Market Size, Share & Trends Analysis Report By Application (Memory Enhancement, Mood & Depression, Attention & Focus, Anxiety), By Distribution Channel, And Segment Forecasts, 2019 – 2025*" (September 2019).

[19] *Ibid.*

[20] *Ibid.*

Pouya Farmand Chief Executive Officer and Director	Pouya Farmand is an experienced financier and entrepreneur with over ten years' experience in capital markets and entrepreneurship. Mr. Farmand has been involved with more than 30 transactions in the venture space in both private and public companies Mr. Farmand is a co-founder and General Partner of Darkhorse Partners, a Vancouver based private merchant bank.
Kelly Abbott Chief Operations Officer and Director	Kelly Abbott has over 10 years of experience as an entrepreneur in various industries including logistics, supply chain, hospitality and software development. Mr. Abbott was the founder and CEO of ParcelPal Technology, a last-mile, on-demand delivery platform that he scaled from inception to a company with hundreds of employees at its peak. Mr. Abbott has consulted for various industries including nutraceuticals, grocery retailers and large-scale enterprises in emerging markets. Mr. Abbott currently serves as a director of several private and public companies in the health and technology spaces.
Mason Darabi, CPA Chief Financial Officer	Mason Darabi is a CPA with a long history of working in various accounting roles in Canadian accounting firms and companies, including MNP, Imperial Oil, RSM Canada and PwC. In his most recent role, he led the AgData Division at MNP from an idea to a thriving initiative at the national level.
Mackenzie Osborne, CFA Director and Head of M&A	Mackenzie Osborne is a capital markets professional and entrepreneur with diverse experience across investment banking, venture capital and mergers & acquisitions. While in banking, Mr. Osborne was part of over 20 financings primarily across technology and cannabis. He has also managed many acquisitions of companies in several industries including ag-tech, telecoms and cyber-security. Mr. Osborne is a co-founder and General Partner of Darkhorse Partners, a Vancouver based private merchant bank.
Marc Momeni Executive Vice President	Marc Momeni is an experienced entrepreneur and growth strategist with proficiency in building and managing teams focusing on sales and operations within the fintech and commercial mortgage industries. Mr. Momeni has developed sales SOPs and lead management principles for various public and private companies.
Justin Chorbajian Director	Justin Chorbajian co-owns one of the largest chain of hydroponics retail shops in Canada. He also co-founded a group of companies that manufacture and distribute hydroponic equipment. Mr. Chorbajian is a frequent contributor to Growing Exposed, the leading video series dedicated to cannabis cultivation. Mr. Chorbajian specializes in supply chain management, distribution networking and procurement.
Yarrow Willard Director	Yarrow Willard (aka Herbal Jedi) is a second-generation Clinical/Master Herbalist, educator and innovator in the Canadian health-food industry. Professionally, he is an international speaker, co-founder/formulator of the Harmonic Arts Botanical

Dispensary and the director of the Wild Rose College of Natural Healing. Mr. Willard has spent his life dedicated to the art and science of herbal medicine, with a focus on reclaiming health and deepening connection to the natural world.

Competitive Conditions

The number of competitors and the degree of competition within the North American health and wellness industry varies greatly by product segment and region. In the nutraceutical space, the market is highly fragmented, with many companies owning small market share. In the functional mushrooms space, our competitors offer products such as mushroom extracts, powders, teas and other wellness products. Some of the Corporation's competitors include:

<u>Laird Superfood, Inc.:</u> Laird Superfoods is a US company that manufactures and markets plant-based natural and functional food in the United States. The company offers its products through retail channels, its own website, as well as third-party online channels.

<u>Four Sigmatic</u>: Four Sigmatic is a US company specialized in superfoods, functional mushrooms and adaptogenic herbs.

<u>Mud Water</u>: MUD\WTR™ is a coffee alternative consisting of natural ingredients, including mushrooms, which is marketed for its health and performance benefits, including supporting energy levels and focus.

<u>Purica:</u> Purica is a Canadian wellness company which sells products designed to address arthritis, pain relief, post-surgical recovery, cardiovascular health, stress relief, immune support, digestive support, including some mushroom-based products.

<u>Midwest Grow Kits & Midwest Organics</u>: One of the largest USA suppliers of bulk mushroom substrate & automated mushroom cultivation kits for use in biological study, research, and various applications

<u>Mycohaus</u>: Mycohaus is an online retailer of mushroom growing products on eBay, Amazon, and their own platform

<u>Myco Supply</u>: Myco Supply is a wholesale and retail distributor of mushroom cultivation supplies, equipment, and products.

Levitee Labs intends to differentiate itself among these competitors through the high quality and potency of its products. Levitee Labs's Monk-E products are derived from organic, sustainably-sourced, high potency fruit body extracts with high levels of beta-glucans, polysaccharides and terpenes and are thoughtfully complemented by high potency adaptogens . Moreover, Monk-E's products co-packed by a supplier that exceeds legal testing and quality assurance standards, ensuring its products are clean and of high quality.

Likewise, Levitee Labs's Sporeo spawn and substrate offerings will be of high quality and will contain buffers and fruit body growth factors to optimize mushroom growth. Moreover, through the Green Planet agreement, Levitee Labs has a guaranteed buyer for up to 75,000 bags of spawn and/or substrate per month.

Marketing

Levitee Labs plans to implement a cross-channel marketing program using, among other things, influencer marketing, user-generated content, video content creation, search engine optimization, display advertising, social media advertising and extensive remarketing programs. The marketing program will be implemented in four phases, each in a calendar quarter of 2021. The phase 1 marketing campaign has been completed.

<u>Phase 1 – Q1 2021 - Complete</u>

The pre-launch marketing campaign was centered around (i) SEO-optimized press releases, (ii) key messaging and press releases that establishes Levitee Labs, Monk-E and Sporeo brand recognition, (iii) active operation of social media (Instagram, Facebook, Twitter and LinkedIn) to communicate directly to both potential and existing audiences to raise brand and product awareness, and (iv) preparation of an influencer deck and other marketing collateral.

Phase 2 – Q3 2021

The launch marketing campaign will coincide with launch of sales and distribution and will consist of (i) a rebranding and website overhaul by Arounda Agency, a Ukraine based digital product design agency, (ii) influencer engagements, whereby influencers will be given either promotional product or paid fees to endorse and advertise through their personal media channels (*these engagements are currently being finalized), (iii) sponsored video content creation, including by influencers and through culture stories and storytelling by Levitee Labs advisors (*these engagements are currently being finalized), (iv) thought leadership by the Corporation's executive team, (v) user-generated content (UGC) created organically and through UGC Shop, a Toronto-based agency that delivers paid, high-quality, targeted UGC to boost social proof and conversions, (vi) targeted advertising campaigns and direct sales links, (vii) a Google Ads program to enhance advertising and remarketing campaigns, (viii) media coverage through product pitches (*these engagements are currently being finalized), (ix) search engine optimization through Arounda Agency and (x) leveraging the Corporation's relationships with Justin Chorbajian and Yarrow Willard to create and disseminate content for their large, relevant social media followings.

All service providers required for the Phase 2 marketing campaign have been engaged, except for (i) the influencers required for the Corporation's influencer engagements, (ii) the providers of sponsored video creation and (iii) media channels

Phases 3 and 4 – Q4 2021 and Q1 2022

The Phase 3 and 4 marketing programs will consist of the Phase 2 marketing program, augmented with (i) further content creation, including through Levitee Labs Youtube and TikTok channels, (ii) in-person brand awareness events with influencers, including meditations and mushroom foraging experiences, and (iii) further thought leadership.

Intangibles and Intellectual Property

Protection of intellectual property is important to the success of Levitee Labs' business. The Corporation has taken the following measures to protect its intellectual property.

A. Domains

Levitee Labs owns the domains www.monkenutra.com and www.sporeogrow.com, www.leviteelabs.com through which it will operate its e-commerce websites. The Corporation also owns the following supplementary domain names:

Levitee Labs also owns the following supplementary domains:

leviteepharmacies.com	leviteehealth.com	leviteenutraceuticals.com
sporeomushrooms.com	sporeosupplies.com	leviteelabsclinics.com
leviteeclinics.com	leviteelabspharma.com	leviteelabshealth.com
leviteelabsdigitalhealth.com	leviteelabsinc.com	leviteelabsnutraceuticals.com
leviteedigitalhealth.com	leviteelabsclinics.ca	sporeosupplies.ca

sporeomushrooms.ca	leviteenutraceuticals.ca	leviteehealth.ca
leviteedigitalhealth.ca	leviteelabs.ca	leviteepharmacies.ca
sporeogrowkits.ca	leviteelabsdigitalhealth.ca	sporeogrow.ca
sporeo.ca	monkenutraceuticals.ca	monkenutra.ca

Levitee Labs may acquire additional domains as it expands its business lines and operations.

B. Trademarks

The Corporation has filed the following trademark applications:

Jurisdiction	Trademark	Application Number	Filing Date	Status
Canada	sporeo	2045986	August 14, 2020 and amended on February 2, 2020	Submitted and Pending
Canada	MONKE NUTRACEUTICALS	2045987	August 14, 2020 and amended on February 2, 2020	Submitted and Pending
Canada	Levitee Labs	2084995	February 16, 2021	Submitted and Pending
Canada	LEVITEE LABS	2084997	February 16, 2021	Submitted and Pending
Canada	Levitee Clinics	2085938	February 18, 2021	Submitted and Pending
United States	MONKE NUTRACEUTICALS	90272240	October 26, 2020	Submitted and Pending

C. Patents

The Corporation currently does not have any patents registered or in progress.

D. Other Intellectual Property

The Corporation also intends to leverage its proprietary product formulations, trade-secrets, know-how and manufacturing processes. The Corporation relies on a combination of contractual restrictions contained in its personnel's employment and consulting agreements and confidentiality restrictions in its agreements with third-parties to protect its intellectual property rights and ensure all intellectual property and inventions that is relevant to the Corporation's business is owned by the Corporation.

Cycles

The Corporation's results are expected to be subject to fluctuations associated with impact on consumer demand during holidays and seasonal changes in weather. The Corporation may also experience seasonality in sales due to market trends. Although there can be no guarantee such interest will continue, trends suggest that the markets serviced by the Corporation are growing at a consistent and fast pace.

Employees

As of the date of this prospectus, the Corporation has 14 personnel, composed of (i) seven (7) full-time employees and (ii) seven (7) consultants who assist the Corporation on a regular basis.

Foreign Operations

The Corporation plans to launch sales of its products across Canada and the United States, focusing initially on the United States market. The Corporation does not have foreign operations but its products are produced, through agreements with third parties, in Farmingdale, New York and the Corporation is developing other third-party logistics relationships in New York, and Arizona.

Regulatory Environment

The Corporation is focused on developing and commercializing plant-based health and wellness products. In order to develop such products, the Corporation's business and processes must be conducted in strict compliance with the regulations of federal, provincial, state, local and regulatory agencies locally and internationally, in the jurisdictions in which the Corporation operates. The legal requirements for Levitee Labs' products include but are not limited to: (i) the formulation, manufacturing, packaging, labeling, distribution, sale, and storage of the products; (ii) product safety and quality control; (iii) record-keeping; (iv) governmental reporting; and (v) product claims and advertising. Levitee Labs' products cannot be sold in Canada without government approval, natural health product licences and site licences. See "*Risk Factors*".

Levitee Labs does not have any direct or indirect involvement with the illegal selling, production or distribution of any psychedelic substances in the jurisdictions in which it operates. The Corporation is a health and wellness product company and does not advocate for the legalization of any psychedelic substances and does not deal with psychedelic substances. The Corporation's products will not be commercialized in any given jurisdiction prior to applicable regulatory approval in that jurisdiction, which may only be granted if evidence of safety and efficacy for the intended uses is successfully developed.

A. Canada

In Canada, mushroom products generally fall under two categories: (i) mushroom products that are considered food; and (ii) mushroom products that are considered "Natural Health Products" ("**NHPs**"). Levitee Labs intends for its Monk-E products to be defined as NHPs.

NHPs are regulated by Health Canada under the *Natural and Non-Prescription Health Products Directorate* issued pursuant to the NHPR and the *Food and Drugs Act* (Canada). NHPs are defined in the NHPR as a substance set out in Schedule 1 to the NHPR or a combination of substances in which all the medicinal ingredients are substances set out in Schedule 1 to the NHPR, a homeopathic medicine or a traditional medicine, that is manufactured, sold or represented for use in: (i) (a) the diagnosis, treatment, mitigation or prevention of a disease, disorder or abnormal physical state or its symptoms in humans; (ii) restoring or correcting organic functions in humans; or (iii) modifying organic functions in humans, such as modifying those functions in a manner that maintains or promotes health. Schedule 1 to the NHPR includes plant based materials, extracts of plant-based materials, certain vitamins, amino acids, essential fatty acids, minerals, and probiotics. Schedule 2 to the NHPR includes salts and derivatives of opium, methylphenidate, and barbiturates. NHPs do not include substances set out in Schedule 2 to the NHPR, any combination of substances that includes a substance set out in Schedule 2 to the NHPR or a homeopathic medicine or a traditional medicine that is or includes a substance set out in Schedule 2 to the NHPR.

Health Canada defines NHPs as naturally occurring substances used to restore or maintain good health and are found in a variety of forms including powders, tablets, solutions, creams, and ointments. In order to be considered an NHP, the product must have a specific health claim. Products with a licence have been assessed by Health Canada and found to be safe, effective and of high quality under their recommended conditions of use.

All NHPs are required to have an eight-digit Natural Product Number ("**NPN**") which is a licence issued by Health Canada that must appear on each product's label before they can be sold in Canada. Levitee Labs received the NPNs for each of its initial two Monk-E blends in February 2021. Monk-E's products will not require registration under the equivalent of an NPN, given that Monk-E's products will be sold in the United States as a dietary supplement and, therefore, not require FDA approval. Notwithstanding, Monk-E's product labeling products complies with FDA dietary supplement requirements, in that it contains the following (i) a statement of identity (name of the dietary supplement), (ii) a net quantity of contents statement (amount of the dietary supplement), (iii) nutrition labeling, (iv) an ingredient list and (v) the name and location of business of Monk-E's co-packer.

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

The *Food and Drugs Act* (Canada) (the "**Food and Drugs Act**") regulates food and drugs in Canada and provides requirements on composition (including without limitation food additives, fortification, and food standards), packaging, and licensing requirements. The Corporation is not required to obtain any pre-approvals and/or licenses for its products under the Food and Drugs Act, but must ensure that the labelling, marketing and selling of any of its products comply with the Food and Drugs Act, including by ensuring that the Corporation's products are not packaged or marketed in a manner that is misleading or deceptive to a consumer.

In addition to regulatory requirements related to the production, distribution, and sale of products containing functional mushrooms, on expansion into the psychedelics industry, Levitee Labs would be subject to additional regulatory oversight. Specifically, in Canada, Health Canada regulates all aspects of research, development, testing, manufacture, packaging, storage, distribution, marketing, import and export of all pharmaceutical products, including psychedelics. Research in psychedelics for the development of drug products would require licensing for the handling of such products, as well as controlled research and testing, as well as government review and approval of the experimental results prior to giving any approvals to sell drug products. The process for such approvals typically consists of non-clinical studies, including toxicology studies, conducted in accordance with applicable laws, the submission to Health Canada of a clinical trial application, the performance and completion of human clinical trials in accordance with Canadian laws, inclusive of protocol and research ethics board approval, the submission to Health Canada of a new drug submission, an inspection of the manufacturing facility or facilities where the product is conducted, and Health Canada review and approval of the new drug submission and issuance of a drug identification number prior to any commercial marketing, sale, or shipment of the drug. Ultimately for a drug 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. Clinical trials may take years to complete and there can be no assurance that the data collected will support approval or licensing of the product. Results from one trial are not necessarily predictive of results from later trials. As such, assuming the entry of Levitee Labs in the psychedelic research and development space, the Corporation may invest significant capital in the research and development of pharmaceutical products, as well as testing, without a guarantee of the ability to ultimately market or commercialize the product.

B. United States

Levitee Labs will be selling its Monk-E products as a dietary supplement product in the United States. The formulation, manufacturing, packaging, holding, labeling, promotion, advertising, importation, distribution and sale of Levitee Labs' Monk-E products will be subject to regulation by various governmental authorities, including the FDA and other federal governmental agencies. Levitee Labs' products may also be regulated by the governments of states and local jurisdictions in which its products are marketed, distributed, and sold.

The United States Food and Drug Administration ("**FDA**") regulates the formulation, manufacturing, preparation, packaging, labeling, holding, and distribution of foods, drugs and dietary supplements under the *Dietary Supplement Health and Education Act of 1994* ("**DSHEA**"). "Dietary supplements" are defined as vitamins, minerals, herbs, other botanicals, amino acids and other dietary substances for human use to supplement the diet, as well as concentrates, metabolites, constituents, extracts or combinations of such dietary ingredients.

Under the DSHEA, dietary supplement labeling may display "statements of nutritional support." Such statements must be submitted to the FDA within 30 days of first use in marketing and must be accompanied by a label disclosure that "This statement has not been evaluated by the Food and Drug Administration. This product is not intended to diagnose, treat, cure, or prevent any disease." Such statements may describe how a particular dietary ingredient affects the structure, function or general well-being of the body, or the mechanism of action by which a dietary ingredient may affect body structure, function or well-being, but may not expressly or implicitly represent that a dietary supplement will diagnose, cure, mitigate, treat, or prevent a disease. Any statement of nutritional support Levitee Labs makes in labeling must possess scientific evidence substantiating that the statement is truthful and not misleading. If the FDA were to determine that a particular statement of nutritional support was an unacceptable drug claim or an unauthorized version of a health claim about disease risk reduction for a food product, or if the FDA were to determine that a particular claim was not adequately supported by existing scientific data or was false or misleading, Levitee Labs would be prevented from using that claim. In addition, the FDA deems promotional and internet materials as labeling; therefore, Levitee Labs' promotional and internet materials must comply with FDA requirements and could be the subject of regulatory action by the FDA if that agency or other governmental authorities, reviewing the materials as advertising, considers the materials false and misleading.

Among other obligations, the FDA also requires Levitee Labs and its contract manufacturers to meet relevant current good manufacturing practice regulations ("**cGMP**") that govern the manufacturing, packing and holding of dietary ingredients and dietary supplements. cGMP regulations require dietary supplements to be prepared, packaged and held in compliance with strict rules, and require quality control provisions similar to those in the cGMP regulations for drugs. As is common practice in the industry, Levitee Labs relies on its third-party contract manufacturers – particularly, NutraScience – to ensure that the products they manufacture and sell on behalf of Levitee Labs comply with all applicable regulatory requirements. Levitee Labs relies on representations and warranties in its agreements with these contract manufacturers confirming such compliance, but such agreements may not be sufficient to address any findings of noncompliance, liabilities, damages, costs or expenses alleged or incurred from such noncompliance.

Some of the products marketed by Levitee Labs may be considered conventional foods and must be labeled as such. The FDA is responsible for assuring that foods sold in the United States are safe, wholesome and properly labeled. This applies to foods produced domestically, as well as foods from foreign countries. The *Federal Food, Drug, and Cosmetic Act* ("**FD&C Act**") and the *Fair Packaging and Labeling Act* are the Federal laws governing food products under FDA's jurisdiction.

The *Nutrition Labeling and Education Act*, which amended the FD&C Act, requires most foods to bear labels that describe nutrient content and contain certain health messages to comply with specific requirements.

History

Levitee Labs was incorporated under the BCBCA on January 23, 2019.

On February 7, 2019, Levitee Labs was initially capitalized through the issuance of an aggregate of 480,000 common shares at a price of $0.0125 per share (on a post-Consolidation basis).

Between March 14, 2019 and September 17, 2020, Levitee Labs completed a series of private placements, issuing an aggregate of 5,375,561 common shares (on a post-Consolidation basis). Of such shares, (i) 820,571 were issued for cash at $0.0625 per share (on a post-consolidation basis), (ii) 2,044,322 were issued for cash at $0.1875 per share (on a post-consolidation basis) and (iii) 2,510,667 were issued as payments for consulting services at a deemed issue price of $0.1875 per share.

On July 15, 2020, Monk-E was initially capitalized through the issuance of 13,800,000 common shares at a price of $0.005 per share (the "**July 2020 Founders Round**"). A total of 1,100,000 of such shares were issued as payments for consulting services.

On July 30, 2020, Monk-E entered into an agreement with Mendel Skulski, the former president of the Vancouver Mycological Society to research and develop the formulations of the Monk-E Body and Monk-E mind products.

On August 10, 2020, Monk-E signed an LOI with PharmaCosta Medicinal Corp., which set out the parties' intention to jointly develop a mushroom infused coffee product for consumers.

On September 3, 2020, Monk-E completed a private placement through the issuance of 4,705,000 common shares at a price of $0.10 per share, for aggregate gross proceeds of $470,500 (the "**September 2020 Seed Round**"). A total of 165,000 of such shares were issued as payments for consulting services.

On September 28, 2020, Monk-E entered into an agreement with NutraScience Labs to produce the Monk-E line of functional mushroom products. The outlined covered procurement, encapsulation, bottling, and final testing of the finished products. The agreement also included the option to use the NutraScience Labs fulfillment services.

On October 16, 2020, Monk-E signed an LOI with Earth Circle Organics., which set out the parties' intention for Earth Circle Organics to be acquired by Monk-E. See "*Business of the Corporation – Growth Strategy*".

On October 23, 2020, Monk-E signed an LOI with Brain Forza., which set out the parties' intentions for Brain Forza to be acquired by Monk-E. This LOI was terminated on February 11, 2021.

On November 6, 2020, the Corporation incorporated a wholly-owned Subsidiary, 1273586 B.C. Ltd. ("**Amalgamation SubCo**"), under the BCBCA, for the sole purpose of completing the Amalgamation.

In November and December, 2020, Monk-E acquired the principal equipment necessary to sterilize grain and substrate for the Sporeo business.

On November 10, 2020, the Corporation completed the Consolidation.

On November 10, 2020, the Corporation entered into the Amalgamation Agreement with Amalgamation SubCo and Monk-E, which provided for the amalgamation of Amalgamation SubCo and Monk-E and the effective acquisition of Monk-E by the Corporation. See "The Amalgamation" below.

On November 20, 2020, Monk-E entered into a lease agreement respecting the Sporeo Facility. See "Business of the Corporation – Sporeo".

On November 24, 2020, Monk-E completed a private placement through the issuance of 3,423,050 common shares at a price of $0.25 per share, for aggregate gross proceeds of $840,762. Monk-E issued a total of 95,360 finder's warrants to finders who introduced investors who participated in this private placement, each such finder's warrant to be exercisable at $0.25 per share for a period of three years from issuance.

On November 30, 2020, the Amalgamation completed through the amalgamation of Amalgamation SubCo and Monk-E under the BCBCA, thus forming Levitee OpCo. Pursuant to the Amalgamation, former holders of Monk-E common shares exchanged their shares in Monk-E for an aggregate of 21,868,050 common shares in the Corporation. See "The Amalgamation" below.

On December 1, 2020, the Corporation signed a memorandum of understanding (the "**BODIE MOU**") with BODIE, which set out the parties' intentions for BODIE to be acquired by the Corporation. See "*Business of the Corporation – Growth Strategy*".

On December 5, 2020, the Corporation launched its Monk-E e-commerce website at www.monkenutra.com.

On December 5, 2020, the Corporation launched its Sporeo e-commerce website at www.sporeogrow.com.

On December 5, 2020, the Corporation launched its new business line called Sporeo, with plans to begin selling Sporeo products through Sporeo's e-commerce platform. See "*Business of the Corporation – Sporeo*".

On December 15, 2020, Levitee Labs settled debt of $1,050,000 through the issuance of 4,200,000 common shares of the Corporation at a deemed price of $0.25 per share.

On December 29, 2020, the Corporation entered into the Green Planet Agreement with Green Planet, pursuant to which Green Planet will initially distribute Sporeo Spawn and Substrate products, as well as other ancillary mushroom cultivation products through Green Planet's distribution channels in Canada, USA and Europe. See "*Business of the Corporation - Principal Products and Services – Sporeo – Sales and Distribution*".

On January 20, 2021, the Corporation completed the First Subscription Receipt Private Placement through the issuance of 15,491,000 Subscription Receipts at a price of $0.50 per Subscription Receipt. Upon satisfaction of the Escrow Release Conditions, each Subscription Receipt will be exercised or exchanged for one (1) Subscription Receipt Share and one half of one (1/2) Subscription Receipt Warrant.

On January 29, 2021, the Corporation entered a letter of intent with ACT Medical Centers which set out the parties' intentions for ACT Medical Centers to be acquired by the Corporation. See "*Business of the Corporation – Growth Strategy*".

On February 4, 2021, the Corporation completed the Second Subscription Receipt Private Placement through the issuance of 5,559,000 Subscription Receipts at a price of $0.50 per Subscription Receipt. Upon satisfaction of the Escrow Release Conditions, each Subscription Receipt will be exercised or exchanged for one (1) Subscription Receipt Share and one half of one (1/2) Subscription Receipt Warrant.

On March 2, 2021, the Corporation entered a letter of intent with 1253135 BC Ltd. which set out the parties' intentions for 1253135 BC Ltd. to be acquired by the Corporation. See "*Business of the Corporation – Growth Strategy*".

On March 16, 2021, the Corporation settled debt of $30,000 through the issuance of 120,000 common shares of the Corporation at a deemed price of $0.25 per share.

On March 19, 2021, the Corporation completed the Special Warrants Private Placement, through the issuance of 2,460,000 Special Warrants at a price of $0.50 per Special Warrant. Upon exercise of the Special Warrants, each Special Warrant will be exchanged for one (1) Special Warrant Share and one half of one (1/2) Special Warrant Warrant.

On April 9, 2021, the Corporation entered into an agreement with BODIE to acquire a 15% equity stake in BODIE in exchange for 120,000 common shares of the Corporation at a deemed issue price of $0.25 per share. See "*Principal Products and Services – Growth Strategy"* for more information about BODIE and its business. With respect to the Corporation's acquisition of the remaining 85% interest in BODIE, as contemplated in the BODIE MOU, the Corporation continues to conduct due diligence and consider whether to pursue the transaction.

On May 31, 2021, the Corporation issued aggregate of 1,010,000 Common Shares issued to various employees as a signing bonus. The shares are not subject to any vesting conditions.

On May 31, 2021, the Corporation implemented an equity-based compensation program designed to incentivize employee and contractor performance and retention, whereby it issued the following:

- an aggregate of 5,644,485 Common Share purchase options (the "**Employee Compensation Options**") to certain employees of the Corporation, each option exercisable at $0.25 per share for a period of five years. The Employee Compensation Options will vest in accordance with certain performance-based milestones. See "Options and Other Rights to Purchase Securities" for a summary of such vesting conditions;

- an aggregate of 19,024,452 Common Shares (the "**Employee Compensation Shares**") to certain employees of the Corporation at a price of $0.02. The Employee Compensation Shares are subject to a reverse vesting arrangement, providing for release of such shares in tranches to the relevant Employee on achievement of the following milestones:

    - listing of the Company on the Exchange;
    - the employee having been continuously employed by the Corporation for 12 months following the Listing Date;
    - the employee having been continuously employed by the Corporation for 18 months following the Listing Date;
    - the employee having been continuously employed by the Corporation for 24 months following the Listing Date;
    - the employee having been continuously employed by the Corporation for 36 months following the Listing Date; and
    - the employee having been continuously employed by the Corporation for 48 months following the Listing Date.

  For each of these vesting milestones that is not achieved, a tranche of Employee Compensation Shares may be repurchased by the Corporation for $0.02 per share. The Employee Compensation Shares bear legends indicating that, until they have vested and been released from the reverse vesting arrangement, they may not be traded, sold or otherwise disposed of.

- an aggregate of 4,304,500 Common Shares (the "**Contractor Compensation Shares**") to certain contractors of the Corporation, each at a deemed issue price of $0.25 per share. The Contractor Compensation Shares are subject to a reverse vesting arrangement, providing for release of such shares to the relevant Contractor in twelve (12) equal monthly tranches commencing June 1, 2021. In the event a contractor's engagement by the Corporation is terminated within one year from issuance, (i) all unvested Contractor Compensation Shares held by such person will be automatically repurchased by the Corporation at a price of $0.000001 per share and (ii) all remaining Contractor Compensation Shares held by such person that have vested may be repurchased by the Corporation, at the discretion of the Board, at a price of $0.000001 per share.

The Amalgamation

On November 10, 2020, the Corporation, Amalgamation SubCo, and Monk-E entered into an amalgamation agreement (the "**Amalgamation Agreement**").

On November 30, 2020, pursuant to the Amalgamation Agreement: (i) Monk-E and Amalgamation Subco amalgamated under Division 3 of Part 9 of the BCBCA and continued as one corporation, Levitee OpCo; and (ii) the Corporation changed its name from "Fibonacci Capital Corp." to "Levitee Labs Inc." Pursuant to the Amalgamation, (i) the 21,868,050 outstanding common shares of Monk-E were exchanged for 21,868,050 fully-paid and non-assessable Common Shares, and (ii) each issued and outstanding Amalgamation SubCo share was exchanged for one fully-paid and non-assessable Levitee SubCo share, resulting in Levitee SubCo becoming a wholly-owned Subsidiary of the Corporation.

FUNDS AVAILABLE AND USE OF AVAILABLE FUNDS

This is a non-offering prospectus. The Corporation is not raising any funds in conjunction with this prospectus and, accordingly, there are no proceeds. Following the satisfaction of the Escrow Release Conditions, the Corporation expects to have the following funds available:

Working Capital as at June 30, 2021	$256,047[(1)]
Gross Proceeds of Subscription Receipt Private Placements less the Paid BMO Commission	$10,529,700
Less Finder's Fees and the Payable BMO Commission	$611,620
Total Available Funds	**$10,174,127**

Note:

1. Includes proceeds from the Special Warrant Private Placement, but excludes restricted cash attributable to gross proceeds of Subscription Receipt Private Placements.

The principal purposes for the use of those funds are expected to be as follows for the 12-month period subsequent to the date of this prospectus:

Principal Use	Estimated Amount
Operating Expenses (including E-Commerce Platform)	$421,148
General and Administrative Expenses[(1)]	$1,724,260
Investor relations	$132,000
Launch Monk-E products in United States and Canada	$106,960
Launch Sporeo products in United States and Canada	$506,960
Marketing campaign	$282,752
Strategic Acquisitions	$6,362,950
Expand and optimize operations	$438,750
Launch three new supplement products under the Monk-E brand	$24,000
Total Available Funds	$10,174,127
Unallocated working capital	$174,347
Total	**$9,999,780**

Note:

1. See the below table for a description of the estimated general and administrative expenses over the next 12 months.

Administrative costs for the 12-month period following the Listing Date are comprised of the following:

General and Administrative Costs for the 12-months Subsequent to this Prospectus	Estimated Amount
Transfer agent, listing and filing fees	$85,724
Professional Fees	$121,448
Management fees	$687,000(1)
Sporeo Facility Operations Team Salaries	$328,620
Accounting and Auditing	$242,896
Office Rent and Miscellaneous	$207,172
Travel	$51,400
Total	**$1,724,260**

Note:

1. Attributable to the following salaries. For information regarding executive compensation see “Executive Compensation”.
    a. Pouya Farmand, CEO and Director – $175,000;
    b. Kelly Abbott, COO and Director – $128,000;
    c. Mackenzie Osborne, Head of M&A and Director – $128,000;
    d. Mason Darabi, CFO – $128,000; and
    e. Marc Momeni, EVP – $128,000.

Business Objectives and Milestones

The Corporation’s business objective is to become a leading global mushroom-based consumer products company with diverse assets and operations, deriving revenues across an e-commerce value chain. To accomplish these objectives, the Corporation intends to (i) launch its Monk-E products in United States and Canada; (ii) launch its Sporeo products in United States and Canada; (iii) expand its marketing program; (iv) complete initial strategic acquisitions; (v) expand and optimize its operations; (vi) establish five (5) distribution agreements for the Corporation’s products in retail locations; and (vii) launch three new supplement products under the Monk-E brand.

To accomplish its objectives, the Corporation intends to achieve the following milestones:

Business Objective	Milestone to Achieve Objective	Estimated Completion Date (Calendar Year)	Estimated Cost
Launch Monk-E products in United	Launch www.monkenutra.com website for US customers and begin taking order from US customers.	Q3 2021	$53,480

States and Canada	Launch www.monkenutra.com for Canadian customers and begin taking orders from Canadian customers.	Q3 2021	$53,480
Launch Sporeo products in United States and Canada	Produce initial inventory of 75,000 bags of Sporeo spawn and substrate products.	Q3 2021	$213,248
	Build supply chain infrastructure for Sporeo products, linking the Sporeo Facility with Green Planet's distribution network.	Q3 2021	$172,320
	Complete first Sporeo spawn and substrate order with Green Planet.	Q3 2021	Nil
	Build supply chain infrastructure for www.sporeosupply.com and begin taking orders from website.	Q3 2021	$121,392
Carry out marketing program	Phase 2 marketing program. See "*Description of Business – Marketing*"	Q3 2021	$116,340
	Phase 3 marketing program. See "*Description of Business – Marketing*"	Q4 2021	$83,206
	Phase 4 marketing program. See "*Description of Business – Marketing*"	Q1 2022	$83,206
Complete initial strategic acquisitions	Complete potential acquisition of asset in the health and wellness sector – Act Medical	Q3 2021	$4,500,000
	Complete potential acquisition of an asset in functional supplements sector – Earth Circle Organics	Q3 2021	$1,662,950
	Complete potential acquisition of a dealer's license under the CDSA – 1253135 BC Ltd.	Q3 2021	$200,000
Establish five (5) distribution agreements for the Corporation's products in retail locations	Engage distributors to assist with the placement of Monk-E and Sporeo products at brick and mortar retail locations.	Q3 2021	N/A
Expand and optimize operations of Levitee	Implement an enterprise resource planning (ERP) system across Levitee Labs' brand to increase operational	Q3/Q4 2021	$145,000

Labs	efficiency.		
	Accumulate additional inventory of Monk-E and Sporeo products through the expansion of contract manufacturing of Monk-E products (whether through existing manufacturer or an additional contract manufacturer) and increasing the supply of raw materials.	Q3/Q4	$170,000
	Establish international distribution channels for Levitee Labs' products and begin distributing internationally.	Q4 2021	$93,750
	Hire additional staff to, among other things, assist with sales and provide support and assistance to distributors, contract manufacturers, and suppliers.	Q3/Q4 2021	$30,000
Launch three new supplement products under the Monk-E brand	Conduct product development research for new blends, extracts, and other functional mushroom and nutraceutical products under the Monk-E brand based on customer product surveys and market research.	Q3 2021	$24,000
	Coordinate production of new products with existing suppliers and contract manufacturers.	Q3/Q4 2021	TBD

Although the Corporation currently anticipates that it will use its available funds as set forth above, it may reallocate its available funds from time to time depending upon its growth strategy relative to market and other conditions in effect at the time. The actual amount that the Corporation spends in connection with each of the intended uses of its available funds may vary significantly from the amounts specified above, and will depend on a number of factors, including those referred to under "*Risk Factors*". Until the Corporation uses the available funds, it will hold them in cash and invest them likely in short-term, interest-bearing, investment-grade securities.

DIVIDENDS

The Corporation has neither declared nor paid any dividends on the Common Shares since its incorporation. The payment of dividends in the future will depend on the earnings and financial condition of the Corporation and such other factors as the Board of Directors may consider appropriate. The Corporation does not foresee paying dividends in the near future. There are no restrictions on the Corporation declaring dividends.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Corporation's Management's Discussion and Analysis for the year ended September 30, 2020 and the period from January 23, 2019 (incorporation) to September 30, 2019 provides an analysis of the Corporation's financial results for such period and is attached to this prospectus as Schedule "B". The Corporation's Management's Discussion and Analysis for the three and six months ended March 31, 2021 provides an analysis of the Corporation's financial results for such periods and is attached to this prospectus as Schedule "D". Both documents should be read in conjunction with the respective financial statements of the Corporation for such periods and the notes thereto.

Monk-E's Management's Discussion and Analysis provides an analysis of Monk-E's financial results for the period from May 24, 2020 (incorporation) to September 30, 2020 and should be read in conjunction with the financial statements of Monk-E for such period and the notes thereto. Monk-E's Management's Discussion and Analysis is attached to this prospectus as Schedule "F".

Certain information included in the aforementioned Management's Discussion and Analysis is forward-looking and based upon assumptions and anticipated results that are subject to uncertainties. Should one or more of these uncertainties materialize or should the underlying assumptions prove incorrect, actual results may vary significantly from those expected. See "*Forward-Looking Statements*" for further detail.

DESCRIPTION OF SECURITIES TO BE DISTRIBUTED

Common Shares

The authorized share capital of the Corporation consists of an unlimited number of Common Shares. As of the date hereof, there are 56,562,564 Common Shares issued and outstanding. Following the satisfaction of the Escrow Release Conditions and exercise of the Special Warrants, there will be approximately 80,112,564 Common Shares (including up to 21,090,000 Subscription Receipt Shares issued upon the deemed exercise or exchange of the Subscription Receipts and 2,460,000 Special Warrant Shares issued upon the deemed exercise of the Special Warrants).

Holders of Common Shares are entitled to receive notice of and to attend and vote at all meetings of Shareholders of the Corporation. Each Common Share entitles the holder thereof to one vote. Shareholders are entitled to dividends if, as and when declared by the Board of Directors. In the event of the liquidation, dissolution or winding up of the Corporation, the holders of Common Shares are entitled to share equally, share for share, in any remaining assets of the Corporation.

Finder's Warrants

The Finder's Warrants will be payable by the Corporation to the Finders in connection with the issuance of the Subscription Receipt Shares and Subscription Receipt Warrants upon deemed exercise or exchange of the Subscription Receipts. Specifically, each Finder will be entitled to purchase that number of Finder's Shares equal to 8% of the number of Subscription Receipt Shares to be issued to holders of Subscription Receipts who were introduced by the Finder, such warrants to be exercisable at a price of $0.75 per share for a period of 24 months from issuance. See "*Plan of Distribution*".

CONSOLIDATED CAPITALIZATION

The following table sets forth the capitalization of the Corporation at the date of this prospectus, both before and after giving effect to the issuance of the Subscription Receipt Shares upon satisfaction of the Escrow Release Conditions pursuant to the Subscription Receipts Private Placements and the Special Warrant Shares upon exercise or deemed exercise of the Special Warrants.

Description	Authorized	As at the date of this Prospectus before Giving Effect to Conversion of the Subscription Receipts and Exercise of the Special Warrants	As at the date of this Prospectus after Giving Effect to Conversion of the Subscription Receipts and Exercise of the Special Warrants(1)
Common Shares	Unlimited	56,562,564(2)	80,112,564(2)

(1) Includes 21,090,000 Subscription Receipt Shares are issuable upon the deemed exercise or exchange of the Subscription Receipts and 2,460,000 Special Warrant Shares issued upon the deemed exercise of the Special Warrants.

(2) Assuming no options are exercised.

Common Shares	Amount of Securities	Percentage of Total
Issued and outstanding as at the date of this prospectus	56,562,564	57.1%
Common Shares reserved for issuance upon the deemed exercise or exchange of the Subscription Receipts	21,090,000	21.3%
Common shares reserved for issuance upon exercise of the Subscription Receipt Warrants, upon the deemed exercise or exchange of the Subscription Receipts	10,545,000	10.6%
Common Shares reserved for issuance upon the deemed exercise of the Special Warrants	2,460,000	2.5%
Common shares reserved for issuance upon exercise of the Special Warrant Warrants, upon the exercise of the Special Warrants	1,230,000	1.2%
Common Shares reserved for issuance upon exercise of stock options, each exercisable at $0.10 until December 15, 2023	250,000	0.3%
Common Shares reserved for issuance upon exercise of stock options, each exercisable at $0.25 until May 31, 2026	5,644,485	5.7%
Common Shares reserved for issuance upon exercise of common share purchase warrants, each exercisable at $0.25 until November 25, 2023	95,360	0.1%
Common Shares reserved for issuance upon exercise of finder’s warrants, each exercisable at $0.75 until ◆, 2023	1,192,640	1.2%
Total Fully Diluted Share Capitalization after the Listing Date	**99,070,049**	**100.0%**

OPTIONS AND OTHER RIGHTS TO PURCHASE SECURITIES

The following table sets forth certain information in respect of Options to purchase Common Shares that are outstanding as of the date hereof. See also "*Executive Compensation — Incentive Plan Awards — Option Plan*".

On December 15, 2020, the board of directors approved granting the 250,000 stock options with an exercise price of $0.10, an expiry date of December 15, 2023 and a vesting period of 12 quarters with the 1/12th vesting at the grant date and 1/12th vesting in each quarter thereafter. The agreements and its subsequent commitments were transferred from Monk-e to Levitee Labs upon amalgamation.

On May 31, 2021, the board of directors approved the granting to certain employees of the Corporation of the Employee Compensation Options, being an aggregate of 5,644,485 Common Share purchase options, each exercisable at $0.25 per share for a period of five years. Each employee's Employee Compensation Options are subject to performance-based vesting criteria, as set forth in the relevant grant document.

For the majority of the employees and executives, the vesting triggers for the Employee Compensation Options are as follows:

- the Corporation achieving a quarterly run rate revenue of $5,000,000 or greater;
- the Corporation achieving a quarterly run rate revenue of $10,000,000 or greater;
- the Corporation achieving a quarterly run rate revenue of $20,000,000 or greater; and
- the Common Shares trading at a price of $1 or greater on the Exchange for ten or more consecutive trading days.

For employees focused on production optimization and management at the Sporeo Facility, the vesting criteria for the Employee Compensation Options are as follows:

- Levitee Sporeo Inc. achieving an annual run rate revenue of $1,000,000 or greater;
- Levitee Sporeo Inc. achieving an annual run rate revenue of $5,000,000 or greater; and
- Levitee Sporeo Inc. achieving an annual run rate revenue of $10,000,000 or greater.

Category	**Aggregate number of individuals**	**Aggregate number of Options**	**Date of Grant**	**Exercise Price**	**Expiry Date**
Current and former executive officers of the Corporation ("**Executives**")	4	2,909,985	May 31, 2021	$0.25	May 31, 2026
Current and former directors of the Corporation excluding Executives	Nil	Nil	Nil	Nil	Nil
Current and former employees of the Corporation	8	2,734,501	May 31, 2021	$0.25	May 31, 2026
Consultants to the Corporation	1	250,000	December 15, 2020	$0.10	December 15, 2023

PRIOR SALES

In the 12 months preceding the date of this prospectus, the Corporation has not issued any Common Shares, or securities convertible or exchangeable for Common Shares, other than the following:

Date	Price or Deemed Price per Security[(1)]	Class of Security	Number of Securities[(1)]
January 23, 2019	$0.0025	Common Shares	1
February 7, 2019	$0.0125	Common Shares	480,000
March 14, 2019	$0.0625	Common Shares	604,572
April 16, 2019	$0.1875[(2)]	Common Shares	88,000
May 27, 2019	$0.1875[(2)]	Common Shares	40,000
May 28, 2019	$0.1875[(2)]	Common Shares	840,000
June 18, 2019	$0.0625	Common Shares	216,000
June 20, 2019	$0.1875	Common Shares	2,012,456
June 20, 2019	$0.1875[(2)]	Common Shares	214,667
September 17, 2020	$0.1875[(2)]	Common Shares	1,328,000
September 17, 2020	$0.1875	Common Shares	31,866
November 24, 2020	$0.25[(3)]	Common Share Purchase Warrants	95,360
November 30, 2020	$0.25[(4)]	Common Shares	21,928,050
December 15, 2020	$0.10[(3)]	Stock Options	250,000
December 15, 2020	$0.25[(2)]	Common Shares	4,200,000
January 20, 2021	$0.50	Subscription Receipts[(5)]	15,491,000
February 4, 2021	$0.50	Subscription Receipts[(5)]	5,599,000

March 16, 2021	$0.25(2)	Common Shares	120,000
March 19, 2021	$0.50	Special Warrants(6)	2,460,000
May 31, 2021	$0.25(3)	Stock Options	5,644,485
May 31, 2021	$0.02(3)	Stock Options(7)	24,338,952
May 31, 2021	$0.02	Common Shares(8)	19,024,452
May 31, 2021	$0.02	Common Shares(9)	1,010,000
May 31, 2021	$0.25	Common Shares(10)	4,304,500
◆, 2021	$0.75(3)	Common Share Purchase Warrants(11)	1,192,640

Notes:

(1) Share amounts and prices are presented on a post-Consolidation basis.

(2) Issued in accordance with a debt settlement.

(3) Exercise price.

(4) Issued pursuant to the Amalgamation.

(5) The Subscription Receipts are exchangeable for Subscription Receipt Shares and Subscription Receipt Warrants for no additional consideration upon satisfaction of the Escrow Release Conditions.

(6) Each Special Warrant entitles the holder to acquire, without further payment, one Special Warrant Unit.

(7) All such stock options were exercised immediately into Common Shares. The entries in this table reflecting issuances of Common Shares on May 31, 2021 are the result of such exercises.

(8) Such Common Shares are subject to performance-based reverse vesting. See "*Business of the Corporation – History*".

(9) Issued as signing bonuses to the following employees of the Corporation: (i) Mason Darabi (in respect of 480,000 Common Shares); (ii) Kelly Riehl (in respect of 50,000 Common Shares); (iii) Fady Shmouni (in respect of 430,000 Common Shares); and (iv) Nadine Tourangeau (in respect of 50,000 Common Shares).

(10) Such Common Shares are subject to time-based reverse vesting. See "*Business of the Corporation – History*".

(11) Finder's Warrants to be issued on conversion or exercise of the Subscription Receipts.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTIONS ON TRANSFER

Escrowed Shares

NP 46-201 requires that securities held by a "principal" of an issuer be held in escrow. A "principal" of an issuer is:

(i) a person who acted as a promoter of the issuer;

(ii) a director or senior officer of the issuer;

(iii) a person holding more than 20% of the securities of the issuer both immediately before and immediately after the issuer's initial public offering; and

(iv) a person carrying more than 10% of the securities who also has the right to appoint one or more directors or senior officers of the issuer. In addition, the CSE may impose hold periods which apply where seed shares have been issued to non-principals prior to an initial public offering. The Escrowed Shareholders for the purposes of this prospectus are the principals who are not otherwise excluded from the escrow requirements of NP 46- 201 and those who have purchased securities for less than the Offering Price within 12 months preceding the date of this prospectus.

In accordance with NP 46-201 and pursuant to the Escrow Agreement to be entered into among the Escrowed Shareholders, the Corporation and the Escrow Agent, a total of 23,598,254 Common Shares will be deposited into escrow with the Escrow Agent.

Escrow restricts the ability of certain holders to deal with their Escrow Securities while they are in escrow. The Escrow Agreement sets out these restrictions and provides that, except to the extent permitted thereunder, the principals cannot sell, transfer, assign, mortgage, enter into a derivative transaction concerning, or otherwise deal in any way with their Escrow Securities or the related share certificates or other evidence of the Escrow Securities. A private company, Controlled by one or more principals, that holds Escrow Securities, may not participate in a transaction that results in a change of its control or a change in the economic exposure of the principals to the risks of holding Escrow Securities.

The Escrow Securities shall not be released unless listing of the Common Shares is completed by the Corporation. As the Corporation is an "emerging issuer" as such term is defined in NP 46-201, the original number of the Escrow Securities purchased by principals of the Corporation may be released as follows:

Date of Automatic Timed Release	**Amount of Escrowed Securities Released**
On the Listing Date	1/10 of the escrowed securities
6 months after the Listing Date	1/6 of the remaining escrowed securities
12 months after the Listing Date	1/5 of the remaining escrowed securities
18 months after the Listing Date	1/4 of the remaining escrowed securities
24 months after the Listing Date	1/3 of the remaining escrowed securities
30 months after the Listing Date	1/2 of the remaining escrowed securities
36 months after the Listing Date	The remaining escrowed securities

Assuming there are no changes to the Escrow Securities initially deposited and no additional escrowed securities are deposited, automatic timed release escrow applicable to the Corporation will result in a 10% release on the Listing Date, with the remaining escrowed securities being released in 15% tranches every six months thereafter.

Shares Subject to Resale Restrictions

Voluntary Hold Periods

The 4,705,000 Common Shares held acquired under the September 2020 Seed Round are also subject to a voluntary hold period, evidenced by a pooling agreement dated July 8, 2021 (the "**Seed Shareholders Pooling Agreement**"), such that such shares may not be traded, sold or otherwise disposed of until six (6) months from the Listing Date.

The 13,800,000 Common Shares held acquired under the July 2020 Founders Round are also subject to a voluntary hold period, pursuant to a pooling agreement dated March 31, 2021 (the "**Founders Pooling Agreement**"), such that such shares may not be traded, sold or otherwise disposed of until released from same. The release schedule under the Founders Pooling Agreement is the same as under the Escrow Agreement, being:

Date of Automatic Timed Release	Amount of Pooled Securities Released
On the Listing Date	1/10 of the pooled securities
6 months after the Listing Date	1/6 of the remaining pooled securities
12 months after the Listing Date	1/5 of the remaining pooled securities
18 months after the Listing Date	1/4 of the remaining pooled securities
24 months after the Listing Date	1/3 of the remaining pooled securities
30 months after the Listing Date	1/2 of the remaining pooled securities
36 months after the Listing Date	The remaining pooled securities

Reverse Vesting

On May 31, 2021, the Corporation implemented an equity-based compensation program designed to incentivize employee and contractor performance and retention, whereby it issued (i) the Employee Compensation Shares, being an aggregate of 19,024,452 Common Shares, and (ii) the Contractor Compensation Shares, being an aggregate of 4,304,500 Common Shares.

The Employee Compensation Shares are subject to a reverse vesting arrangement, providing for release of such shares in tranches to the relevant Employee on achievement of certain milestones, as further discussed under "*Description of the Business – History*". Until an Employee Compensation Share vests, it may not be traded, sold or otherwise disposed of.

The Contractor Compensation Shares are subject to a reverse vesting arrangement, providing for release of such shares to the relevant Contractor in twelve (12) equal monthly tranches commencing June 1, 2021. In the event a contractor's engagement by the Corporation is terminated within one year from issuance, (i) all unvested Contractor Compensation Shares held by such person will be automatically repurchased by the Corporation at a price of $0.000001 per share and (ii) all remaining Contractor Compensation Shares held by such person that have vested may be repurchased by the Corporation, at the discretion of the Board, at a price of $0.000001 per share

Summary

The following table discloses the number of securities of the Corporation that are held in escrow or subject to a contractual restriction on transfer:

Designation of class	Number of Securities held in Escrow or that are Subject to a Contractual Restriction on Transfer	Percentage of Class Before Giving Effect to Conversion of the Subscription Receipts and Exercise of the Special Warrants (1)	Percentage of Class after Giving Effect to Conversion of the Subscription Receipts and Exercise of the Special Warrants(2)
Common Shares	46,296,702(3)(4)(5)(6)	81.9%	57.8%

Notes:

(1) Based on 56,562,564 Common Shares issued and outstanding as of the date of this prospectus.

(2) Based on 80,112,564 Common Shares issued and outstanding after giving effect to the issuance of the Subscription Receipt Shares and the Special Warrant Shares.

(3) 23,598,254 of such Common Shares are held in escrow. Such escrowed Common Shares are held by:

- Pouya Farmand, in respect of 8,543,620 Common Shares;
- Kelly Abbott, in respect of 4,831,466 Common Shares;
- Mason Darabi, in respect of 1,834,919 Common Shares;
- Justin Chorbajian, in respect of 1,607,500 Common Shares;
- Mackezie Osborne, in respect of 6,060,749 Common Shares;
- Yarrow Willard, in respect of 400,000 Common Shares; and
- Zachary Dolesky, in respect of 320,000 Common Shares.

(4) 13,800,000 of such Common Shares are subject to the Founders Pooling Agreement. Of these shares, 1,480,000 are also subject to escrow.

(5) 4,705,000 of such Common Shares are subject the Seed Shareholders Pooling Agreement. Of these shares, 500,000 are also subject to escrow.

(6) 22,308,044 of such Common Shares are subject to reverse vesting in accordance with the terms of grant of the Employee Compensation Shares and the Contractor Compensation Shares. Of these shares, 16,134,595 are also subject to escrow.

PRINCIPAL SHAREHOLDERS

As at the date of this prospectus there are no persons who beneficially own, or control or direct, directly or indirectly, voting securities carrying 10% or more of the voting rights attached to any class of voting securities of the Corporation.

DIRECTORS AND OFFICERS

The Board of Directors of Levitee Labs consists of Pouya Farmand, Kelly Abbott, Justin Chorbajian, Mackenzie Osborne and Yarrow Willard. Pouya Farmand serves as the Chief Executive Officer (**CEO**), Mason Darabi, CPA serves as the Chief Financial Officer (**CFO**) and Kelly Abbott serves as the Chief Operating Officer (**COO**).

The following are the names, municipalities of residence, shareholdings and principal occupations within the previous five years of the directors and officers of the Corporation.

Name, Jurisdiction of Residence, and Position Held with the Corporation	Director or Officer Since	Number of Common Shares Beneficially Owned Directly or Indirectly as at the Date Hereof(1)	Number of Common Shares Beneficially Owned Directly or Indirectly after Giving Effect to Conversion of the Subscription Receipts and Exercise of the Special Warrants (2)	Principal Occupation for Past Five Years
Pouya Farmand(3) Vancouver, BC *Director and Chief Executive Officer*	November 30, 2020	8,543,620 (15.1%)	8,543,620 (10.7%)	Over the past five years, Mr. Farmand has served as a Co-founder and General Partner of Darkhorse Partners (March 2019-Present) and as an Investment Banking Analyst at Gravitas Securities (September 2017 to June 2019)
Kelly Abbott New Westminster, BC *Director and Chief Operating Officer*	November 30, 2020	4,831,466 (8.5%)	4,831,466 (6.0%)	Over the past five years, Mr. Abbott served as CEO and director of ParcelPal Technology Inc (January 2016 to April 2020).
Mason Darabi, CPA Edmonton, AB *Chief Financial Officer*	January 18, 2021	1,834,919 (3.2%)	1,834,919 (2.3%)	Over the past five years, Mr. Darabi served as national lead, AgData Division at MNP LLP (January 2018 to September 2020), as Chief Innovation Officer at National Digital Asset Exchange (September 2020 to present) and as Chief Financial Officer of Cryptostar Corp. (September 2020 to December 2020).
Justin Chorbajian(3) Langley, BC *Director*	April 7, 2021	1,607,500 (2.8%)	1,607,500 (2.0%)	Justin is co-owner of the largest chain of privately owned hydroponic retail shops in Canada. He also co-founded a group of companies that manufacture and distribute hydroponic equipment. He is a frequent contributor to Growing Exposed, the leading video series

				dedicated to cannabis cultivation.
Mackenzie Osborne Vancouver, BC *Director and Head of M&A*	January 23, 2019	6,060,749 (10.7%)	6,060,749 (7.6%)	Over the past five years, Ken has served as a General Partner of Darkhorse Partners (March 2019 to present), a Corporate Development Manager, Mergers & Acquisitions at TELUS (October 2018 to December 2020), an Investment Banking Analyst at Gravitas Securities (December 2017 to October 2018), an Analyst, Growth Driver Program at the Business Development Bank of Canada (September 2016 to December 2017), and a Venture Capital Analyst Intern with the ICE Fund at BDC Capital (May 2016 to August 2016).
Yarrow Willard(3) Cumberland, BC *Director*	April 7, 2021	400,000 (0.7%)	400,000 (0.5%)	Over the past five years, Mr. Willard has served as the cofounder/formulator of the Harmonic Arts Botanical Dispensary (2008 to Present), as a director of the Wild Rose College of Natural Healing (2015 to Present). Mr. Willard is a YouTuber known as the "Herbal Jedi" with over 150,000 subscribers, sharing on the art and science of herbal and mushroom medicine (2012 to present).

Notes:

(1) Based on 56,562,564 Common Shares issued and outstanding as of the date of this prospectus.

(2) Based on 80,112,564 Common Shares issued and outstanding after giving effect to the issuance of the Subscription Receipt Shares and the Special Warrant Shares.

(3) Members of the audit committee.

Each of the directors of the Corporation will hold office until the next annual general meeting of the shareholders of the Corporation pursuant to the *Business Corporations Act*, or unless his office is earlier vacated in accordance with the Articles of the Corporation, or with the provisions of the BCBCA.

The following is a brief description of the background of the proposed directors and key management of Levitee Labs:

Pouya Farmand, Director and CEO, Age 30

Pouya Farmand is financier and entrepreneur with over ten years' experience in capital markets and entrepreneurship. Mr. Farmand has been involved with more than 30 transactions in the venture space.

As the Chief Executive Officer of the Corporation, Mr. Farmand is responsible for managing the overall day to day operations and resource allocation. Mr. Farmand will be the main point of communication between management and the Board of Directors, and will serve as the Corporation's primary public relations and communications contact point. In addition, Mr. Farmand will provide support for (i) outside contractors and service providers, acquisitions and project development, and (ii) the financial operations of the Corporation in cooperation with the Chief Financial Officer and outside accounting, tax, and auditor support.

Mr. Farmand expects to devote approximately 100% of his time to the Corporation's activities.

Mr. Farmand is an employee of the Corporation. Mr. Farmand has entered into a non-competition and non-disclosure agreement with the Corporation.

Kelly Abbott, Director and COO, Age 33

Kelly Abbott has over ten years of experience in entrepreneurship and software development. Mr. Abbott served as CEO and director of ParcelPal Technology Inc. from January 2016 until April 2020. (CSE:PKG), a company which he founded. Mr Abbott will serve as Chief Operations Officer and a director of the Corporation.

As the COO of the Corporation, Mr. Abbott is responsible for the day-to-day operations of the Corporation, in conjunction with the CEO. Kelly will be responsible for streamlining all operations related to Levitee Labs, including internal assets and any M&A transactions.

Mr. Abbott expects to devote approximately 100% of his time to the Corporation's activities.

Mr. Abbott is an employee of the Corporation. Mr. Abbott has entered into a non-competition and non-disclosure agreement with the Corporation.

Mason Darabi, CPA, CFO, Age 37

Mr. Darabi is a CPA with a long history of working in various accounting roles in Canadian accounting firms and companies including MNP, Imperial Oil, RSM Canada and PwC. In his most recent role, he led the AgData practice at MNP from an idea to a thriving initiative at the national level.

As the Chief Financial Officer of the Corporation, Mr. Darabi is responsible for coordination of the financial operations of the Corporation in conjunction with the Chief Executive Officer and with outside accounting, tax and auditing firms.

Mr. Darabi expects to devote approximately 100% of his time to the Corporation's activities.

Mr. Darabi is an employee of the Corporation. Mr. Darabi has entered into a non-competition and non-disclosure agreement with the Corporation.

Mackenzie Osborne, CFA, Director and Head of Mergers and Acquisitions, Age 29

Mackenzie Osborne is a capital markets professional with diverse experience in both public and private markets covering over 20 capital raises and 10 acquisition transactions. Over the past 5 years, Ken has served as a General Partner of Darkhorse Partners, a Corporate Development Manager, Mergers & Acquisitions at TELUS, an Investment Banking Analyst at Gravitas Securities, an Analyst, Growth Driver Program at the Business Development Bank of Canada, and a Venture Capital Analyst Intern in the ICE Fund at BDC Capital. Mr. Osborne is a co-founder of Levitee Labs and a CFA Charterholder.

Mr. Osborne expects to devote approximately 100% of his time to the Corporation's activities.

Mr. Osborne is an employee of the Corporation. Mr. Osborne has entered into a non-competition and non-disclosure agreement with the Corporation.

Justin Chorbajian, Director, Age 49

Justin Chorbajian co-owns one of the largest chain of hydroponics retail shops in Canada. He also co-founded a group of companies that manufacture and distribute hydroponic equipment. Mr. Chorbajian is a frequent contributor to Growing Exposed, the leading video series dedicated to cannabis cultivation. Mr. Chorbajian specializes in supply chain management, distribution networking and procurement.

Mr. Chorbajian expects to devote approximately 10% of his time to the Corporation's activities, but will at all times devote sufficient time to the Corporation's activities as is reasonably necessary to discharge his responsibilities as Director.

Mr. Chorbajian is not an employee of the Corporation but is an independent consultant of the Corporation. Mr. Chorbajian has not entered into a non-competition or non-disclosure agreement with the Corporation.

Yarrow Willard, Director, Age 41

Yarrow Willard (aka Herbal Jedi) is a second-generation Clinical/Master Herbalist, educator and innovator in the Canadian health-food industry. Professionally, he is an international speaker, co-founder/formulator of the Harmonic Arts Botanical Dispensary and the director of the Wild Rose College of Natural Healing. Mr. Willard has spent his life dedicated to the art and science of herbal medicine, with a focus on reclaiming health and deepening connection to the natural world.

Mr. Willard expects to devote approximately 10% of his time to the Corporation's activities, but will at all times devote sufficient time to the Corporation's activities as is reasonably necessary to discharge his responsibilities as Director.

Mr. Willard is not an employee of the Corporation but is an independent consultant of the Corporation. Mr. Willard has not entered into a non-competition or non-disclosure agreement with the Corporation.

CORPORATE CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES OR SANCTIONS

Except as described below, no director or executive officer of Levitee Labs has, within the ten years prior to the date of this prospectus been a director, chief executive officer or chief financial officer of any company that, while such person was acting in that capacity: (a) was the subject of a cease trade order, an order similar to a cease trade order, or an order that denied the company access to any exemption under securities legislation for a period of more than 30 consecutive days or (b) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade order or similar order or an order that denied the company access to an exemption under securities legislation for a period of more than 30 consecutive days.

Bankruptcies

Except as described below, no director or executive officer of Levitee Labs, within the ten years prior to the date of this prospectus been a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Personal Bankruptcies

No director or executive officer of Levitee Labs within the past ten years, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that person.

Penalties and Sanction

During the ten years preceding the date of this prospectus, no proposed director, officer or promoter of Levitee Labs, nor any securityholder anticipated to hold sufficient number of securities of Levitee Labs to affect materially the control of Levitee Labs has, to the knowledge of the Corporation, been subject to any (i) penalties or sanctions imposed by a courts relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a courts or regulatory body, including a self-regulatory body, that would likely be considered important to a reasonable securityholder.

CONFLICTS OF INTEREST

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

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

The directors and officers of the Corporation will not be devoting all of their time to the affairs of the Corporation. The directors and officers of the Corporation are directors and officers of other companies, some of which are in the same business as the Corporation. The directors and officers of the Corporation are required by law to act in the best interests of the Corporation. They have the same obligations to the other companies in respect of which they act as directors and officers. Discharge by the directors and officers of their obligations to the Corporation may result in a breach of their obligations to the other companies, and in certain circumstances this could expose the Corporation to liability to those companies. Similarly, discharge by the directors and officers of their obligations to the other companies could result in a breach of their obligations to act in the best interests of the Corporation. Such conflicting legal obligations may expose the Corporation to liability to others and impair its ability to achieve its business objectives.

Shareholdings of Directors and officers

The number and percentage of each class of voting securities of the Corporation or any of its Subsidiaries beneficially owned, directly or indirectly, or over which control or direction is exercised by all directors and executive officers as a group is: 23,278,254 (41.2%). Following the issuance of the Subscription Receipt Shares, the number and percentage of each class of voting securities of the Corporation or any of its Subsidiaries beneficially owned, directly or indirectly, or over which control or direction is exercised by all directors and executive officers as a group will be 23,278,254 (29.1%).

CORPORATE GOVERNANCE

General

The Board believes that good corporate governance improves corporate performance and benefits all shareholders. NP 58-201 provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as the Corporation. In addition, NI 58-101 prescribes certain disclosure by the Corporation of its corporate governance practices. This disclosure is presented below.

Board of Directors

The Board facilitates its exercise of independent supervision over the Corporation's management through frequent meetings of the Board. The Board comprises five directors: Pouya Farmand, Mackenzie Osborne, Kelly Abbott, Justin Chorbajian and Yarrow Willard. As the size of the Board is small, the Board has no formal procedures designed to facilitate the exercise of independent supervision over management, relying instead on the integrity of the individual members of its management team to act in the best interests of the Corporation.

Mr. Farmand is not independent, as he is the Chief Executive Officer of the Corporation, Mr. Abbott is not independent, as he is the Chief Operating Officer of the Corporation, and Mackenzie Osborne is not independent, as he is the Head of Mergers and Acquisitions of the Corporation. Messrs. Chorbajian and Willard are independent.

Directorships

Currently, the following directors are also directors of the following other reporting issuers:

Name	Corporation	Market
Kelly Abbott	Softlab9 Software Solutions Inc.	Canadian Securities Exchange

Orientation and Continuing Education

New Board members receive an orientation package which includes reports on operations and results, and any public disclosure filings by the Corporation, as may be applicable. Board meetings are sometimes held at the Corporation's offices and, from time to time, are combined with presentations by the Corporation's management to give the directors additional insight into the Corporation's business. In addition, management of the Corporation makes itself available for discussion with all Board members.

Ethical Business Conduct

The Board has found that the fiduciary duties placed on individual directors by the Corporation's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Corporation.

Nomination of Directors

The Board considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of view and experience.

The Board does not have a nominating committee, and these functions are currently performed by the Board as a whole. However, if there is a change in the number of directors required by the Corporation, this policy will be reviewed.

Compensation

The Board is responsible for determining compensation for the directors of the Corporation to ensure it reflects the responsibilities and risks of being a director of a public company.

Other Board Committees

The Board has no committees, other than the Audit Committee.

Assessments

Due to the minimal size of the Board, no formal policy has been established to monitor the effectiveness of the directors, the Board and its committees.

Timely Disclosure, Confidentiality and Insider Trading

The Corporation will adopt a policy in respect of timely disclosure, confidentiality and insider trading to govern the conduct of the Corporation’s directors, officers, employees and other insiders with respect to the proper maintenance and disclosure of confidential information and the trading of the Corporation’s securities, particularly in the context of material information concerning the Corporation and its affairs. Among other matters, the policy will: (i) establish a disclosure committee to be chaired by the CEO and CFO; (ii) establish a procedure for the designation of individuals authorized to speak on behalf of the Corporation; (iii) establish rules and procedures for the disclosure of material information and the maintenance of confidential information; (iv) set out prohibited trading activities, including regular and special black-out periods; and (v) describe reporting requirements applicable to insiders.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Introduction

The purpose of this Compensation Discussion and Analysis (CD&A) is to provide information about the Corporation's proposed philosophy, objectives and processes regarding compensation for the Chief Executive Officer (CEO) & the Chief Financial Officer (CFO) (a Named Executive Officer or a NEO). It explains how decisions regarding executive compensation are made and the reasoning behind these decisions and discusses the key elements of the Corporation's compensation program. As of the date hereof, Pouya Farmand, CEO, and Mason Darabi, CPA, CFO, are the Corporation’s only Named Executive Officers.

Compensation Governance

Given the stage of the Corporation's development, it is anticipated that the Board of Directors, as a whole, will fulfil the oversight responsibilities with respect to human resources policies and compensation, directly.

The Board's expected mandate with respect to executive compensation will be to: (a) review and determine the Corporation's key human resources policies; (b) review and determine the executive compensation philosophy and remuneration policy for the Corporation; (c) review and determine employment agreements relating to the CEO & CFO and any other executive officers, if any; (d) evaluate annually the performance of the CEO and CFO and any other executive officers and review the annual compensation package and performance objectives for such executives; (e) annually determine any bonuses to be paid; (f) review and determine if any significant changes to the overall compensation program are required; (g) review the adequacy and form of compensation of directors periodically to determine if the compensation realistically reflects the responsibilities and risks involved in being an effective director; (h) review and determine the grants of options to purchase shares of the Corporation; and (i) perform any other activities consistent with its mandate, the Corporation's by-laws and governing laws as deemed necessary or appropriate.

The Board is proposed to have the authority to engage outside consultants and advisors, including independent counsel.

The Board believes it has the knowledge, experience and background required to fulfil its proposed mandate.

The Elements of the Corporation's Compensation Program

The Corporation's compensation program is expected to consist of two principal elements, a base salary and options granted under the Corporation's Option Plan. In exceptional circumstances, cash bonuses may be paid.

The Objective of the Corporation's Compensation Program

The proposed objective of the Corporation's compensation program will be to attract and retain highly qualified and committed senior management by providing appropriate compensation and incentives intended to align the interests of senior management with those of the Corporation's shareholders in order to provide incentives for senior management to enhance shareholder value.

What the Corporation's Compensation Program is Designed to Reward

The Corporation's proposed compensation program is designed to reward senior management for achieving the Corporation's business objectives as well as increases in shareholder value resulting from increased value or potential value in the Corporation's business prospects, whether through achievement of operational milestones or successful completion of significant transactions and M&A or financings.

Why the Corporation Chooses to Pay Each Element of its Compensation Program

The Corporation intends to pay a base salary as part of its compensation program to: (i) provide each NEO with sufficient, regularly-paid income; (ii) recognize each NEOs unique value and contribution to the success of the Corporation; and (iii) reflect each NEOs position and level of responsibility.

The Corporation intends to grant options as part of its compensation program in order to: (i) align NEOs interests with the interests of the Corporation's shareholders; (ii) reward long-term performance by allowing NEOs to participate in any long-term market appreciation of the Corporation's shares; and (iii) ensure the Corporation is competitive with its comparable industry peers from a total remuneration standpoint and to encourage executive officer retention, commitment and focus on long-term growth.

How the Corporation Determines the Amount for Each Element and How Each Element Affects Decisions About Other Elements and Fits into the Corporation's Overall Compensation Objectives

The Board will determine the amount of each element of the Corporation's compensation program for the NEOs. The two principal elements of the compensation program will be determined, and will affect decisions about other elements and fit into the Corporation's overall compensation strategy, as described below.

Base Salaries

The Board will consider some or all of the following factors: (i) the overall performance of the Corporation and the particular NEO; (ii) base salaries and overall compensation paid to senior management of comparable industry peers (without specific benchmarking); (iii) the relationship among base salaries paid within the Corporation and individual experience and contribution; (iv) general market conditions and the Corporation's financial condition; (v) other compensation received by the NEO; and (vi) competition for qualified personnel. The intent is to fix base salaries at levels that are consistent with the Corporation's compensation program objective.

Stock Options

In determining grants of stock options, the Board will consider some or all of the following factors: (i) the overall performance of the Corporation and the particular NEO; (ii) the relationship among stock options granted within the Corporation and individual experience and contribution; (iii) general market conditions and the Corporation's financial condition and Common Share trading price; and (iv) the aggregate number of options outstanding and the number of options currently held by the particular NEO and the terms thereof. The intent is to fix stock option grants at levels that are consistent with the Corporation's compensation program objective. The Board also considers the number of options available for grant in determining whether to make any new grants of stock options and the size of such grants. The Corporation utilizes IFRS 2 - *Share Based Payment* in establishing the fair value of option grants**.**

For more information with respect to the Option Plan, see "*Incentive Plan Awards - Description of the Option Plan*" below.

The Corporation's executive compensation is not expected to be determined by reference to any formulas or any set performance goals or similar conditions. The Board believes that fixed formulas can lead to an unwanted result that does not reflect real performance. Accordingly, an overall review of the NEO's performance and contributions is preferred.

Hedging Activities

Although the Corporation has no plans for a formal hedging policy to be in place with respect to purchases of securities by NEOs or directors designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by such individuals, to the Corporation's knowledge, no NEO or director has plans to hedge the economic value of his direct or indirect interests in the market value of the Common Shares so held or granted as compensation.

Risk Assessment and Oversight

The Board is keenly aware of the fact that compensation practices can have unintended risk consequences. The Board will continually review the Corporation’s compensation policies to identify any practice that might encourage an employee to expose the Corporation to unacceptable risks. At the present time, the Board is satisfied that the current executive compensation program does not encourage the Corporation's executives to expose the business to inappropriate risk. The Board takes a conservative approach to executive compensation rewarding individuals for the success of the Corporation once that success has been demonstrated and incenting them to continue that success through the grant of long-term incentive awards. In addition, the Option Plan limits the number of options a particular NEO is entitled to receive.

Summary Compensation Table

Based on the information available at the date hereof, the following table sets out information concerning the total compensation amounts expected to be paid, accrued or otherwise expensed by the Corporation with respect to fiscal 2020, for the directors and NEOs.

Name and Position	Year	Salary, consulting fee, retainer or Commission ($)	Bonus ($)	Committee or Meeting Fees ($)	Value of Perquisites ($)	Value of all other Compensation ($)	Total Compensation ($)
Pouya Farmand CEO and Director	2020	82,937	37,500[(1)]	Nil	Nil	Nil	120,437[(1)]
Kelly Abbott COO and Director	2020	19,354	37,500[(1)]	Nil	Nil	Nil	56,854
Mackenzie Osborne Director and Head of M&A	2020	80,000	136,000[(1)]	Nil	Nil	Nil	216,000
Mason Darabi, CPA CFO	2020	6,899	Nil	Nil	Nil	Nil	6,899

Note:

(1) Paid as a bonus on completion of the Amalgamation. Settled through the issuance of common shares.

Compensation Securities

The Corporation has not granted any stock options to its directors or NEOs.

Incentive Plan Awards

Description of the Option Plan

The Corporation has adopted an Option Plan pursuant to which the Board may, from time to time, grant options to directors, officers, employees and consultants of the Corporation. The number of Common Shares granted under each option and the vesting terms thereof are in the discretion of the Board. Options granted under the Option Plan must have a term of no more than five years from the date of grant. The exercise price of each option granted under the Option Plan is in the discretion of the Board, provided that, while the Common Shares are listed on the CSE, the exercise price cannot be lower than the greater of the closing price of the Common Shares on the CSE on the last trading day before the date of grant and the closing price of the Common Shares on the CSE on the date of grant. Any outstanding options granted under the Option Plan expire (i) immediately if such officer, director, employee or consultant of the Corporation is terminated for cause (ii) on a date not exceeding 60 days following the date that the holder ceases to be an officer, director, employee or consultant of the Corporation, as the case may be, in the event of a termination without cause or (iii) in the case of death, permanent disability or retirement, 180 days from the date of death, permanent disability or retirement. Options granted under the Option Plan are non-assignable and non-transferable. Outstanding options granted under the Option Plan may be adjusted in certain events, as to exercise price (subject to disinterested shareholder approval prior to any reduction to the exercise price if the affected optionee is an insider (as defined in the *Securities Act* (British Columbia)) of the Corporation at the time of the proposed amendment) and number of Common Shares, to prevent dilution or enlargement. The number of Common Shares that may be optioned under the Option Plan, unless otherwise approved by Shareholders, is limited to 10% of the outstanding Common Shares from time to time; provided, that any one participant under the Option Plan shall not be entitled to receive options to acquire an aggregate of greater than 5% (2% in the case of consultants) of the outstanding Common Shares in any 12-month period.

Following the issuance of the Subscription Receipt Shares, it is expected that 8,011,256 Common Shares (representing 10% of the issued and outstanding Common Shares as at such date) will be reserved for issuance pursuant to Options granted under the Option Plan.

Executive Employment Agreements

Pouya Farmand

The Corporation is party to an employment agreement with Pouya Farmand, the Chief Executive Officer of the Corporation (the "**Farmand Employment Agreement**"), dated May 1, 2021. Pursuant to the terms of the Farmand Employment Agreement, Mr. Farmand is entitled to a salary of $175,000 per annum.

The Farmand Employment Agreement provides that on a termination by the Corporation without cause Mr. Farmand will be entitled to such minimum notice, severance pay, continuation of benefits and accrual of vacation as shall be specifically prescribed under applicable employment standards legislation. The Farmand Employment Agreement also provides that Mr. Farmand may retire or resign on giving 90 days' written notice to the Corporation. The Farmand Employment Agreement contains non-solicit and non-competition provisions.

Kelly Abbott

The Corporation is party to an employment agreement with Kelly Abbott, the Chief Operating Officer of the Corporation (the "**Abbott Employment Agreement**"), dated May 1, 2021. Pursuant to the terms of the Abbott Employment Agreement, Mr. Abbott is entitled to a salary of $128,000 per annum.

The Abbott Employment Agreement provides that on a termination by the Corporation without cause Mr. Abbott will be entitled to such minimum notice, severance pay, continuation of benefits and accrual of vacation as shall be specifically prescribed under applicable employment standards legislation. The Abbott Employment Agreement also provides that Mr. Abbott may retire or resign on giving 90 days' written notice to the Corporation. The Abbott

Employment Agreement contains non-solicit and non-competition provisions.

Mackenzie Osborne

The Corporation is party to an employment agreement with Mackenzie Osborne, the Head of M&A of the Corporation (the "**Osborne Employment Agreement**"), dated May 1, 2021. Pursuant to the terms of the Osborne Employment Agreement, Mr. Osborne is entitled to a salary of $128,000 per annum.

The Osborne Employment Agreement provides that on a termination by the Corporation without cause Mr. Osborne will be entitled to such minimum notice, severance pay, continuation of benefits and accrual of vacation as shall be specifically prescribed under applicable employment standards legislation. The Osborne Employment Agreement also provides that Mr. Osborne may retire or resign on giving 90 days' written notice to the Corporation. The Osborne Employment Agreement contains non-solicit and non-competition provisions.

Mason Darabi

The Corporation is party to an employment agreement with Mason Darabi, the Chief Financial Officer of the Corporation (the "**Darabi Employment Agreement**"), dated May 1, 2021. Pursuant to the terms of the Darabi Employment Agreement, Mr. Darabi is entitled to a salary of $128,000 per annum.

The Darabi Employment Agreement provides that on a termination by the Corporation without cause Mr. Darabi will be entitled to such minimum notice, severance pay, continuation of benefits and accrual of vacation as shall be specifically prescribed under applicable employment standards legislation. The Darabi Employment Agreement also provides that Mr. Darabi may retire or resign on giving 90 days' written notice to the Corporation. The Darabi Employment Agreement contains non-solicit and non-competition provisions.

Pension Plan Benefits

No pension plan or retirement benefit plans have been instituted by the Corporation and none are proposed at this time.

INDEBTEDNESS OF DIRECTORS AND OFFICERS

Aggregate Indebtedness

The following table sets out the aggregate indebtedness of executive officers, directors, employees and former executive officers, directors and employees of the Corporation and its subsidiaries to the Corporation and its subsidiaries pursuant to the purchase of securities or otherwise as at the date of this prospectus:

Aggregate Indebtedness		
Purpose	**To the Corporation or its Subsidiaries ($)**	**To Another Entity ($)**
Share Purchases	400,689[(1)]	Nil
Other	Nil	Nil

Note:

(1) This amount relates to loans made to employees of the Corporation for the purchase of Employee Compensation Shares on May 31, 2021. The amounts are non-interest-bearing and due on May 31, 2023.

Indebtedness of Directors and Executive Officers under Securities Purchase and Other Programs

The following table sets forth the indebtedness owing to the Corporation and its subsidiaries of each person who is, or at any time during the most recently completed financial year of the Corporation was, a director or executive officer of the Corporation, or an associate of any such director or executive officer, except for indebtedness that has been entirely repaid as at the date of this prospectus.

Name and Principal Position	Involvement of Corporation or Subsidiary	Largest Amount Outstanding During Most Recent Completed Financial Year ($)	Amount Outstanding[(1)] ($)	Financially Assisted Securities Purchases (Number of Common Shares)	Security for Indebtedness	Amount Forgiven ($)
Pouya Farmand *Director and Chief Executive Officer*	Lender	Nil	126,932	7,555,500	N/A	Nil
Kelly Abbott *Director and Chief Operating Officer*	Lender	Nil	60,003	3,571,587	N/A	Nil
Mason Darabi, CPA *Chief Financial Officer*	Lender	Nil	36,698	2,092,999	N/A	Nil
Mackenzie Osborne *Director and Head of M&A*	Lender	Nil	91,515	5,447,320	N/A	Nil

Note:

(1) These amounts relate to loans made to the Corporation's executives for the purchase of Employee Compensation Shares on May 31, 2021. The amounts are non-interest-bearing and due on May 31, 2023.

AUDIT COMMITTEE

Audit Committee Disclosure

The Corporation's audit committee is composed of Pouya Farmand, Justin Chorbajian (Chair) and Yarrow Willard, two of whom (Justin Chorbajian and Yarrow Willard) are considered to be independent, and all of whom are financially literate (as determined under National Instrument 52-110 *Audit Committees*).

Financial Literacy

Each member of the Corporation’s Audit Committee has adequate education and experience that is relevant to his performance as an Audit Committee member and, in particular, the requisite education and experience that have provided the member with:

(a) An understanding of the accounting principles used by the Corporation to prepare its financial statements and the ability to assess the general application of such principles in connection with the accounting for estimates, accruals and provisions;

(b) Experience preparing, auditing, analyzing or evaluating financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Corporation’s financial statements, or experience actively supervising individuals engaged in such activities; and

(c) An understanding of internal controls and procedures for financial reporting.

The charter of the Corporation's audit committee is set out in Appendix "A" to this prospectus.

As a company applying for listing on the CSE, the Corporation is exempt from the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of National Instrument 52-110 *Audit Committees*, and is relying on the exception contained in section 6.1 of that instrument.

Pre-Authorization of Non-Audit Services

The audit committee has not pre-authorized any amount for non-audit services from the Corporation's auditors.

Fees Charged by External Auditors

The following table sets out the aggregate fees billed by the Corporation's external auditors in each of the last two fiscal years for the category of fees described:

Financial Year End	Audit Fees	Audit Related Fees(1)	Tax Fees(2)	All other Fees(3)
2020	$40,000	$Nil	$5,000	$15,000

Notes:

(1) Fees charged for assurance and related services that are reasonably related to the performance of an audit, and not included under Audit Fees.

(2) Fees charged for tax compliance, tax advice and tax planning services.

(3) Fees for services other than disclosed in any other column.

PLAN OF DISTRIBUTION

Subscription Receipts

This prospectus qualifies the distribution of the Subscription Receipt Shares and Subscription Receipt Warrants issuable upon the deemed exercise or exchange of the previously issued Subscription Receipts and the common shares underlying the Subscription Receipt Warrants. The Subscription Receipts were sold to subscribers at a price of $0.50 per Subscription Receipt for aggregate proceeds of $10,545,000, $10,529,700 of which was deposited into escrow pursuant to the terms of the Subscription Receipt Escrow Agreement. The Escrowed Funds, including accrued interest on such amount, will be released to the Corporation from escrow upon satisfaction of the following Escrow Release Conditions:

(a) the Common Shares will have been conditionally approved for listing on the CSE; and

(b) the Corporation will have obtained a final receipt for this prospectus from the applicable regulatory authority.

The Subscription Receipts were issued pursuant to the terms of the Subscription Receipt Certificates representing the Subscription Receipts and the Subscription Receipt Escrow Agreement. The Subscription Receipt Certificates provide, among other things, that holders of Subscription Receipts are entitled to receive in respect of each Subscription Receipt held, without additional consideration and without any further action on the part of the holder thereof, one Common Share, upon satisfaction of the Escrow Release Conditions. The Subscription Receipts will be deemed exercised or exchanged for Common Shares on the satisfaction of the Escrow Release Conditions. If the Escrow Release Conditions are not met on or before September 21, 2021, the Subscription Receipts will immediately become null, void and of no further force or effect and the Escrowed Funds will be returned to the holders of Subscription Receipts.

The Corporation will pay the Finder's Fee to the Finders in connection with the issuance of the Subscription Receipt Shares and the Subscription Receipt Warrants upon deemed exercise or exchange of the Subscription Receipts on the following terms: (i) a cash fee of 8% of all gross proceeds realized from the sale of the Subscription Receipts to investors introduced by the relevant Finder; and (ii) Finder's Warrants entitling the relevant Finder to purchase that number of Finder's Shares equal to 8% of the number of Subscription Receipt Shares to be issued to holders of Subscription Receipts who were introduced by the relevant Finder, such warrants to be exercisable at a price of $0.75 per share for a period of 24 months from issuance. A total of 1,192,640 Finder's Warrants will be issued on deemed exercise or exchange of the Subscription Receipts.

BMO was also paid the Paid BMO Commission of $15,300 in connection with the issuance of Subscription Receipts to investors introduced by BMO. A further $15,300 will be paid to BMO in connection with the issuance of the Subscription Receipt Shares and Subscription Receipt Warrants to investors introduced by BMO upon deemed exercise or exchange of the Subscription Receipts.

This prospectus also qualifies the distribution of the Finder's Warrants. This prospectus will qualify the distribution of the Finder's Warrants issued to the Finders and the Finder's Shares underlying same.

Special Warrants

This prospectus qualifies the distribution of the Special Warrant Shares and Special Warrant Warrants to be issued, without additional payment, upon the exercise or deemed exercise of 2,460,000 Special Warrants. The Special Warrant were sold to subscribers at a price of $0.50 per Subscription Receipt for aggregate proceeds of $1,230,000.

The Special Warrants were issued pursuant to the terms of the Special Warrant certificates representing the Special Warrants. Each Special Warrant will automatically convert at 5:00 p.m. (Vancouver time) on the date that is the earlier of: (a) the third business day after the date on which the Receipt is issued by the British Columbia Securities Commission; and (b) one year from the date of the Special Warrant Private Placement, being May 19, 2021. Upon exercise or deemed exercise of the Special Warrants, and without additional payment therefor, the Corporation will issue 2,460,000 Special Warrant Units. Each Special Warrant Unit will be comprised of one (1) Special Warrant Share and one half of one (1/2) Special Warrant Warrant, each Special Warrant Warrant exercisable at an exercise price for 36 months from issuance.

There is currently no public market for the Common Shares. The Corporation has applied to list the securities distributed under this prospectus on the CSE. Listing of such Common Shares will be subject to the Corporation fulfilling all of the listing requirements of the CSE.

The Subscription Receipts, the Special Warrants, the Subscription Receipt Shares, the Special Warrant Shares, the Subscription Receipt Warrants, the Special Warrant Warrants and the common shares underlying the Subscription Receipt Warrants and the Special Warrant Warrants have not been and will not be registered under the United States Securities Act of 1933, as amended (the **U.S. Securities Act**), or "blue sky" laws of any of the states of the United States. Accordingly, the Subscription Receipts, the Subscription Receipt Shares, the Special Warrant Shares, the Subscription Receipt Warrants, the Special Warrant Warrants and the common shares underlying the Subscription Receipt Warrants and the Special Warrant Warrants may not be offered or sold within the United States except in accordance with an exemption from the registration requirements of the U.S. Securities Act, as amended, applicable state securities laws and the terms of the Subscription Receipt Certificate.

As at the date of this prospectus, Levitee Labs does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, Aequitas NEO Exchange Inc., a U.S. marketplace, or a marketplace outside Canada and the United States of America (other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc.).

RISK FACTORS

The following are certain risk factors relating to an investment in Shares which prospective investors should carefully consider before deciding whether to purchase Common Shares. The following information must be read in conjunction with the detailed information appearing elsewhere in this prospectus. Such risk factors may have a material adverse effect on the financial position or results of operations of the Corporation or the value of the Common Shares.

Limited History of Operations

The Corporation is in the early stage of development and must be considered a start-up. As such, the Corporation is subject to many risks common to such enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and the lack of revenues. There is no assurance that the Corporation will be successful in achieving a return on Shareholders' investment and the likelihood of success must be considered in light of its early stage of operations. The Corporation has no intention of paying any dividends in the near future.

The Corporation has limited financial resources, has not earned any significant revenue since commencing operations has no source of operating cash flow and there is no assurance that additional funding will be available to it for further development of the Corporation's business or to fulfill its obligations under any applicable agreements. There can be no assurance that the Corporation will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further development of the Corporation's business.

No Market for Securities

There is currently no market through which the Common Shares may be sold and there is no assurance that such securities of the Corporation will be listed for trading on a stock exchange, or if listed, will provide a liquid market for such securities. Until the Common Shares are listed on a stock exchange, holders of the Common Shares may not be able to sell their Common Shares. Even if a listing is obtained, there can be no assurance that an active public market for the Common Shares will develop or be sustained after listing. The holding of Common Shares involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. Common Shares should not be purchased by persons who cannot afford the possibility of the loss of their entire investment.

Additional Requirements for Capital

Substantial additional financing may be required if the Corporation is to successfully develop its business. No assurances can be given that the Corporation will be able to raise the additional capital that it may require for its anticipated future development or that such additional financing will be available on terms acceptable to the Corporation.

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. Transactions financed wholly or partially with debt, may increase the Corporation’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 Corporation to obtain additional capital and to pursue business opportunities, including potential acquisitions. If the Corporation is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion.

Negative Cash Flow from Operating Activities

The Corporation has had negative cash flow from operating activities since inception. Significant capital investment will be required to achieve the Corporation’s existing plans. There is no assurance that the Corporation’s business will generate earnings, operate profitably or provide a return on investment in the near future. Accordingly, the Corporation may be required to obtain additional financing in order to meet its future cash commitments.

Regulatory Environment

The Corporation’s operations are subject to regulation by government agencies including, among others, Health Canada and the CFIA. These agencies regulate the processing, packaging, storage, distribution, advertising, and labeling of the Corporation’s products, including food safety standards. The Corporation’s products may be subject to inspection by federal, provincial, state and local authorities. The Corporation strives to maintain compliance with all laws and regulations and maintain all permits and licenses relating to our operations. Nevertheless, there can be no assurance that the Corporation is in compliance with all such laws and regulations, has all necessary permits and licenses, and will be able to comply with such laws and regulations, or obtain such permits and licenses in the future. Failure by the Corporation to comply with applicable laws and regulations and permits and licenses could subject the Corporation to civil remedies, including fines, injunctions, recalls or seizures, as well as potential criminal sanctions, which could have a material adverse effect on our financial condition and results of operations. In addition, enforcement of existing laws and regulations, changes in legal requirements and/or evolving interpretations of existing regulatory requirements may result in increased compliance costs and create other obligations, financial or otherwise, that could adversely affect the Corporation’s business, financial condition or results of operations.

Management of Growth

The Corporation may be subject to growth-related risks including pressure on its internal systems and controls. The Corporation's ability to manage its growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Corporation to deal with this growth could have a material adverse impact on its business, operations and prospects. While management believes that it will have made the necessary investments in infrastructure to process anticipated volume increases in the short term, the Corporation may experience growth in the number of its employees and the scope of its operating and financial systems, resulting in increased responsibilities for the Corporation's personnel, the hiring of additional personnel and, in general, higher levels of operating expenses. In order to manage its current operations and any future growth effectively, the Corporation will also need to continue to implement and improve its operational, financial and management information systems and to hire, train, motivate, manage and retain its employees. There can be no assurance that the Corporation will be able to manage such growth effectively, that its management, personnel or systems will be adequate to support the Corporation's operations or that the Corporation will be able to achieve the increased levels of revenue commensurate with the increased levels of operating expenses associated with this growth.

Success is Dependent on Public Taste for the Corporation's Products

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

Identification and Operation of New Business Areas

The Corporation's business strategy involves the acquisition of additional businesses and assets. Identification of appropriate acquisition opportunities is dependent upon the efforts, skill and business contacts of key members of management and the Board for, among other things, the information and acquisition opportunities they are able to generate. Accordingly, the Corporation's success may depend upon the continued service of these individuals to the Corporation. The loss of the services of any of these individuals could have a material adverse effect on the Corporation's revenues, net income and cash flows and could harm its ability to secure acquisitions, maintain or grow its assets and raise funds. From time to time, the Corporation will also need to identify and retain additional skilled management and consultants to efficiently operate its business, particularly as the business expands into areas that are not otherwise within the breadth of experience of the Corporation's current operational team. Recruiting and retaining qualified personnel is critical to the Corporation's success and there can be no assurance of its ability to attract and retain such personnel. If the Corporation is not successful in attracting and training qualified personnel, the Corporation's ability to execute its business strategy could be affected, which could have a material and adverse impact on its profitability, results of operations and financial condition.

Acquisition of Businesses or Assets.

As part of its growth strategy, the Corporation is proposing to acquire additional businesses or assets. There is no certainty that the Corporation will be able to complete all or any of these acquisitions or that the Corporation will obtain the expected benefits from these acquisitions. Managing acquisitions entails numerous operational and financial risks, including that the due diligence process undertaken by the Corporation in connection with acquisitions may not reveal all facts that may be relevant in connection with an acquisition, unforeseen risks or liabilities may have a material and adverse impact on the Corporation's liabilities, profitability, results of operations and financial condition, the inability to retain key employees of any acquired businesses or hire enough qualified personnel to staff any new or expanded operations and higher than expected acquisition and integration expenses. Combining the operations and personnel of acquired businesses with those of the Corporation could also be difficult and costly and integrating or completing the development and application of any acquired business could disrupt the Corporation's business and divert management's time and attention.

Certain acquisitions may require a significant dedication of capital, either to acquire or to operate on completion of such acquisition. In this regard, the continuation of the Corporation's acquisition strategy may require additional financing. The failure to raise such capital could result in the delay or indefinite postponement of current business objectives. 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 Corporation.

Raw Materials

The Corporation's products are derived from mushrooms. Accordingly, the Corporation and/or its manufacturers must acquire enough mushrooms so that the products can be produced to meet the demand of its customers. A mushroom shortage could result in loss of sales and damage to the Corporation. If the Corporation and/or its manufacturers become unable to acquire commercial quality mushrooms on a timely basis and at commercially reasonable prices, and are unable to find one or more replacement suppliers with the regulatory approvals to produce mushrooms at a substantially equivalent cost, in substantially equivalent volumes and quality, and on a timely basis, the Corporation will likely be unable to meet customer demand.

Consumer Perception of Mushrooms

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

Brand Awareness

Brand awareness has not been achieved inside or outside of the Corporation's target markets. There is no assurance that the Corporation will be able to achieve brand awareness in any of its target markets. In addition, the Corporation must develop successful marketing, promotional and sales programs in order to sell its products. If the Corporation is not able to develop successful marketing, promotional and sales programs, then such failure will have a material adverse effect on the business, financial condition and operating results.

Limited Number of Products

The Corporation is heavily reliant on the production and distribution of mushroom-based and related products. If they do not achieve sufficient market acceptance, it will be difficult for us to achieve profitability.

The Corporation's revenue is derived almost exclusively from sales of mushroom-based and related products, and the Corporation expects that such products will account for substantially all of its revenue for the foreseeable future. If the mushroom-based and related products market declines or fails to achieve substantially greater market acceptance than it currently enjoys, the Corporation will not be able to grow its revenues sufficiently for it to achieve consistent profitability.

Even if products to be distributed by the Corporation conform to international safety and quality standards, sales could be adversely affected if consumers in target markets lose confidence in the safety, efficacy, and quality of mushrooms. Adverse publicity about mushroom-based products that the Corporation sells may discourage consumers from buying products distributed by the Corporation.

Expansion into the Psychedelics Industry

If the Corporation proceeds with its proposed acquisition of 1253135 BC Ltd., the Corporation will be expanding into the psychedelics industry. This industry is new and rapidly evolving, presenting significant uncertainty and business risks. The growth of this industry is subject to a high degree of uncertainty, due to the complexity of regulation, which varies by jurisdiction of operation, and may involve multijurisdictional considerations such as import and export of controlled substances. Operation in this industry will depend on regulatory conditions, which are outside the control of Levitee Labs. The Corporation, or its partners, may be required to obtain and maintain certain permits, licenses, and approvals in the jurisdictions where any psychedelics products or technologies are being researched, developed, or commercialized, assuming completion of the acquisition of psychedelics companies. There can be no comfort that any future product candidates will ever obtain regulatory approval. There can be no assurance that the Corporation will be able to obtain or maintain any necessary licenses, permits, or approvals.

Development of New Products

The Corporation'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 Corporation must meet such demand through new and innovative products or else its business will fail. The Corporation's ability to develop, market and produce new products is subject to it having substantial capital. There is no assurance that the Corporation will be able to develop new and innovative products or have the capital necessary to develop such products.

Risks Associated with COVID-19

The outbreak of COVID-19 (coronavirus) has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness and governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions.

The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Corporation in future periods.

Depending on the length and severity of the pandemic, COVID-19 could: interrupt the Corporation's operations; increase the Corporation's operating expenses; adversely affect retail sales of the Corporation's product, including through Green Planet; adversely affect the Corporation's ability to attract staff and for staff to collaborate effectively due to remote work environments; cause delayed performance of the Corporation's contractual obligations, including to its customers; impact the Corporation's and its co-packers' ability to source raw materials; affect the Corporation's ability to operate its Sporeo Facility efficiently; impact the Corporation's and its co-packers' ability to ship products to customers; impair the Corporation's ability to raise further funds depending on COVID-19's effect on capital markets; and adversely affect the Corporation's supply partners, contractors, customers and/or transportation carriers – each which could materially affect the business and financial condition of the Corporation. To date, the Corporation's inability to visit the United States has significantly delayed production of Monk-E inventories and the Corporation's ability to secure an employee identification number for its United States presence and lead times for the inputs for the Corporation's products have been delayed due to workplace shortages. Notwithstanding, the Corporation is of the view that the COVID-19 pandemic may actually increase interest in natural health and wellness products.

The extent to which the COVID-19 pandemic impacts the Corporation's results will depend on future developments that are highly uncertain and cannot be predicted, including new information that may emerge concerning the severity of the virus, the duration of the outbreak and the actions to contain its impact.

Dependence on Management Team

The Corporation will depend on certain key senior managers to oversee the core marketing, business development, operational and fundraising activities and who have developed key relationships in the industry. Their loss or departure in the short-term would have an adverse effect on the Corporation's future performance.

Reliance on Third Party Manufacturers

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

Reliance on Marketing Partners and Future Distributors

The Corporation will sell its products online directly to end customers and it will rely on third parties for the sale and marketing of its products at retail locations. The Corporation plans to engage a distribution company to permit the Corporation to develop an extensive regional sales and distribution network throughout Canada and other jurisdictions where the Corporation's product is lawful. To the extent that marketing partners and distributors are distracted from selling the Corporation's products or do not expend sufficient efforts in managing and selling its products, the Corporation's future sales will be adversely affected. The Corporation's ability to grow our distribution network and attract additional distributors will depend on several factors, many of which are outside of its control. Some of these factors include: (i) the level of demand for the Corporation's brand and products in a particular distribution area; (ii) our ability to price our products at levels competitive with those offered by competing products and (iii) the Corporation's ability to deliver products in the quantity and at the time ordered by distributors.

Product Liability Insurance

The Corporation currently does not carry any product liability insurance coverage. Even though the Corporation is not aware of any product liability claims at this time, its business exposes itself to potential product liability, recalls and other liability risks that are inherent in the sale of food and other ingestible products. The Corporation can provide no assurance that such potential claims will not be asserted against it. A successful liability claim or series of claims brought against the Corporation could have a material adverse effect on its business, financial condition and results of operations.

Although the Corporation intends to obtain adequate product liability insurance, it cannot provide any assurances that it will be able to obtain or maintain adequate product liability insurance of on acceptable terms, if at all, or that such insurance will provide adequate coverage against potential liabilities. Claims or losses in excess of any product liability cover that may be obtained by the Corporation could have a material adverse effect on its business, financial conditional and results of operations.

Product Liability Claims

The Corporation may be required to pay for losses or injuries purportedly or actually caused by its products. Historically, there have been no product liability claims; however, there is no assurance that this trend will continue in the future. In the event that the Corporation's products are found to cause any injury or damage, the Corporation will be subject to substantial liability. This liability may exceed the funds available by the Corporation and result in the failure of its business.

Product Recall

The sale of products for human consumption involves inherent risks. The Corporation could decide to, or be required to, recall products due to suspected or confirmed contamination or product tampering. A product recall could adversely affect product sales financial condition and results of operation as well as the Corporation's general reputation in the industry.

Trademark Protection

The Corporation currently has not obtained any trademarks. Failure to register trademarks for the Corporation or its products could require the Corporation to rebrand its products resulting in a material adverse impact on its business.

Government Regulation

The processing, manufacturing, packaging, labeling, advertising and distribution of the Corporation's products is subject to regulation by one or more federal agencies, and various agencies of the provinces and localities in which our products are sold. These government regulatory agencies may attempt to regulate any of our products that fall within their jurisdiction. Such regulatory agencies may not accept the evidence of safety for any new ingredients that the Corporation may want to market, may determine that a particular product or product ingredient presents an unacceptable health risk and may determine that a particular statement of nutritional support that we want to use is an unacceptable claim. Such a determination would prevent the Corporation from marketing particular products or using certain statements of nutritional support on its products. The Corporation also may be unable to disseminate third-party literature that supports its products if the third-party literature fails to satisfy certain requirements.

In addition, a government regulatory agency could require the Corporation to remove a particular product from the market. Any future recall or removal would result in additional costs to the Corporation, including lost revenues from any products that we are required to remove from the market, any of which could be material. Any such product recalls or removals could lead to liability, substantial costs and reduced growth prospects.

Competition

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

Junior Companies

Market perception of junior companies may change, potentially affecting the value of investors' holdings and the ability of the Corporation to raise further funds through the issue of further Common Shares or otherwise. The share price of publicly traded smaller companies can be highly volatile. The value of the Common Shares may go down as well as up and, in particular, the share price may be subject to sudden and large falls in value given the restricted marketability of the Common Shares.

Current Market Volatility

The securities markets in the United States and Canada have recently experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any market for the Common Shares will be subject to market trends generally, notwithstanding any potential success of the Corporation. The value of the Common Shares distributed hereunder will be affected by such volatility.

Use of Funds

The Corporation has prepared a budget setting out the way in which it proposes to expend its available funds. However, the quantum and timing of expenditure will necessarily be dependent upon receiving positive results from the Corporation's product development and marketing initiatives. As the Corporation further expands its business, it is possible that results and circumstances may dictate a departure from the pre-existing budget. Further, the Corporation may, from time to time as opportunities arise, utilise part of its financial resources to participate in additional opportunities that arise and fit within the Corporation's broader objectives, as a means of advancing shareholder value.

Conflicts of Interest

Some or all of the Corporation's Directors and officers may act as directors and/or officers of other health and wellness companies. As such, the Corporation's Directors and officers may be faced with conflicts of interests when evaluating alternative health and wellness opportunities. In addition, the Corporation's Directors and officers may prioritize the business affairs of another company over the affairs of the Corporation.

Personnel

The Corporation has a small management team and the loss of any key individual could affect the Corporation's business. Additionally, the Corporation will be required to secure other personnel to facilitate its marketing and product development initiatives. Any inability to secure and/or retain appropriate personnel may have a materially adverse impact on the business and operations of the Corporation.

Tax Issues

Income tax consequences in relation to the securities offered will vary according to the circumstances of each purchaser. Prospective purchasers should seek independent advice from their own tax and legal advisers prior to subscribing for the securities.

Liquidity of the Common Shares

Listing on the Exchange should not be taken as implying that there will be a liquid market for the Common Shares. Thus an investment in the Common Shares may be difficult to realize. Investors should be aware that the value of the Common Shares may be volatile. Investors may, on disposing of Common Shares, realize less than their original investment, or may lose their entire investment. The Common Shares, therefore, may not be suitable as a short-term investment.

The market price of the Common Shares may not reflect the underlying value of the Corporation's net assets. The price at which the Common Shares will be traded, and the price at which investors may realize their Common Shares, will be influenced by a large number of factors, some specific to the Corporation and its proposed operations, and some which may affect the sectors in which the Corporation operates. Such factors could include the performance of the Corporation's operations, large purchases or sales of the Common Shares, liquidity or the absence of liquidity in the Common Shares, legislative or regulatory changes relating to the business of the Corporation, and general market and economic conditions.

No Dividends

The Corporation has not declared or paid any cash dividends on the Common Shares to date. The payment of dividends in the future, if any, is dependent on the Corporation's earnings, financial condition, capital requirements, business conditions, corporate law requirements and on such other factors as the Board considers appropriate. Unless and until the Corporation pays dividends, shareholders' ability to achieve a return on their investment will depend upon an appreciation in the price of the Common Shares.

General

Although management believes that the above risks fairly and comprehensively illustrate all material risks facing the Corporation, the risks noted above do not necessarily comprise all those potentially faced by the Corporation as it is impossible to foresee all possible risks. Although the Directors will seek to minimize the impact of the risk factors, an investment in the Corporation should only be made by investors able to sustain a total loss of their investment. Investors are strongly recommended to consult a person who specializes in investments of this nature before making any decision to invest.

PROMOTERS

Pouya Farmand is considered to be a promoter of the Corporation in that he took the initiative in founding and organizing the business of the Corporation. Mr. Farmand holds 8,543,620 Common Shares in the capital of the Corporation.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Management of the Corporation is not aware of any legal proceedings or regulatory actions outstanding, threatened or pending as of the date hereof by or against the Corporation or relating to the business which would be material to a Subscriber of Shares.

INTERESTS OF MANAGEMENT IN MATERIAL TRANSACTIONS

Other than disclosed herein, management of the Corporation is not aware of any material interest, direct or indirect, of any director or officer of the Corporation, any person beneficially owning, directly or indirectly, more than 10% of the Corporation's voting securities, or any associate or affiliate of such person in any transaction within the last financial year or in any proposed transaction which in either case has materially affected or will materially affect the Corporation.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of the Corporation are MNP LLP, Chartered Professional Accountants, at Suite 2200, 1021 West Hastings Street, Vancouver, BC V6E 0C3.

The Corporation's transfer agent and registrar of the Corporation is Odyssey Trust Company, at 323 – 409 Granville Street, Vancouver, BC V6C 1T2.

MATERIAL CONTRACTS

The only material contracts currently in force and effect which have been entered into by the Corporation or will be entered into prior to the Closing of this Offering are the following:

(a) the Subscription Receipt Escrow Agreement;

(b) the Escrow Agreement;

(c) the Founders Pooling Agreement;

(d) the Seed Shareholders Pooling Agreement;

(e) the Registrar and Transfer Agent Agreement dated May 26, 2021 between Odyssey Trust Company and the Corporation;

(f) the Amalgamation Agreement;

(g) the Green Planet Agreement;

(h) the Fulfillment Agreement;

(i) the Farmand Employment Agreement;

(j) the Abbott Employment Agreement;

(k) the Osborne Employment Agreement; and

(l) the Darabi Employment Agreement.

EXPERTS

MNP LLP is independent of the Corporation pursuant to the rules of professional conduct of the Institute of Chartered Professional Accountants of British Columbia.

PURCHASERS' STATUTORY RIGHTS

Securities legislation in certain provinces 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 and any amendment. The securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages, if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission are exercised by the purchaser within the time limit prescribed by securities legislation of the purchaser's jurisdiction. The purchaser should refer to any applicable provisions of the securities legislation of their jurisdiction for the particulars of these rights or consult with a legal adviser.

FINANCIAL STATEMENTS

Audited financial statements of the Corporation for the year ended September 30, 2020 and the period from January 23, 2019 (incorporation) to September 30, 2019 are included in this prospectus as Schedule “A”.

Unaudited financial statements of the Corporation for the three and six months ended March 31, 2021 are included in this prospectus as Schedule “C”.

Audited financial statements of Monk-E for the period from May 24, 2020 (incorporation) to September 30, 2020 are included in this prospectus as Schedule “E”.

SCHEDULE "A"

FINANCIAL STATEMENTS OF LEVITEE LABS INC. FOR THE YEAR ENDED SEPTEMBER 30, 2020 AND THE PERIOD FROM JANUARY 23, 2019 (INCORPORATION) TO SEPTEMBER 30, 2019

Financial Statements
FIBONACCI CAPITAL CORP.

For the year ended September 30, 2020 and the period from date of incorporation on January 23, 2019 to September 30, 2019

(Expressed in Canadian Dollars)

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Independent Auditor's Report

To the Directors of Fibonacci Capital Corp.:

Opinion

We have audited the financial statements of Fibonacci Capital Corp. (the "Company"), which comprise the statements of financial position as at September 30, 2020 and September 30, 2019, and the statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the year ended September 30, 2020 and for the period from date of incorporation on January 23, 2019 to September 30, 2019, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at September 30, 2020 and September 30, 2019, and its financial performance and its cash flows for the year ended September 30, 2020 and for the period from date of incorporation on January 23, 2019 to September 30, 2019 in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the Company incurred a net loss of $441,729 for the year ended September 30, 2020, and as at that date, had an accumulated deficit of $752,035. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audits of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

MNP LLP

Vancouver, British Columbia
July 9, 2021

Chartered Professional Accountants

FIBONACCI CAPITAL CORP.
Statements of Financial Position
As at September 30, 2020 and 2019
(Expressed in Canadian dollars)

		September 30, 2020		September 30, 2019
Assets				
Current Assets				
Cash and cash equivalents	$	42,893	$	298,232
Loan receivable (note 8)		-		50,000
Prepaid expenses (note 4)		35,437		-
Marketable securities (note 5)		78,660		-
Shares subscription receivable (note 6)		-		9,111
Total Current Assets		**156,990**		**357,343**
Total Assets	**$**	**156,990**	**$**	**357,343**
Liabilities				
Current Liabilities				
Accounts payable and accrued liabilities	$	2,572	$	912
Non-interest-bearing loans from subscribers (note 6)		-		13,995
Total Current Liabilities		**2,572**		**14,907**
Total Liabilities		**2,572**		**14,907**
Shareholders' Equity				
Share capital (note 6)		906,453		652,742
Accumulated deficit		(752,035)		(310,306)
Total Shareholders' Equity		**154,418**		**342,436**
Total Liabilities and Shareholders' Equity	**$**	**156,990**	**$**	**357,343**

Nature and continuance of operations (note 1)
Subsequent events (note 12)

Approved on behalf of the Board DATE

Pouya Farmand, Director

Ken Osborne, Director

The accompanying notes are an integral part of the financial statements.

FIBONACCI CAPITAL CORP.
Statements of Loss and Comprehensive Loss
For the year ended September 30, 2020 and the period from date of incorporation on January 23, 2019 to September 30, 2019

(Expressed in Canadian dollars)

	For the year ended September 30, 2020	For the period from date of incorporation on January 23, 2019 to September 30, 2019
Expenses		
Consulting expenses (note 8)	$ 414,938	$ 242,610
Professional fees	8,034	35,451
Rent expense (note 8)	4,725	9,575
Travel expense	2,950	4,282
Marketing expense	412	12,339
Office expense	376	5,531
Bank and financing charges	245	518
Total Expenses	$ 431,680	$ 310,306
Other Income (Expenses)		
Fair value (loss) on marketable securities (note 5)	(16,224)	-
Gain from settlement of payables	6,175	
Total Other Expenses	(10,049)	-
Net loss and comprehensive loss for the period	**$ (441,729)**	**$ (310,306)**
Basic and diluted loss per share (note 7)	$ (0.10)	$ (0.13)
Weighted average number of common shares outstanding - Basic and diluted (note 7)	4,543,996	2,432,324

The accompanying notes are an integral part of the financial statements.

FIBONACCI CAPITAL CORP.
Statements of Changes in Shareholders' Equity
For the year ended September 30, 2020 and the period from date of incorporation on January 23, 2019 to September 30, 2019

(Expressed in Canadian dollars)

	Number of shares	Shares Capital $	Accumulated deficit $	Total $
Total shareholders' equity as at January 23, 2019	-	$ -	$ -	$ -
Issuance of common shares for cash, net of issuance costs	3,313,028	430,992	-	430,992
Share issuance for services (notes 8d and 6)	1,182,667	221,750	-	221,750
Net loss and comprehensive loss	-	-	(310,306)	(310,306)
Total shareholders' equity as at September 30, 2019	4,495,595	$ 652,742	$ (310,306)	$ 342,436
Issuance of common shares capital for cash, net of issuance costs	31,866	$ 4,711	$ -	$ 4,711
Share capital issuance for services (note 8d and 6)	1,328,000	249,000	-	249,000
Net loss and comprehensive loss	-	-	(441,729)	(441,729)
Total shareholders' equity as at September 30, 2020	5,855,561	$ 906,453	$ (752,035)	$ 154,418

The accompanying notes are an integral part of the financial statements.

FIBONACCI CAPITAL CORP.
Statements of Cash Flows
For the year ended September 30, 2020 and the period from date of incorporation on January 23, 2019 to September 30, 2019

(Expressed in Canadian dollars)

	Year Ended September 30, 2020	Period from January 23, 2019 to September 30, 2019
Operating activities		
Net loss and comprehensive loss	$ (441,729)	$ (310,306)
Adjustments for items not affecting cash:		
Expenses paid by shares	249,000	221,750
Loan receivable settled against accounts payable (note 8c)	50,000	-
Gain from settlement of payables	6,175	
Fair value loss on marketable securities (note 5)	16,224	-
	(120,330)	(88,556)
Changes in non-cash working capital balances:		
Prepaid expenses (note 4)	(35,437)	-
Accounts payable and accrued liabilities	(3,635)	912
Cash used in operating activities	(159,402)	(87,644)
Investing activities		
Issuance of loan receivable (note 8c)	-	(50,000)
Purchase of marketable securities (note 5)	(180,000)	-
Sale of marketable securities (note 5)	84,236	-
Cash used in investing activities	(95,764)	(50,000)
Financing activities		
Issuance of share capital subscriptions (note 6a)	-	425,511
Cash received from shares not yet issued (note 6a)	-	13,995
Cash returned from cancellation of share subscriptions prepaid in prior year	(8,000)	-
Cash received for shares issue in prior period (note 6a)	9,111	-
Cost of share issuance	(1,284)	(3,630)
Cash provided by financing activities	(173)	435,876
Change in cash and cash equivalents	(255,339)	298,232
Cash balance, beginning of the period	**298,232**	**-**
Cash balance, end of the period	**$ 42,893**	**$ 298,232**

The accompanying notes are an integral part of the financial statements.

1. Nature and continuance of operations

Fibonacci Capital Corp.("the Company" or "Fibonacci") was incorporated on January 23, 2019 and is a company continued under the Business Corporations Act (British Columbia). The Company intends to identify and evaluate potential business opportunities in the psychedelics industry through the acquisitions of Monk-E Nutraceuticals Inc ("Monk-E"). The registered office of the Company is located at Suite 305 – 1068 Hornby Street, Vancouver, British Columbia, Canada.

The Company in the process of three-cornered amalgamation with Monk-E and its 100% owned subsidiary of 1273586 B.C. Ltd and a direct listing via non-offering prospectus ("NOP"). Fibonacci Capital Corp. consolidated its common shares at a ratio of 2.5:1 from 14,638,903 common shares to 5,855,561 common shares immediately prior to amalgamation as such due to the share consolidation after year end, the share consolidation was reflected retroactively on the financial statements. Monk-E shareholders were then issued 1 common share in Fibonacci in exchange for 1 common share in Monk-E. This amounted to a total addition of 21,928,050 common shares issued in Fibonacci.

The Company has not generated any revenues from operations and has incurred losses since inception. The Company incurred a net loss of $441,729 for the year ended September 30, 2020 and a net loss of $310,306 for the period from date of incorporation on January 23, 2019 to September 30, 2019 for a total accumulated deficit of $752,035. The Company had a net cash outflow of $255,339 (2019-$298,232) for the year ended September 30, 2020 and a cash balance of $42,893 as at September 30, 2020 (2019-$298,323). To date, the Company's activities have been funded through financing activities. The Company will need to raise additional capital during the next twelve months and beyond to support current operations and planned development. These factors indicate the existence of a material uncertainty that may cast significant doubt as to the Company's ability to continue as a going concern. Management intends to finance operating costs over the next twelve months with cash on hand, private placements and through the direct listing via a non-offering prospectus. However, management has considered expectations for future profitability and believes that the Company will continue in operation for the foreseeable future and will be able to satisfy its liabilities and commitments in the normal course of business, and accordingly, it is appropriate to prepare these financial statements on a going concern basis.

As such, the accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities in the normal course of business. The financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classifications of liabilities that could result should the Company be unable to continue as a going concern.

The impact of the COVID-19 pandemic, with its combined health toll and sharp decline in global economic output, is unprecedented and the full extent of the impact will depend on future developments. These developments are highly uncertain and cannot be accurately predicted, including new information which may emerge concerning its severity, its duration and actions by government authorities to contain the outbreak or manage its impact. As a result, it is not possible to determine the impact on the Company's ability to continue as a going concern at this time.

2. Summary of significant accounting policies

(i) Basis of presentation and statement of compliance

These financial statements for the period ended September 30, 2020 are the first financial statements the Company has prepared in accordance with International Financial Reporting Standards ("IFRS"), International Accounting Standards Board ("IASB"), and the interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), as such, no reconciliation between previous GAAP and IFRS is applicable. All IFRS applicable as at September 30, 2020 have been applied.

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

These financial statements were approved by the Company's Board of Directors on July 8, 2021.

(ii) **Functional currency**

The functional currency of the Company is measured using the currency of the primary economic environment in which the Company operates. The functional and presentation currency used to prepare the Company's financial statements is Canadian dollars.

(iii) **Cash and cash equivalents**

Cash and cash equivalents consists of cash and demand deposits with maturities of 90 days or less and they are readily convertible to known amounts of cash and subject to an insignificant risk of change in value. As at December 31, 2019, the Company had $1,428 held in trust with its legal counsel.

(iv) **Loss per share**

Basic earnings per share is computed by dividing the net loss attributable to common shares of the Company by the weighted average number of common shares outstanding for the relevant period.

Diluted earnings per share is computed by dividing the net loss attributable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding, if potentially dilutive instruments were converted. The Company's instruments are not dilutive due to the loss in the period.

(v) **Share capital**

Share capital issued for non-monetary consideration is recorded at an amount based on the fair market value of these shares.

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

(vi) **Financial instruments**

Financial Assets

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, the transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit and loss are expensed in profit or loss. Financial assets are considered in the entirety when determining whether their cash flows are solely payment of principal and interest.

Subsequent measurement of financial assets depends on their classification. The classification depends on the Company's business model for managing the financial assets and contractual terms of the cash flows. These are the measurement categories under which the Company classifies its financial assets:

- Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measures at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.
- Fair value through profit or loss ("FVTPL"): Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on an investment that is subsequently measured at FVTPL is recognized in profit or loss and presented net as revenue in the statement of loss and comprehensive loss in the period which it arises.

The Company measures its financial instruments as follows:

	Amortized Cost	**FVTPL - Mandatory**
Cash and cash equivalents	X	
Loans receivable	X	
Marketable securities		X
Shares subscription receivable	X	

	Amortized Cost
Accounts payable and accrued liabilities	X
Non-interest-bearing loans from subscribers	X

Impairment of Financial Assets at Amortized Cost:

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses of the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of loss and comprehensive income, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Financial Liabilities

The Company classifies its financial liabilities into the following categories: financial liabilities at FVTPL and amortized cost.

A financial liability is classified as FVTPL if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognized in profit or loss as incurred. The fair value changes to financial liabilities at FVTPL are presented as follows: the amount of change in fair value that is attributable to changes in the credit risk of the liability is presented in OCI; and the remaining amount of the change in the fair value is presented in profit or loss. The Company does not designate any financial liabilities at FVTPL.

Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest rate method. The Company classifies its accounts payable and accrued liabilities, as financial liabilities held at amortized cost.

(vii) **Income taxes**

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when the related asset is realized or liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are to the extent that it is no longer probable that the related tax benefit will be realized. Deferred income tax assets and liabilities are presented as non-current.

(viii) **Right-of-use assets and lease liability**

The Company has applied IFRS 16, Leases since its inception. The Company assesses whether a contract is or contains a lease at inception of a contract. The Company recognizes a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term unless another systematic basis is more representative of the usage of the economic benefits from the leased asset.

The lease liability is initially measured at the present value of the future lease payments at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrow rate. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, payments made on or before the lease commencement and any direct costs. They are subsequently measured at cost less depreciation and any impairment losses. Right-of-use assets are depreciated over the shorter period of the lease term and useful life of the underlying asset.

The Company does not currently have any leases that satisfy the conditions under IFRS 16 to record a right-of-use asset and lease liability.

Future accounting pronouncements

Certain new and revised accounting standards and new International Financial Reporting Interpretations Committee ('IFRIC') interpretations have been issued during year, but do not have a material effect on the results or the financial position of the Company.

There are currently no new accounting standards the Company is evaluating.

3. Critical accounting estimates and judgements

In the application of the Company's accounting policies, which are described within this note, the management of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

(i) Going concern - Management has applied judgements in the assessment of the Company's ability to continue as a going concern when preparing its financial statements. Management prepares the financial statements on a going concern basis unless management either intends to liquidate the entity or to cease trading or has no realistic alternative to do so. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period.

Key sources of estimation uncertainty

(i) Current and deferred taxes - The estimation of income tax expense and the composition of deferred tax assets and liabilities involves judgment and estimates as to the future taxable earnings, expected timing of reversal of deferred tax assets and liabilities, and interpretations of tax laws. The Company is subject to assessments by tax authorities who may interpret the tax law differently. Changes in these interpretation, judgments and estimates may materially affect the final amount of current and deferred tax provisions, deferred income tax assets and liabilities, and results of operations. While the precise impact of the recent novel coronavirus ("COVID-19") outbreak remains unknown, it has introduced uncertainty and volatility in Canadian and global economies. The Company is monitoring developments and preparing for any impacts related to COVID-19. The Company has business plans in place, that ensures its readiness to appropriately address and mitigate regulatory and business risks as they arise including, but not limited to, impacts on employees and other key resources in the business.

(ii) Fair value of financial instruments - the individual fair values attributable to the different components of a financing transaction, notably borrowing liabilities are determined using valuation techniques. The Company uses judgment to select the methods used to make certain assumptions and in performing the fair value calculations in order to determine the values attributable to each component of a transaction at the time of their issuance. These valuation estimates could be significantly different because of the use of judgment and the inherent uncertainty in estimating the fair value of these instruments that are not quoted in an active market.

(Expressed in Canadian Dollars)

4. Prepaid expenses

Included in prepaid assets on the statement of financial position as at September 30, 2020 and September 30, 2019 are prepaid consulting fees, respectively, representing the portion of the fees paid to three related parties (the "Consultant") to source acquisition targets and guide the Company through the due diligence and financial advisory (note 8).

5. Marketable securities

During the year ended September 30, 2020 the Company purchased 800,000 common shares of ESE Entertainment Inc. for a weighted average cost of $0.225 per common share. When the shares were purchased the Company was not publicly traded and was classified as financial instruments Level 3. On August 17, 2020 shares of the company was listed on the TSX Venture Exchange and the Company reclassified them as Level 1. During the year the Company sold 386,000 common shares for net proceeds of $84,235. As at September 30, 2020 the company holds 414,000 common shares with fair value of $78,660 and has recognized a fair value loss for the year of $16,224 in the statement of loss and comprehensive loss.

6. Share capital

(a) Share issuances

The authorized capital of the Company consists of an unlimited number of common shares without par value. All shares are Class A common shares with voting rights (note 1).

From the date of incorporation January 23, 2019 to September 30, 2020 the Company had the following share issuances:

Date	Number of Shares	Price Per Share	Proceeds
February 7, 2019(1)	480,000	$0.0125	6,000
March 14, 2019(1)	604,572	$0.0625	37,786
April 16, 2019(2)	88,000	$0.1875	16,500
May 27, 2019(2)	40,000	$0.1875	7,500
May 28, 2019(2)	840,000	$0.1875	157,500
June 18, 2019(1)	216,000	$0.0625	13,500
June 20, 2019(1)	2,012,456	$0.1875	377,336
June 20, 2019(2)	214,667	$0.1875	40,250
Total	4,495,695		656,372
Share issuance costs			(3,630)
Balance as at September 30, 2019	**4,495,695**		**$ 652,742**
September 17, 2020(2)	1,328,000	0.1875	249,000
September 17, 2020(1)	31,866	0.1875	5,975
Total	5,855,561		907,717
Share issuance costs			(1,264)
Balance as at September 30, 2020	**5,855,561**		**$ 906,453**

(1) Shares issued for cash
(2) Shares issued as payments for consulting services

(Expressed in Canadian Dollars)

The Company incurred share issuance costs such as legal costs and finder's fees of $1,264 as at September 30, 2020 (September 30, 2019 - $3,630). As at September 30, 2019, the amount of shares issued but not paid was $9,111. This amount was paid in full in 2020. As at September 30, 2019, the Company had $13,995 received as prepayment for the subscription agreements. Corresponding shares were issued to subscribers in 2020.

(b) Escrow Shares

On February 7, 2019, the Company issued 480,000 shares which, pursuant to the subscription agreements providing for their issuance, will be subject to resale restrictions for two (2) years starting from the date on which the Company's shares commence trading on the CSE (the "Listing Date"). In addition, pursuant to National Policy 46-201 and the rules and policies of the CSE, any securities held by principals of the issuer (subject to a de minimis threshold) will become subject to escrow at the time of the Listing Date. Such escrow will provide for release as follows: (i) 10% of the securities will be released on the Listing Date; (ii) 15% of the securities will be released 6 months from the Listing Date; (iii) 15% of the securities will be released 12 months from the Listing Date; (iv) 15% of the securities will be released 18 months from the Listing Date; (v) 15% of the securities will be released 24 months from the Listing Date; (vi) 15% of the securities will be released 30 months from the Listing Date; and (vii) 15% of the securities will be released 36 months from the Listing Date.

7. Loss per share

	Year ended September 30, 2020	For the period from date of incorporation January 23, 2019 to September 30, 2019
Loss attributable to shareholders	$ 441,729	$ 310,306
Weighted average number of shares	4,543,996	2,432,324
Basic and diluted loss per share	$ (0.10)	$ (0.13)

8. Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Some of the consulting expenses included in related party were outside of the scope of written consulting agreements and were agreed discretionally by the Company's management and the consultants verbally.

(a) Compensation of key management personnel

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Company's Board of Directors, and corporate officers. The remuneration of key management personnel including consulting fees paid through companies owned by directors during the year ended was as follows:

(Expressed in Canadian Dollars)

		Year ended September 30, 2020		Period from date of incorporation on January 23, 2019 to September 30, 2019
Consulting fees	$	333,375	$	123,500
Prepaid expense		23,625		-

The Company prepaid the consulting fees to the related parties for October, November and December 2020 (note 4).

(b) Transactions with related parties

		Year ended September 30, 2020		Period from date of incorporation on January 23, 2019 to September 30, 2019
Rent		4,725		9,575
Amounts owing from related parties	$	-	$	1,000

(c) Loans with related parties

On June 10, 2019, the Company entered into an agreement to lend $50,000 to two companies owned by directors of the Company for $25,000 each. Both companies are controlled by a common controlling team. The loan agreement states that the loan is unsecured, non-interest bearing, and repayable on demand. On August 31, 2020 these loans were settled in exchange for amounts owing to the two parties for consulting services settled by offset with trade payables related to the consulting services provided by the same companies.

(d) Services provided by related parties settled with shares

The company has settled some of its consulting expenses with the related parties with shares. For the year ended September 30, 2020 the total number of shares and value for debt settlement are 1,128,000 shares and $211,500 respectively (period ended September 30, 2019 - 616,000 shares and $115,500).

(Expressed in Canadian Dollars)

	For the year ended September 30, 2020			Period from date of incorporation on January 23, 2019 to September 30, 2019		
Name of Related Party	**Number of shares**		**Total Value**	**Number of shares**		**Total Value**
Company owned by the Chief Executive Officer	200,000	$	37,500	280,000	$	52,500
Chief Operating Officer	-		-	56,000		10,500
Company owned by the Head of Mergers & Acquisitions	728,000		136,500	280,000		52,500
Company owned by the Chief Operating Officer	200,000		37,500	-		-
Total	**1,128,000**	**$**	**211,500**	**616,000**	**$**	**115,600**

9. Financial instruments and risk management

(a) Fair values of financial instruments

September 30, 2020		**Financial assets at amortized cost**		**Financial liabilities at amortized cost**		**Financial assets at fair value through profit or loss**
Cash and cash equivalents	$	42,893	$	-	$	-
Marketable securities		-		-		78,660
Accounts payable and accrued liabilities		-		2,572		-
Total	**$**	**42,893**	**$**	**2,572**	**$**	**78,660**

September 30, 2019		**Financial assets at amortized cost**		**Financial liabilities at amortized cost**		**Financial assets at fair value through profit or loss**
Cash and cash equivalents	$	298,232	$	-	$	-
Loan receivable		50,000		-		-
Share subscriptions receivable		9,111				
Non-interest-bearing loans from subscribers				13,995		
Accounts payable and accrued liabilities		-		912		-
Total	**$**	**357,434**	**$**	**14,907**	**$**	**-**

Fair value measurements and disclosures use the following hierarchy definitions in determining its classifications:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - Inputs other than quoted prices included with Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)

Level 3 - Inputs for the asset or liability that are not based on observable market data (that is unobservable inputs

Cash, loans receivable, accounts payable and accrued liabilities approximate their fair value due to their short-term nature. The fair value of the marketable securities is determined using Level 1 as this consists of shares of a publicly traded company on in an active market.

(b) Credit risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. The following paragraphs describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

The risk exposure is limited to their carrying amounts at the statement of financial position date. The risk for cash is mitigated by holding these instruments with highly rated Canadian financial institutions. The Company does not invest in asset-backed deposits or investments and does not expect any credit losses. The Company periodically assesses the quality of its investments and is satisfied with the credit rating of the financial institutions.

The Company periodically lends funds to related parties for whom the risk of non-payment has been deemed sufficiently low.

There have been no substantive changes in the Company's exposure to financial instrument credit risks, its objectives, polices and processes for managing those risks or the methods used to measure them unless otherwise stated in the note, other than the significant change in the current year in relation to the marketable securities acquired during the year.

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The key to success in managing liquidity is the degree of certainty in the cash flow projections.

The Company monitors its cash flows to meet the Company's normal operating requirements on an ongoing basis and its planned capital expenditures. All of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms. As at September 30, 2020, the Company had a cash balance of $42,893 (2019 - $298,232) available to settle current financial liabilities of $2,572 (2019 – $14,907).

(d) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Currently the Company does not charge or is charged floating interest rates on its loans receivable, payables or other loan. The Company is not exposed to significant interest rate risk (note 6).

(e) Price risk

Price risk is the risk that changes in the market related factors will affect the Company's (loss) income or the fair value of its financial instruments. The objective of price risk management is to manage and control market risk exposures within acceptable parameters.

The Company has exposure to equity securities price risk through the marketable securities investment described in note 5. The investment held by the Company and classified on the balance sheet as at fair value through profit or loss (FVTPL).

(Expressed in Canadian Dollars)

To manage its price risk arising from the marketable securities investment, the Company closely monitors the price and performance of the equity security held.

10. Capital management

The Company's objectives when managing capital are to identify, pursue and complete the acquisition of companies and strategic assets in the psychedelics industry. The goal of the Company is to maintain financial strength, to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain credit worthiness and to maximize returns for shareholders over the long term. The Company does not have any externally imposed capital requirements to which it is subject. Capital of the Company comprises of cash and cash equivalents and shareholders' equity. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares. The Company's investment policy is to invest its cash in financial instruments in high credit quality financial institutions with terms to maturity selected with regards to the expected timing of expenditures from continuing operations.

There were no changes to the Company's approach to capital management during the period.

11. Income tax

The Company's tax charge, which relates fully to deferred taxes, differs from the amount obtained by applying the Canadian statutory tax rate due to the following:

		Year ended September 30, 2020		Period from date of incorporation on January 23, 2019 to September 30, 2019
Loss before taxes	$	(441,729)	$	(310,306)
Canadian statutory tax rate		27.00%		27.00%
Expected income tax (recovery)		(119,267)		(83,783)
Non-deductible items		2,365		1,666
Share issuance cost		(341)		(980)
Change in deferred tax asset not recognized		117,243		83,097
Total income tax expense (recovery)	$	-	$	-

The unrecognized deductible temporary differences and unused tax losses are as follows:

		Year ended September 30, 2020		Period from date of incorporation on January 23, 2019 to September 30, 2019
Non-capital losses carried forward	$	730,259	$	304,863
Marketable securities		14,490		-
Capital losses carried forward		2,614		-
Share issuance cost		3,189		2,904
Unrecognized deductible temporary differences	$	750,552	$	307,767

The Company has non-capital loss carryforwards of approximately $730,259 (September 30, 2019 - $304,864) which may be carried forward to apply against future income for Canadian income tax purposes, subject to final determination by taxation authorities expiring in 2039 - 2040.

In addition, the Company has capital losses of $2,614 which may be carried forward indefinitely and applied to reduce future capital gains.

The deferred tax assets have not been recognized because at this stage of the Company's development, it is not determinable that future taxable profit will be available against which the Company can utilize such deferred tax assets.

12. Subsequent events

a. Amalgamation

1273586 B.C. Ltd. ("1273586"), was incorporated on November 6, 2020, to facilitate the three-cornered amalgamation to be completed among Fibonacci, 1273586 and Monk-E, whereby 1273586 and Monk-E would amalgamate under the Business Corporations Act (British Columbia) and become a wholly-owned subsidiary of Fibonacci. On November 30, 2020, Monk-e and 1273586, a wholly-owned subsidiary of Fibonacci, amalgamated under the Business Corporations Act (British Columbia). In connection therewith, Fibonacci changed its name to Levitee Labs Inc. and the entity resulting from the amalgamation of Monk-E and 1273586 changed its name to Levitee Labs Holdings Inc on December 01, 2020. As a result of these transactions, Levitee Labs Inc. now owns 100% of Levitee Labs Holdings Inc.

Fibonacci Capital Corp. consolidated its common shares at a ratio of 2.5:1 from 14,638,903 common shares to 5,855,561 common shares immediately prior to amalgamation. Monk-E shareholders were then issued 1 common share in Fibonacci in exchange for 1 common share in Monk-E. This amounted to a total addition of 21,928,050 common shares issued in Fibonacci. Post amalgamation, the combined entity changed name to Levitee Labs Inc (changed name from Fibonacci Capital Corp.) and it had 27,783,611 common shares outstanding at the amalgamation date. The total of 7,249,000 common outstanding shares of the Fibonacci were issued to the relate parties in addition to the 1,797,333 common outstanding shares previously issued as a result of the amalgamation.

b. Debt Settlement Agreement in Shares

On December 15, 2020, the board of directors approved the settlement the amount of $1,050,000 indebted to an M&A consulting firm with 4,200,000 common shares of the Company at a deemed price of $0.25 per share.

c. Commitments and Contingent Liabilities

As at September 30, 2020, Monk-E had a number of contingent commitments as per agreements with some consultants. Subsequent to year end, all contingent commitments mentioned above were transferred from Monk-E to Fibonacci prior to amalgamation:

- $20,000 in free trading stock options contingent to initial public offering;
- In the event a consultant introduces the Company to an M&A target and the Company acquire the corporation, the Company will pay the consultant 5% of the transaction value in cash or shares, to be determined by the Company at the time of the acquisition;
- Grant of 500,000 stock options to purchase shares of the Company upon completion of the agreement and contingent to BOD approval;
- Grant of 500,000 restricted stock units of common shares contingent on the initial public offering, subject to requirements from Canadian Securities Exchange and the Company's employee restricted stock unit plan;
- Contingent on a number of milestones and achievements to grant up to a total of 11,400,000 stock options.

d. Private Placement

On January 20, 2021, the Company completed a private placement (the "First Subscription Receipts Private Placement") of 15,491,000 subscription receipts (each, a "Subscription Receipt") of the Company at a price of $0.50 per Subscription Receipt for gross proceeds of

$7,745,500. With this private placement the Company paid finders commissions of $528,360 and issued 995,520 finders warrants with an exercise price of $0.75 and expiry of 24 months from the date of issuance. Upon satisfaction of the Escrow Release Conditions (defined below), each Subscription Receipt will be exercised or exchanged for one common share of the Company and one half of one common share purchase warrant of the Company (a "Subscription Receipt Warrant"). Each Subscription Receipt Warrant will be exercisable into one common share of the Company at price of $0.75 for 36 months from issuance. The "Escrow Release Conditions" are as follows:

(i) the shares of the Company will have been conditionally approved for listing on the Canadian Securities Exchange (CSE);

(ii) the Company will have obtained a final receipt for its long-form prospectus from the applicable regulatory authorities.

On February 4, 2021, the Company completed an additional private placement of 5,649,000 Subscription Receipts with the same terms above for gross proceeds of $2,824,500. With this private placement the Company paid finders commissions of $98,560 and issued 197,120 finders warrants with an exercise price of $0.75 and expiry of 24 months from the date of issuance.

e. Equity-based compensation program implementation

On May 31, 2021, the Company implemented an equity-based compensation program designed to incentivize employee and contractor performance and retention. A summary of the program is follows:

- An aggregate of 5,644,485 common share purchase options (the "Employee Compensation Options") were issued to certain employees of Levitee Labs Holdings Inc, each option exercisable at $0.25 per share for a period of five years. The Employee Compensation Options will vest in accordance with certain performance-based milestones.
- An aggregate of 19,024,452 common shares s (the "Employee Compensation Shares) were issued to certain employees of Levitee Labs Holdings Inc at a price of $0.02. The Employee Compensation Shares are subject to a reverse vesting arrangement, providing for release of such shares in tranches to the relevant Employee on achievement of the timeline milestones.
- An aggregate of 1,010,000 common shares issued to various employees as a signing bonus. The shares are not subject to any vesting conditions.
- an aggregate of 4,304,500 Common Shares (the "Contractor Compensation Shares") to certain contractors of the Company, each at a deemed issue price of $0.25 per share. The Contractor Compensation Shares are subject to a reverse vesting arrangement, providing for release of such shares to the relevant Contractor in monthly tranches over the twelve months from issuance.

f. CSE Listing approval

On July 7, 2021, the Company has obtained an approval for listing from the CSE with certain conditions. A date for trading will be determined upon confirmation of the conditions being met.

SCHEDULE "B"

MANAGEMENT'S DISCUSSION AND ANALYSIS OF LEVITEE LABS INC. FOR THE YEAR ENDED SEPTEMBER 30, 2020 AND THE PERIOD FROM JANUARY 23, 2019 (INCORPORATION) TO SEPTEMBER 30, 2019

Fibonacci Capital Corp.

MANAGEMENT DISCUSSION AND ANALYSIS

For the year ended September 30, 2020
and the period from date of incorporation on January 23, 2019 to September 30, 2019

As of July 8, 2021

About the Company

Fibonacci Capital Corp. ("the Company" or "Fibonacci") was incorporated on January 23, 2019 and is a company continued under the Business Corporations Act (British Columbia). The Company intends to identify and evaluate potential business opportunities in the psychedelics industry through the acquisitions of Monk-E Nutraceuticals Inc ("Monk-E"). The registered office of the Company is located at Suite 305 – 1068 Hornby Street, Vancouver, British Columbia, Canada.

Basis of Discussion and Analysis

This Management Discussion and Analysis ("MD&A") of the financial condition as of September 30, 2020 and the results of its operations for the period from the date of incorporation on January 23, 2019 to September 30, 2020 which was prepared as of January 21, 2021. This MD&A should be read in conjunction with the Company's audited financial statements and accompanying notes for the year ended September 30, 2020 and the period from the date of incorporation on January 23, 2019 to September 30, 2019.

The Company prepares its financial statements in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). IFRS comprises IFRS, International Accounting Standards ("IAS") and interpretations issued by the IFRS Interpretations Committee ("IFRIC") and the former Standing Interpretations Committee ("SIC").

All dollar amounts are expressed in Canadian dollars unless otherwise indicated.

Forward-Looking Statements

Certain statements contained in this MD&A and in certain documents incorporated by reference into this MD&A, constitute forward-looking statements, within the meaning of applicable securities laws ("forward-looking statements"). Such statements relate to future events or the Company's future performance. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "potential", "targeting", "intend", "could", "might", "should", "believe", "prospect", "future", "possible", "can", "speculative", "perhaps" and similar expressions.

Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations or intentions regarding the future. Such statements are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the statements. No assurance can be given that any of the events anticipated by the forward-looking statements will occur or, if they do occur, what benefits we will obtain from them. These forward-looking statements reflect management's current views and are based on certain assumptions and speak only as of the date of this report. These assumptions, which include management's current expectations, estimates and assumptions about the global economic environment, the market price and demand for products and our ability to manage our operating costs, may prove to be incorrect. A number of risks and uncertainties could cause our actual results to differ materially from those expressed or implied by the forward-looking statements, including: (1) a downturn in general economic conditions, (2) the uncertainty of government regulation and politics (3) potential negative financial impact from regulatory investigations, claims, lawsuits and other legal proceedings and challenges, (4) other factors beyond our control, and (5) the risk factors set out in the Prospectus (as defined below). There is a significant risk that such forward-looking statements will not prove to be accurate. Investors are cautioned not to place undue reliance on these forward-looking statements. No forward-looking statement is a guarantee of future results. We disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. Additional information about these and other assumptions, risks and uncertainties are set out in the section entitled "Risk Factors" below as well as in the Prospectus as set out in the section entitled "Risk Factors".

With respect to forward-looking statements contained in this prospectus, the Company has made assumptions regarding, among other things:

- the Company's ability to generate revenue while controlling costs and expenses;
- the impact of increasing competition;
- the absence of material adverse changes in the industry or regulatory regimes;
- the Company's ability to attract and retain key personnel;
- the Company's ability to manage its growth effectively;
- trends in the Company's industry and markets;
- the Company's ability to keep pace with technological developments;
- the Company's ability to protect its intellectual property rights;
- the Company's continued compliance with relevant regulatory regimes;
- the Company's ability to raise sufficient financing to support continued growth; and
- the Company's ability to obtain additional financing on satisfactory terms.
- the impact of COVID-19 on the market demand

The Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below and elsewhere in this prospectus:

- The Company's limited history of operations
- There is currently no market through which any of the Company's securities may be sold
- Substantial additional financing may be required if the Company is to successfully develop its business
- The Company has had negative cash flow from operating activities since inception
- The Company's products are subject to extensive regulation
- The Company may be subject to growth-related risks
- The success of the Company's products are dependent on pronounced and rapidly changing public tastes
- The Company is dependent on the reliable supply of its raw materials
- The Company is heavily reliant on a limited number of products
- The Company is highly dependent on consumer perception of mushrooms
- The Company has not achieved, and there is no assurance that it will be able to achieve brand awareness
- The Company's success may be dependent on its ability to develop, market and produce new products, which may require substantial capital
- The Company is heavily dependent on certain key senior managers
- The Company relies on third parties to manufacture and package its products
- The Company may be subject to product liability claims
- The Company may be required to recall its products
- The Company faces significant competition

Forward looking information and statements included throughout this MD&A include, but are not limited to, statements pertaining to the following:

- Monk-E will launch its Monk-E Nutraceuticals ecommerce platform located at www.monkenutra.com.
- Monk-E will launch its Sporeo ecommerce platform at URL: www.sporeogrow.com.
- Monk-E will launch its new business line called Sporeo Supply, and began selling Sporeo Supply

products through Sporeo's ecommerce platform. See *Description of Business – Sporeo Supply*".
- On August 10, 2020, the Company has signed a LOI with PharmaCosta Medicinal Corp., which set out the parties' intentions to jointly develop a mushroom infused coffee product for consumers.
- The Company, Amalgamation SubCo, and Monk-E Nutraceuticals Inc. ("Monk-E") entered into an amalgamation agreement (the "Amalgamation Agreement"). Pursuant to Amalgamation Agreement: (i) Monk-E and Amalgamation Subco amalgamated under Division 3 of Part 9 of the BCBCA and continued as one corporation, Levitee Holdings Inc OpCo; and (ii) the Corporation changed its name from "Fibonacci Capital Corp." to "Levitee Labs Inc. " Fibonacci Capital Corp. consolidated its shares 2.5x (September 30, 2020 - 14,638,903 shares) and immediately prior to amalgamation had 5,855,561 shares outstanding. Monk-E shareholders were then issued shares in Fibonacci 1 for 1 in exchange for their Monk-E shares. This amounted to 21,928,050 shares. In post amalgamation, the combined entity changed name to Levitee Labs Inc (changed name from Fibonacci Capital Corp.) and it had 27,783,611 at the amalgamation date.
- Levitee Labs Inc (the "Corporation" or "Levitee Labs") is planning on a public listing in Q3 2021 (calendar year). It has plans to use the capital raised to acquire established businesses in the nutraceutical and supplement space, as well as in areas of pain and addiction treatment. Capital raised as part of the listing is expected to be used on M&A opportunities, as well as general working and growth capital.

Current Year Activities and Corporate Developments

The Company is establishing itself as a leader in the alternative medicine space. The Company has been active in establishing strategic relationships and operations towards executing the goal of acquiring and creating cash-flowing assets directly in or ancillary to the psychopharmacological industry. The Company is now actively engaged in creating mushroom infused products and manufacturing for traditional mushroom cultivators through the trade names Monk-E nutraceuticals and Sporeo Supply.

The Company will pursue a going-public transaction and list its shares on the Canadian Securities Exchange (CSE). The Company will focus its business on pursuing further opportunities in the biotechnology and psychopharmacology industry.

RELATIONSHIPS WITH THIRD PARTIES

My Green Planet
Monk-E has established a strategic alliance and exclusive distribution agreement with My Green Planet. My Green Planet is a British Columbia based company specializing in the wholesale distribution of quality impact products for the indoor gardening, hydroponic, and hobby greenhouse market. They have been successfully active in this market for over 20 years, with millions of dollars in sales each year. My Green Planet is one of the largest distributors of cannabis cultivation equipment globally. Levitee Labs' brand Sporeo will initially be launching with two SKU's, Sporeo substrate and spawn. My Green Planet's distribution channels reach thousands of stores located in Canada, the United States, Europe, and Australia.

Selected Annual Information

Selected financial information from the statement of loss for the Company:

	For the year ended September 30, 2020	For the period from date of incorporation on January 23, 2019 to September 30, 2019
Expenses		
Consulting fees	$ 414,938	$ 242,610
Professional fees	8,034	35,451
Rent expense	4,725	9,575
Travel expense	2,950	4,282
Marketing expense	412	12,339
Office expense	376	5,531
Bank and financing charges	245	518
Total Expenses	$ 431,680	$ 310,306

Consulting fees mainly consist of consulting expenses by related parties, Chief Executive Officer, other executive team members, finance and accounting related expenses.

Professional fees mainly consist of fees paid to lawyers for other professional services.

Selected financial information from the statement of financial position:

	September 30, 2020	September 30, 2019
Cash and cash equivalents	$ 42,893	$ 298,232
Loan receivable	-	50,000
Prepaid expenses	35,437	-
Marketable securities	78,660	-
Shares subscription receivable	-	9,111
Current and total assets	$ 156,990	$ 357,343
Current and total liabilities	2,572	14,907
Shareholders’ equity	154,418	342,436
Total liabilities and shareholders’ equity	$ 156,990	$ 357,343

Cash and cash equivalents decreased from September 30, 2019 to September 30, 2020 as cash was used in in the operations of the Company.

On June 10, 2019, the Company entered into an agreement to lend $50,000 to two companies for $25,000 each. Both companies are controlled by a common controlling team. The loan agreement states that the loan is unsecured, non-interest bearing, and repayable on demand. On August 31, 2020 these loans were settled in exchange for amounts owing to the two parties for consulting services settled by offset with trade payables related to the consulting services provided by the same companies.

Prepaid expenses balances at September 30, 2020 and September 30, 2019 relate to prepaid consulting fees paid to consultants and companies that will source acquisition targets and guide the Company through the due diligence and general deal process.

Marketable securities at September 30, 2020 consisted of shares in the public company ESE Entertainment Inc. Management considers this investment as held for sale and short term in nature and intents to use any gains to fund operations of the Company.

Current and total liabilities consists solely of accounts payable due to vendors of the Company.

Shareholders' equity from September 30, 2019 to September 30, 2020 decreased due to the operating loss during the year, but was partially offset by an increase in share capital related to issuances of the Company's stock.

The Company is holding the cash to fund Company operations and to fund the exploration of potential acquisition after the initial public offering.

Outstanding Share Data
As at the date of this document, the Company has the following number of securities outstanding:

- 31,983,612 common shares issued and outstanding

Discussion of Operations

For a discussion of current year operations see "Selected Annual Information" in this MD&A.

The Company is currently focused on raising equity financing in order to acquire additional acquisition targets in order to generate additional revenue and gains through capital appreciation of these investments.

Significant Projects

As of the date of this MD&A, the amalgamated Company (see amalgamation note below) has two significant projects which have not generated revenue, but are expected to generate revenue in the future. Each project is related to the mushroom industry as a whole. The following is a description of each such project, including a description of the Company's plan for such project, the status of the project relative to the Company's plan for such project, the expenditures made by the Company in respect of such project to date and how such expenditures relate to anticipated timing and costs to advance the project to the next stage of the Company's plan for the specific project.

Facility

The Company currently leases an approximately 4,300 sq ft facility which will be home to the manufacturing processes and fulfillment of all Canadian eCommerce business.

In November 2020, the company sourced all manufacturing equipment and engaged an independent consultant to determine the steps necessary to advance the facility to the operational stage. The Planning Stage involved a general assessment of the facility, during which, management of the Company and the consultant worked closely to plan the steps required to commence the manufacturing of non GMP certified Spawn and Substrate Facility (including, among other things, identifying appropriate ceiling, wall, and floor coating suitable for the proposed manufacturing processes).

To date the Company incurred approximately $200,000 in capital expenditures in connection with the planning stage (attributed to obtaining the lease, equipment purchases, consultants, etc.)

While assessing with the independent consultants, the Company has determined that the Company may be required to incur an additional estimated amount of up to $150,000 to build out the facility to have operations live which will require minor facility upgrades, installation of equipment and personnel (consultants, engineers).

The build-out plan is expected to be tailored to suit the Company's business objectives at the time of such consultation process, as the same may exist considering the impact of COVID-19 on, among other things, the Company's specific business objectives in respect of, and the reasons for, the certification for the Facility, as well as the then prevailing market and competitive conditions in respect of such objectives.

As part of this consultation process, the engineering firm is expected to draft a final construction plan covering each stage of the construction necessary to obtain certification for the Facility, in light of the then prevailing EU-GMP standards and certification requirements applicable to qualify the Company's cultivation and production process at the Facility, as well as the then present business objectives of the Company.

As of the date of this MD&A, the Company is further considering and evaluating the economic viability and benefits of proceeding with building-out the Facility. The Company's disclosure in the Listing Statement projected that construction of the Facility is expected to be completed over the course of a one (1) to three (3) month period following commencement.

The Company's ability to begin the build out of the facility in calendar Q1, 2020 is dependent on the following material factors and assumptions. (I) the Company having adequate financial resources to fund the build out of the facility, (II) the Company's ability to retain a consultant on the terms and conditions favorable to the Company; and (III) the favorability of the general market conditions with respect to the mushroom industry. In particular, the Company believes that the following events and circumstances may reasonably be likely to cause actual results with respect to the timing and commencement of the build out to differ materially from those anticipated by the Company and expressed in this MD&A.

- The impact of COVID-19 on general market conditions and particularly on regulating entities approving build outs in a timely fashion.
    - The ability for personnel to work safely and quickly to the Company's time schedules.
- Unanticipated setbacks which may materialize following the date of the MD&A, including, among other things, changes in regulations and the Company's inability to identify a cost-effective build out plan to operate.

<u>eCommerce Platform</u>

In September 2020, the Company launched their websites and eCommerce platforms under the domain names sporeogrow.com and monkenutra.com in order to promote and collect data regarding future consumers of products for sale.

To date, the company has incurred minimal capital expenditures in connection with the development and cost of the eCommerce platform. The company expects to incur more capital expenditures in the coming years to further build its eCommerce infrastructure.

As of the date of this MD&A, the Company's products are available for pre-sale. To date, the Company

has not launched at material marketing, promotional or educational campaigns on the eCommerce platforms.
Except for updates and maintenance from time to time required in the ordinary course of business, the initial release of the eCommerce platform is complete. The Company anticipates some further platform development work as the Company adds new SKU's and design elements to the platform.

Nutraceuticals Industry Analysis

The global nutraceuticals market size is predicted to reach USD 486.36 billion by 2026, exhibiting a compound annual growth rate ("**CAGR**") of 8.14% between 2019 and 2016.[1] The growing demand for functional food and beverage will create new opportunities for the nutraceuticals market growth during that period. In recent years there has been a surge in product development and innovation activities, as well as rising availability of nutraceutical products, which has contributed and is expected to continue to contribute to this growth in the market.

Growing consumer interest in a healthy diet has led to a thriving food and beverage market in the recent past and the trend is expected to continue over the forecast period.[2] Demand for functional foods is on the rise as they believed to impart exceptional health benefits owing to their nutrient content. This is further expected to boost the growth of the market for nutraceuticals.

The global nutraceuticals industry has been witnessing key developments in terms of product innovation and portfolio expansion over the past few years. Companies, both private and publicly-traded, have been proactive in initiating strategies to gain a competitive advantage in the nutraceuticals industry.

Dietary Supplements Industry Analysis

A dietary supplement is a manufactured product intended to supplement the human diet when taken, typically orally as a pill, capsule, tablet, or liquid. The use of such supplements are typically to provide nutrients that the consumer may be unable to obtain by other sources, or normal diet. Dietary supplements are either extracted from food sources or synthetic, individually or in combination, in order to increase and improve the quantity of their consumption. Common types of nutrient compounds that dietary supplements derive from includes vitamins, minerals, fiber, fatty acids and amino acids. Dietary supplements can also contain substances that have not been confirmed as being essential to life, but are marketed as having a beneficial biological effect. In the United States and Canada, dietary supplements are considered a subset of foods, and are regulated accordingly. The European Food Safety Authority has also established harmonized rules to help insure that food supplements are safe and properly labeled.[3]

The global dietary supplements market size was estimated at USD 123.28 billion in 2019 and is projected to expand at a CAGR of 8.2% through 2027.[4]

Nootropics Industry Analysis

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[1] Fortune Business Insights, "*Nutraceuticals Market Size, Share & Industry Analysis, By Product Type (Functional Foods, Functional Beverages, and Dietary Supplements), Distribution Channel (Supermarkets/ Hypermarkets, Convenience Stores, Online Retail and Others), and Regional Forecast, 2019 – 2026*" (March 2020).

[2] *Ibid.*

[3] https://www.efsa.europa.eu/en/topics/topic/food-supplements

4 Dietary Supplements Market Size, Share & Trends Analysis Report By Ingredient (Vitamins, Minerals), By Form, By Application, By End User, By Distribution Channel, By Region, And Segment Forecasts, 2020 - 2027

The global nootropics market size was valued at USD 2.17 billion in 2018 and is expected to grow at a CAGR of 12.5% between 2019 and 2025.[4] An increasing demand for brain boosters and "smart drugs" is anticipated to drive the growth. A growing number of students and professionals consume these products for their ability to improve focus and memory. Continued product development using both synthetic and natural raw materials is projected to further fuel the demand.[5]

Mushroom Grow Kits

Mushroom grow kits are a nascent market, and currently there are few statistics on market size. The sector is based on consumers who would like to grow their own mushrooms, but have not because they are unfamiliar with the process. When it comes to growing mushrooms, consumers are unsure of where to purchase equipment and material required, or how to access a safe, reliable supply in the wild. Growing mushrooms at home can be an appealing option, but one that comes with its own set of challenges. Mushroom grow kits solve these problems by providing all the required resources and equipment in one single package, and allowing consumers to safely and successfully grow mushrooms.

Levitee Labs believes that this market will see high growth in the coming years, and has therefore built the brand Sporeo to capitalize on this.

Marketing Plans

The Company plans on launching marketing initiatives in Q1 2021 (calendar year) for both brands, Monk-E and Sporeo.

Competitive Conditions

The number of competitors and the degree of competition within the North American food industry varies greatly by product segment and region. In the nutraceutical space, the market is highly fragmented, with many companies owning small market share. In the functional mushrooms space, our competitors offer products such as mushroom extracts, powders, teas and other wellness products. Some of the Corporation's competitors include:

- **Four Sigmatic:** Four Sigmatic is a US company specialized in superfoods, functional mushrooms and adaptogenic herbs.
- **Mud Water:** MUD\WTR™ is a coffee alternative consisting of natural ingredients, including mushrooms, which is marketed for its health and performance benefits, including natural energy and focus.
- **Purica:** Purica is a Canadian wellness company which sells products designed to address arthritis, pain relief, post-surgical recovery, cardiovascular health, stress relief, immune support, digestive support, including some mushroom-based products.

Regulatory Environment
The Corporation is focused on developing and commercializing plant-based health and wellness products. In order to develop such products, the Corporation's business and processes must be conducted in strict compliance with the regulations of federal, provincial, state, local and regulatory agencies locally and internationally, in the jurisdictions in which the Corporation operates.

[4] Grand View Research, "*Nootropics Market Size, Share & Trends Analysis Report By Application (Memory Enhancement, Mood & Depression, Attention & Focus, Anxiety), By Distribution Channel, And Segment Forecasts, 2019 – 2025*" (September 2019).
[5] *Ibid.*

Some of the Corporation's products are considered "food" and, as such, are principally regulated under the *Food and Drugs Act* (Canada) and the *Consumer Packaging and Labelling Act* (Canada) as well as the *Federal Food, Drug, and Cosmetic Act* (USA) and the *Nutrition Labeling and Education Act* (USA).

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

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

The United States Food and Drug Administration ("**US-FDA**") is responsible for assuring that foods sold in the United States are safe, wholesome and properly labeled. This applies to foods produced domestically, as well as foods from foreign countries. The *Federal Food, Drug, and Cosmetic Act* ("**FD&C Act**") and the *Fair Packaging and Labeling Act* are the Federal laws governing food products under US-FDA's jurisdiction.

The *Nutrition Labeling and Education Act* ("**NLEA**"), which amended the FD&C Act, requires most foods to bear nutrition labeling and requires food labels that bear nutrient content claims and certain health messages to comply with specific requirements.

Monk-E does not have any direct or indirect involvement with the illegal selling, production or distribution of any psychedelic substances in the jurisdictions in which it operates. The Corporation is a health and wellness product company and does not advocate for the legalization of any psychedelic substances and does not deal with psychedelic substances. The Corporation's products will not be commercialized in any given jurisdiction prior to applicable regulatory approval in that jurisdiction, which may only be granted if evidence of safety and efficacy for the intended uses is successfully developed.

Foreign Operations

The Corporation currently plans to launch sales of its products across Canada and the United States, focusing initially on the United States market. The Corporation is developing third-party logistics relationships in California, New York, and Arizona.

Summary of Quarterly Results

The following summarizes the selected quarterly results for the Company:

	Period from the date of incorporation on Jan 23, 2019 to Mar 31, 2019	Three months ended Jun 30, 2019	Three months ended Sep 30, 2019	Three months ended Dec 31, 2019	Three months ended Mar 31, 2020	Three months ended Jun 30, 2020	Three months ended Sep 30, 2020
Total revenue	-	-	-	-	-	-	-
Loss from continuing operations	9,908	251,948	48,450	15,840	37,913	79,762	308,214
Loss per share (diluted and non-diluted)	$ (0.02)	$ (0.14)	$ (0.01)	$ (0.00)	$ (0.01)	$ (0.02)	$ (0.06)

During the period from the date of incorporation on January 23, 2019 to March 31, 2019 expenses consisted mainly of consulting fees and rent expense.

During the three months ended June 30, 2019 expenses consisted mainly of consulting fees for set up of the business and share structure and rent expense.

During the three months ended September 30, 2019 expenses consisted mainly of consulting fees and rent expense.

During the three months ended December 31, 2019 expenses consisted mainly of consulting fees, accounting fees and rent expense.

During the three months ended March 31, 2020 expenses consisted mainly of consulting fees.

During the three months ended June 30, 2020 expenses consisted mainly of consulting fees.

During the three months ended September 30, 2020 expenses consisted mainly of consulting fees and unrealized loss from fair value adjustments on short-term investments.

Liquidity and Capital Resources

The Company manages its capital structure and adjusts based on the funds available to the Company in order to facilitate the liquidity needs of its operations. The Board does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital to include its working capital position, capital stock and accumulated deficit. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the year ended September 30, 2020.

At September 30, 2020, the Company had cash balance of $42,893 (September 30, 2019 – $298,232) available to settle current financial liabilities of $2,572 (September 30, 2019 - $14,907).

Risks and Uncertainties

Due to the nature of the Company's business, its limited operating history, and its stage of development, an investment in the securities of the Company is highly speculative and involves significant risks and uncertainties. As the Company continues to develop its business, the Company will face numerous challenges, and additional risks and uncertainties not presently known to the Company, or which the Company believes to be immaterial. In the event that such risks and uncertainties materialize, the Company's business, financial condition, and results of operations could be materially adversely affected, and shareholders of the Company could lose all or part of their investment in the Company. Such risks and uncertainties could also cause actual events to differ materially from those described in forward looking statements relating to the Company described in this MD&A and in certain documents incorporated by reference into this MD&A.

The following section summarizes certain of the risks and uncertainties relating to the business of the Company as of the date of this MD&A. The summary of such risks and uncertainties is not intended to be exhaustive, and such risks are in addition to the usual risks associated with investment in a business. Investors should carefully consider the following risks and uncertainties as well as the risk factors set out in the Listing Statement.

Introduction of, or Changes in, Laws, Regulations and Guidelines

In order to develop regulated medicines, Levitee's research and development's process must be conducted in strict compliance with the regulations of federal, state, local and regulatory agencies in Canada and the United States, and the equivalent regulatory agencies in the other jurisdictions in which Levitee may operate.

These regulatory authorities regulate, among other things, the research, manufacture, promotion and distribution of drugs in specific jurisdictions under applicable laws and regulations.

Canada
The process required before a prescription drug product candidate may be marketed in Canada generally involves:

- *Chemical and Biological Research* - Laboratory tests are carried out on tissue cultures and with a variety of small animals to determine the effects of the drug. If the results are promising, the manufacturer will proceed to the next step of development.
- *Pre-Clinical Development* – Animals are given the drug in varying amounts over differing periods of time. If it can be shown that the drug causes no serious or unexpected harm at the doses required to have an effect, the manufacturer will proceed to clinical trials.
- *Clinical Trials — Phase 1* - The first administration in humans is to test if people can tolerate the drug. If this testing is to take place in Canada, the manufacturer must prepare a clinical trial application for the Therapeutic Products Directorate of Health Canada (the "TPD"). This includes the results of the first two steps and a proposal for testing in humans. If the information is sufficient, the Health Products and Food Branch of Health Canada (the "HPFB") grants permission to start testing the drug, generally first on healthy volunteers.
- *Clinical Trials — Phase 2* - Phase 2 trials are carried out on people with the target condition, who are usually otherwise healthy, with no other medical condition. Trials carried out in Canada must be approved by the TPD. In Phase 2, the objective of the trials is to continue to

gather information on the safety of the drug and begin to determine its effectiveness.

- *Clinical Trials — Phase 3* - If the results from Phase 2 show promise, the manufacturer provides an updated clinical trial application to the TPD for Phase 3 trials. The objectives of Phase 3 include determining whether the drug can be shown to be effective, and have an acceptable side effect profile, in people who better represent the general population. Further information will also be obtained on how the drug should be used, the optimal dosage regimen and the possible side effects.
- *New Drug Submission* - If the results from Phase 3 continue to be favourable, the drug manufacturer can submit a new drug submission ("NDS") to the TPD. A drug manufacturer can submit an NDS regardless of whether the clinical trials were carried out in Canada. The TPD reviews all the information gathered during the development of the drug and assesses the risks and benefits of the drug. If it is judged that, for a specific patient population and specific conditions of use, the benefits of the drug outweigh the known risks, the HPFB will approve the drug by issuing a notice of compliance.

United States
Our development and commercialization activities and product candidates are significantly regulated by a number of governmental entities, including the FDA, HC, and comparable authorities in other countries. Regulatory approvals are required prior to each clinical trial and we may fail to obtain the necessary approvals to commence or continue clinical testing. We must comply with regulations concerning the manufacture, testing, safety, effectiveness, labeling, documentation, advertising, and sale of products and product candidates and ultimately must obtain regulatory approval before we can commercialize a product candidate.

The time required to obtain approval by such regulatory authorities is unpredictable but typically takes many years following the commencement of preclinical studies and clinical trials. Any analysis of data from clinical activities we perform is subject to confirmation and interpretation by regulatory authorities, which could delay, limit or prevent regulatory approval. Even if we believe results from our clinical trials are favorable to support the marketing of our product candidates, the FDA or other regulatory authorities may disagree. In addition, approval policies, regulations, or the type and amount of clinical data necessary to gain approval may change during the course of a product candidate's clinical development and may vary among jurisdictions. We have not obtained regulatory approval for any product candidate and it is possible that none of our existing product candidates or any future product candidates will ever obtain regulatory approval.

We could fail to receive regulatory approval for our product candidates for many reasons, including, but not limited to:

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

insufficient for approval.

A regulatory authority may require more information, including additional preclinical or clinical data to support approval, which may delay or prevent approval and our commercialization plans, or we may decide to abandon the development program. If we were to obtain approval, regulatory authorities may approve any of our product candidates

for fewer or more limited indications than we request, may grant approval contingent on the performance of costly post-marketing clinical trials, or may approve a product candidate with a label that does not include the labeling claims necessary or desirable for the successful commercialization of that product candidate. Moreover, depending on any safety issues associated with our product candidates that garner approval, the FDA may impose a risk evaluation and mitigation strategy, thereby imposing certain restrictions on the sale and marketability of such products.

Technology and information security
The Company is also subject to technology and information security risk, including the risk that confidential information held by the Company is stolen or accessed causing financial or personal harm to the affected individual(s) or the Company's business. The Company reduces this risk through enhancement of policies and procedures, and monitoring and auditing to ensure compliance related to information technology, safety of data, and secure storage of physical files. The Company is also subject to risks related to reliance on key personnel and catastrophic and general uninsured loss.

COVID-19
The impact of the COVID-19 pandemic, with its combined health toll and sharp decline in global economic output, is unprecedented and the full extent of the impact will depend on future developments. These developments are highly uncertain and cannot be accurately predicted, including new information which may emerge concerning its severity, its duration and actions by government authorities to contain the outbreak or manage its impact. As a result, it is not possible to determine the impact on the going concern of the Company at this time.

The following are certain risk factors relating to an investment in Shares which prospective investors should carefully consider before deciding whether to purchase common shares. The following information must be read in conjunction with the detailed information appearing elsewhere in this prospectus. Such risk factors may have a material adverse effect on the financial position or results of operations of the Corporation or the value of the common shares.

Limited History of Operations

The Corporation is in the early stage of development and must be considered a start-up. As such, the Corporation is subject to many risks common to such enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and the lack of revenues. There is no assurance that the Corporation will be successful in achieving a return on Shareholders' investment and the likelihood of success must be considered in light of its early stage of operations. The Corporation has no intention of paying any dividends in the near future.

The Corporation has limited financial resources, has not earned any significant revenue since commencing operations has no source of operating cash flow and there is no assurance that additional funding will be available to it for further development of the Corporation's business or to fulfill its obligations under any applicable agreements. There can be no assurance that the Corporation will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further development of the Corporation's business.

No Market for Securities

There is currently no market through which the common shares may be sold and there is no assurance that such securities of the Corporation will be listed for trading on a stock exchange, or if listed, will provide a liquid market for such securities. Until the common shares are listed on a stock exchange, holders of the common shares may not be able to sell their common shares. Even if a listing is obtained, there can be no assurance that an active public market for the common shares will develop or be sustained after listing. The holding of common shares involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. common shares should not be purchased by persons who cannot afford the possibility of the loss of their entire investment.

Additional Requirements for Capital

Substantial additional financing may be required if the Corporation is to successfully develop its business. No assurances can be given that the Corporation will be able to raise the additional capital that it may require for its anticipated future development. Any additional equity financing may be dilutive to investors and debt financing, if available, may involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Corporation, if at all. If the Corporation is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion.

Negative Cash Flow from Operating Activities

The Corporation has had negative cash flow from operating activities since inception. Significant capital investment will be required to achieve the Corporation’s existing plans. There is no assurance that the Corporation’s business will generate earnings, operate profitably or provide a return on investment in the near future. Accordingly, the Corporation may be required to obtain additional financing in order to meet its future cash commitments.

Regulatory Environment

The Corporation’s operations are subject to regulation by government agencies including, among others, Health Canada and the CFIA. These agencies regulate the processing, packaging, storage, distribution, advertising, and labeling of the Corporation’s products, including food safety standards. The Corporation’s products may be subject to inspection by federal, provincial, state and local authorities. The Corporation strives to maintain compliance with all laws and regulations and maintain all permits and licenses relating to our operations. Nevertheless, there can be no assurance that the Corporation is in compliance with all such laws and regulations, has all necessary permits and licenses, and will be able to comply with such laws and regulations, or obtain such permits and licenses in the future. Failure by the Corporation to comply with applicable laws and regulations and permits and licenses could subject the Corporation to civil remedies, including fines, injunctions, recalls or seizures, as well as potential criminal sanctions, which could have a material adverse effect on our financial condition and results of operations. In addition, enforcement of existing laws and regulations, changes in legal requirements and/or evolving interpretations of existing regulatory requirements may result in increased compliance costs and create other obligations, financial or otherwise, that could adversely affect the Corporation’s business, financial condition or results of operations.

Management of Growth

The Corporation may be subject to growth-related risks including pressure on its internal systems and controls. The Corporation's ability to manage its growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Corporation to deal with this growth could have a material adverse impact on its business, operations and prospects. While management believes that it will have made the necessary investments in infrastructure to process anticipated volume increases in the short term, the Corporation may experience growth in the number of its employees and the scope of its operating and financial systems, resulting in increased responsibilities for the Corporation's personnel, the hiring of additional personnel and, in general, higher levels of operating expenses. In order to manage its current operations and any future growth effectively, the Corporation will also need to continue to implement and improve its operational, financial and management information systems and to hire, train, motivate, manage and retain its employees. There can be no assurance that the Corporation will be able to manage such growth effectively, that its management, personnel or systems will be adequate to support the Corporation's operations or that the Corporation will be able to achieve the increased levels of revenue commensurate with the increased levels of operating expenses associated with this growth.

Success is Dependent on Public Taste for Levitee's Products

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

Raw Materials

The Corporation's products are derived from mushrooms. Accordingly, the Corporation and/or its manufacturers must acquire enough mushrooms so that the products can be produced to meet the demand of its customers. A mushroom shortage could result in loss of sales and damage to the Corporation. If the Corporation and/or its manufacturers become unable to acquire commercial quality mushrooms on a timely basis and at commercially reasonable prices, and are unable to find one or more replacement suppliers with the regulatory approvals to produce mushrooms at a substantially equivalent cost, in substantially equivalent volumes and quality, and on a timely basis, the Corporation will likely be unable to meet customer demand.

Consumer Perception of Mushrooms

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

Brand Awareness

Brand awareness has not been achieved inside or outside of the Corporation's target markets. There is no assurance that the Corporation will be able to achieve brand awareness in any of its target markets. In addition, the Corporation must develop successful marketing, promotional and sales programs in order to sell its products. If the Corporation is not able to develop successful marketing, promotional and sales programs, then such failure will have a material adverse effect on the business, financial condition and operating results.

Limited Number of Products

The Corporation is heavily reliant on the production and distribution of mushroom-based and related products. If they do not achieve sufficient market acceptance, it will be difficult for us to achieve profitability.

The Corporation's revenue is derived almost exclusively from sales of mushroom-based and related products, and the Corporation expects that such products will account for substantially all of its revenue for the foreseeable future. If the mushroom-based and related products market declines or fails to achieve substantially greater market acceptance than it currently enjoys, the Corporation will not be able to grow its revenues sufficiently for it to achieve consistent profitability.

Even if products to be distributed by the Corporation conform to international safety and quality standards, sales could be adversely affected if consumers in target markets lose confidence in the safety, efficacy, and quality of mushrooms. Adverse publicity about mushroom-based products that the Corporation sells may discourage consumers from buying products distributed by the Corporation.

Development of New Products

The Corporation'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 Corporation must meet such demand through new and innovative products or else its business will fail. The Corporation's ability to develop, market and produce new products is subject to it having substantial capital. There is no assurance that the Corporation will be able to develop new and innovative products or have the capital necessary to develop such products.

Dependence on Management Team

The Corporation will depend on certain key senior managers to oversee the core marketing, business development, operational and fundraising activities and who have developed key relationships in the industry. Their loss or departure in the short-term would have an adverse effect on the Corporation's future performance.

Reliance on Third Party Manufacturers

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

Reliance on Marketing Partners and Future Distributors

The Corporation will sell its products online directly to end customers and it will rely on third parties for the sale and marketing of its products at retail locations. The Corporation plans to engage a distribution company to permit the Corporation to develop an extensive regional sales and distribution network throughout Canada and other jurisdictions where the Corporation's product is lawful. To the extent that marketing partners and distributors are distracted from selling the Corporation's products or do not expend sufficient efforts in managing and selling its products, the Corporation's future sales will be adversely affected. The Corporation's ability to grow our distribution network and attract additional distributors will depend on several factors, many of which are outside of its control. Some of these factors include: (i) the level of demand for the Corporation's brand and products in a particular distribution area; (ii) our ability to price our products at levels competitive with those offered by competing products and (iii) the Corporation's ability to deliver products in the quantity and at the time ordered by distributors.

Product Liability Insurance

The Corporation currently does not carry any product liability insurance coverage. Even though the Corporation is not aware of any product liability claims at this time, its business exposes itself to potential product liability, recalls and other liability risks that are inherent in the sale of food and other ingestible products. The Corporation can provide no assurance that such potential claims will not be asserted against it. A successful liability claim or series of claims brought against the Corporation could have a material adverse effect on its business, financial condition and results of operations.

Although the Corporation intends to obtain adequate product liability insurance, it cannot provide any assurances that it will be able to obtain or maintain adequate product liability insurance of on acceptable terms, if at all, or that such insurance will provide adequate coverage against potential liabilities. Claims or losses in excess of any product liability cover that may be obtained by the Corporation could have a material adverse effect on its business, financial conditional and results of operations.

Product Liability Claims

The Corporation may be required to pay for losses or injuries purportedly or actually caused by its products. Historically, there have been no product liability claims; however, there is no assurance that this trend will continue in the future. In the event that the Corporation's products are found to cause any injury or damage, the Corporation will be subject to substantial liability. This liability may exceed the funds available by the Corporation and result in the failure of its business.

Product Recall

The sale of products for human consumption involves inherent risks. The Corporation could decide to, or be required to, recall products due to suspected or confirmed contamination or product tampering. A product recall could adversely affect product sales financial condition and results of operation as well as the Corporation's general reputation in the industry.

Trademark Protection

The Corporation currently has not obtained any trademarks. Failure to register trademarks for the Corporation or its products could require the Corporation to rebrand its products resulting in a material adverse impact on its business.

Government Regulation

The processing, manufacturing, packaging, labeling, advertising and distribution of the Corporation's products is subject to regulation by one or more federal agencies, and various agencies of the provinces and localities in which our products are sold. These government regulatory agencies may attempt to regulate any of our products that fall within their jurisdiction. Such regulatory agencies may not accept the evidence of safety for any new ingredients that the Corporation may want to market, may determine that a particular product or product ingredient presents an unacceptable health risk and may determine that a particular statement of nutritional support that we want to use is an unacceptable claim. Such a determination would prevent the Corporation from marketing particular products or using certain statements of nutritional support on its products. The Corporation also may be unable to disseminate third-party literature that supports its products if the third-party literature fails to satisfy certain requirements.

In addition, a government regulatory agency could require the Corporation to remove a particular product from the market. Any future recall or removal would result in additional costs to the Corporation, including lost revenues from any products that we are required to remove from the market, any of which could be material. Any such product recalls or removals could lead to liability, substantial costs and reduced growth prospects.

Competition

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

Junior Companies

Market perception of junior companies may change, potentially affecting the value of investors' holdings and the ability of the Corporation to raise further funds through the issue of further common shares or otherwise. The share price of publicly traded smaller companies can be highly volatile. The value of the common shares may go down as well as up and, in particular, the share price may be subject to sudden and large falls in value given the restricted marketability of the common shares.

Current Market Volatility

The securities markets in the United States and Canada have recently experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any market for the common shares will be subject to market trends generally, notwithstanding any potential success of the Corporation. The value of the common shares distributed hereunder will be affected by such volatility.

Use of Funds

The Corporation has prepared a budget setting out the way in which it proposes to expend its available funds. However, the quantum and timing of expenditure will necessarily be dependent upon receiving positive results from the Corporation's product development and marketing initiatives. As the Corporation further expands its business, it is possible that results and circumstances may dictate a departure from the pre-existing budget. Further, the Corporation may, from time to time as opportunities arise, utilize part of its financial resources to participate in additional opportunities that arise and fit within the Corporation's broader objectives, as a means of advancing shareholder value.

Conflicts of Interest

Some or all of the Corporation's Directors and officers may act as directors and/or officers of other health and wellness companies. As such, the Corporation's Directors and officers may be faced with conflicts of interests when evaluating alternative health and wellness opportunities. In addition, the Corporation's Directors and officers may prioritize the business affairs of another company over the affairs of the Corporation.

Personnel

The Corporation has a small management team and the loss of any key individual could affect the Corporation's business. Additionally, the Corporation will be required to secure other personnel to facilitate its marketing and product development initiatives. Any inability to secure and/or retain appropriate personnel may have a materially adverse impact on the business and operations of the Corporation.

Tax Issues

Income tax consequences in relation to the securities offered will vary according to the circumstances of each purchaser. Prospective purchasers should seek independent advice from their own tax and legal advisers prior to subscribing for the securities.

Liquidity of the common shares

Listing on the Exchange should not be taken as implying that there will be a liquid market for the common shares. Thus an investment in the common shares may be difficult to realize. Investors should be aware that the value of the common shares may be volatile. Investors may, on disposing of common shares, realize less than their original investment, or may lose their entire investment. The common shares, therefore, may not be suitable as a short-term investment.

The market price of the common shares may not reflect the underlying value of the Corporation's net assets. The price at which the common shares will be traded, and the price at which investors may realize their common shares, will be influenced by a large number of factors, some specific to the Corporation and its proposed operations, and some which may affect the sectors in which the Corporation operates. Such factors could include the performance of the Corporation's operations, large purchases or sales of the common shares, liquidity or the absence of liquidity in the common shares, legislative or regulatory changes relating to the business of the Corporation, and general market and economic conditions.

No Dividends

The Corporation has not declared or paid any cash dividends on the common shares to date. The payment of dividends in the future, if any, is dependent on the Corporation's earnings, financial condition, capital requirements, business conditions, corporate law requirements and on such other factors as the Board considers appropriate. Unless and until the Corporation pays dividends, shareholders' ability to achieve a return on their investment will depend upon an appreciation in the price of the common shares.

General

Although management believes that the above risks fairly and comprehensibly illustrate all material risks facing the Corporation, the risks noted above do not necessarily comprise all those potentially faced by the Corporation as it is impossible to foresee all possible risks. Although the Directors will seek to minimize the impact of the risk factors, an investment in the Corporation should only be made by investors able to sustain a total loss of their investment. Investors are strongly recommended to consult a person who specializes in investments of this nature before making any decision to invest.

Related Party Transactions

(a) Compensation of key management personnel

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Company's Board of Directors, and corporate officers. The remuneration of key management personnel were as follows:

	Year ended September 30, 2020	Period from date of incorporation on January 23, 2019 to September 30, 2019
Consulting fees	$ 333,375	$ 123,500
Prepaid expense	23,625	

The Company prepaid the consulting fees to the related parties for October, November and December 2020.

(b) Transactions with related parties

	Year ended September 30, 2020	Period from date of incorporation on January 23, 2019 to September 30, 2019
Rent	$ 4,725	$ 9,575
Amounts owing from related parties	-	1,000

(c) Loans with related parties

On June 10, 2019, the Company entered into an agreement to lend $50,000 to two companies owned by directors of the Company for $25,000 each. Both companies are controlled by a common controlling team. The loan agreement states that the loan is unsecured, non-interest bearing, and repayable on demand. On August 31, 2020 these loans were settled in exchange for amounts owing to the two parties for consulting services settled by offset with trade payables related to the consulting services provided by the same companies.

(d) Services provided by related parties settled with shares

The company has settled some of its consulting expenses with the related parties with shares. For the year ended September 30, 2020 the total number of shares and value for debt settlement are 1,128,000 shares and $211,500 respectively (period ended September 30, 2019 - 616,000 shares and $115,500).

	For the year ended September 30, 2020		**Period from date of incorporation on January 23, 2019 to September 30, 2019**	
Name of Related Party	**Number of shares**	**Total Value**	**Number of shares**	**Total Value**
Company owned by the Chief Executive Officer	200,000	$ 37,500	280,000	$ 52,500
Chief Operating Officer	-	-	56,000	10,500
Company owned by the Head of Mergers & Acquisitions	728,000	136,500	280,000	52,500
Company owned by the Chief Operating Officer	200,000	37,500	-	-
Total	**1,128,000**	**$ 211,500**	**616,000**	**$ 115,600**

Critical accounting estimates and judgements

In the application of the Company's accounting policies, which are described within this note, the management of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

(i) Going concern - Management has applied judgements in the assessment of the Company's ability to continue as a going concern when preparing its financial statements. Management prepares the financial statements on a going concern basis unless management either intends to liquidate the entity or to cease trading or has no realistic alternative to do so. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period.

Key sources of estimation uncertainty

(i) Current and deferred taxes - The estimation of income tax expense and the composition of deferred tax assets and liabilities involves judgment and estimates as to the future taxable earnings, expected timing of reversal of deferred tax assets and liabilities, and interpretations of tax laws. The Company is subject to assessments by tax authorities who may interpret the tax law differently. Changes in these interpretation, judgments and estimates may materially affect the final amount of current and deferred tax provisions, deferred income tax assets and liabilities, and results of operations. While the precise impact of the recent novel coronavirus ("COVID-19") outbreak remains unknown, it has introduced uncertainty and volatility in Canadian and global economies. The Company is monitoring developments and preparing for any impacts related to COVID-19. The Company has business plans in place, that ensures its readiness to appropriately address and mitigate regulatory and business risks as they arise including, but not limited to, impacts on employees and other key resources in the business.

(ii) Fair value of financial instruments - the individual fair values attributable to the different components of a financing transaction, notably borrowing liabilities are determined using valuation techniques. The Company uses judgment to select the methods used to make certain assumptions and in performing the fair value calculations in order to determine the values attributable to each component of a transaction at the time of their issuance. These valuation estimates could be significantly different because of the use of judgment and the inherent uncertainty in estimating the fair value of these instruments that are not quoted in an active market.

Financial Instruments and Other Instruments

(a) Fair values of financial instruments

September 30, 2020	**Financial assets at amortized cost**	**Financial liabilities at amortized cost**	**Financial assets at fair value through profit or loss**
Cash and cash equivalents	$ 42,893	$ -	$ -
Marketable securities	-	-	78,660
Accounts payable and accrued liabilities	-	2,572	-
Total	**$ 42,893**	**$ 2,572**	**$ 78,660**

September 30, 2019	**Financial assets at amortized cost**	**Financial liabilities at amortized cost**	**Financial assets at fair value through profit or loss**
Cash and cash equivalents	$ 298,232	$ -	$ -
Loan receivable	50,000	-	-
Share subscriptions receivable	9,111		
Non-interest-bearing loans from subscribers		13,995	
Accounts payable and accrued liabilities	-	912	-
Total	**$ 357,434**	**$ 14,907**	**$ -**

Fair value measurements and disclosures use the following hierarchy definitions in determining its classifications:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - Inputs other than quoted prices included with Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)

Level 3 - Inputs for the asset or liability that are not based on observable market data (that is unobservable inputs

Cash, loans receivable, accounts payable and accrued liabilities approximate their fair value due to their short-term nature. The fair value of the marketable securities is determined using Level 1 as this consists of shares of a publicly traded company on in an active market.

(b) Credit risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. The following paragraphs describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

The risk exposure is limited to their carrying amounts at the statement of financial position date. The risk for cash is mitigated by holding these instruments with highly rated Canadian financial institutions. The Company does not invest in asset-backed deposits or investments and does not expect any credit losses. The Company periodically assesses the quality of its investments and is satisfied with the credit rating of the financial institutions.

The Company periodically lends funds to related parties for whom the risk of non-payment has been deemed sufficiently low.

There have been no substantive changes in the Company's exposure to financial instrument credit risks, its objectives, polices and processes for managing those risks or the methods used to measure them unless otherwise stated in the note, other than the significant change in the current year in relation to the marketable securities acquired during the year.

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The key to success in managing liquidity is the degree of certainty in the cash flow projections.

The Company monitors its cash flows to meet the Company's normal operating requirements on an ongoing basis and its planned capital expenditures. All of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms. As at September 30, 2020, the Company had cash balance of $42,893 available to settle financial liabilities of $2,572.

(d) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Currently the Company does not charge or is charged floating interest rates on its loans receivable, payables or other loan. The Company is not exposed to significant interest rate risk.

(e) Price risk

Price risk is the risk that changes in the market related factors will affect the Company's (loss) income or the fair value of its financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

The Company has exposure to equity securities price risk through the marketable securities investment. The investment held by the Company and classified on the balance sheet as at fair value through profit or loss (FVTPL).

To manage its price risk arising from the marketable securities investment, the Company closely monitors the price and performance of the equity security held.

Subsequent Events

a. Amalgamation

1273586 B.C. Ltd. ("1273586"), was incorporated on November 6, 2020, to facilitate the three-cornered amalgamation to be completed among Fibonacci, 1273586 and Monk-E, whereby 1273586 and Monk-E would amalgamate under the Business Corporations Act (British Columbia) and become a wholly-owned subsidiary of Fibonacci. On November 30, 2020, Monk-e and 1273586, a wholly-owned subsidiary of Fibonacci, amalgamated under the Business Corporations Act (British Columbia). In connection therewith, Fibonacci changed its name to Levitee Labs Inc. and the entity resulting from the amalgamation of Monk-E and 1273586 changed its name to Levitee Labs Holdings Inc on December 01, 2020. As a result of these transactions, Levitee Labs Inc. now owns 100% of Levitee Labs Holdings Inc.

Fibonacci Capital Corp. consolidated its common shares at a ratio of 2.5:1 from 14,638,903 common shares to 5,855,561 common shares immediately prior to amalgamation. Monk-E shareholders were then issued 1 common share in Fibonacci in exchange for 1 common share in Monk-E. This amounted to a total addition of 21,928,050 common shares issued in Fibonacci. Post amalgamation, the combined entity changed name to Levitee Labs Inc (changed name from Fibonacci Capital Corp.) and it had 27,783,611 common shares outstanding at the amalgamation date. The total of 7,249,000 common outstanding shares of the Fibonacci were issued to the relate parties in addition to the 1,797,333 common outstanding shares previously issued as a result of the amalgamation.

b. Debt Settlement Agreement in Shares

On December 15, 2020, the board of directors approved the settlement the amount of $1,050,000 indebted to an M&A consulting firm with 4,200,000 common shares of the Company at a deemed price of $0.25 per share.

c. Commitments and Contingent Liabilities

As at September 30, 2020, Monk-E had a number of contingent commitments as per agreements with some consultants. Subsequent to year end, all contingent commitments mentioned above were transferred from Monk-E to Fibonacci prior to amalgamation:

- $20,000 in free trading stock options contingent to initial public offering;
- In the event a consultant introduces the Company to an M&A target and the Company acquire the corporation, the Company will pay the consultant 5% of the transaction value in cash or shares, to be determined by the Company at the time of the acquisition;
- Grant of 500,000 stock options to purchase shares of the Company upon completion of the agreement and contingent to BOD approval;
- Grant of 500,000 restricted stock units of common shares contingent on the initial public offering, subject to requirements from Canadian Securities Exchange and the Company's employee restricted stock unit plan;
- Contingent on a number of milestones and achievements to grant up to a total of 11,400,000 stock options.

d. Private Placement

On January 20, 2021, the Company completed a private placement (the "First Subscription Receipts Private Placement") of 15,491,000 subscription receipts (each, a "Subscription Receipt") of the Company at a price of $0.50 per Subscription Receipt for gross proceeds of $7,745,500. With this private placement the Company paid finders commissions of $528,360 and issued 995,520 finders warrants with an exercise price of $0.75 and expiry of 24 months from the date of issuance. Upon satisfaction of the Escrow Release Conditions (defined below), each Subscription Receipt will be exercised or exchanged for one common share of the Company and one half of one common share purchase warrant of the Company (a "Subscription Receipt Warrant"). Each Subscription Receipt Warrant will be exercisable into one common share of the Company at price of $0.75 for 36 months from issuance. The "Escrow Release Conditions" are as follows:

(i) the shares of the Company will have been conditionally approved for listing on the Canadian Securities Exchange;

(ii) the Company will have obtained a final receipt for its long-form prospectus from the applicable regulatory authorities.

On February 4, 2021, the Company completed an additional private placement of 5,649,000 Subscription Receipts with the same terms above for gross proceeds of $2,824,500. With this private placement the Company paid finders commissions of $98,560 and issued 197,120 finders warrants with an exercise price of $0.75 and expiry of 24 months from the date of issuance.

e. Equity-based compensation program implementation

On May 31, 2021, the Company implemented an equity-based compensation program designed to incentivize employee and contractor performance and retention. A summary of the program is follows:

- An aggregate of 5,644,485 common share purchase options (the "Employee Compensation Options") were issued to certain employees of Levitee Labs Holdings Inc, each option exercisable at $0.25 per share for a period of five years. The Employee Compensation Options will vest in accordance with certain performance-based milestones.
- An aggregate of 19,024,452 common shares s (the "Employee Compensation Shares) were issued to certain employees of Levitee Labs Holdings Inc at a price of $0.02. The Employee Compensation Shares are subject to a reverse vesting arrangement, providing for release of such shares in tranches to the relevant Employee on achievement of the timeline milestones.
- An aggregate of 1,010,000 common shares issued to various employees as a signing bonus. The shares are not subject to any vesting conditions.

- an aggregate of 4,304,500 Common Shares (the "Contractor Compensation Shares") to certain contractors of the Company, each at a deemed issue price of $0.25 per share. The Contractor Compensation Shares are subject to a reverse vesting arrangement, providing for release of such shares to the relevant Contractor in monthly tranches over the twelve months from issuance.

f. CSE Listing approval

On July 7, 2021, the Company has obtained an approval for listing from the CSE with certain conditions. A date for trading will be determined upon confirmation of the conditions being met.

Additional Information

Additional information relating to the Company can be found on SEDAR at www.sedar.com.

SCHEDULE "C"

FINANCIAL STATEMENTS OF LEVITEE LABS INC. FOR THE THREE AND SIX MONTHS ENDED MARCH 31, 2021

Condensed Interim Consolidated Financial Statements
LEVITEE LABS INC. (Formerly FIBONACCI CAPITAL CORP.)

For the three and six months ended March 31, 2021 and 2020

(Expressed in Canadian Dollars)

(Unaudited)

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LEVITEE LABS INC. (Formerly FIBONACCI CAPITAL CORP.)
Condensed Interim Consolidated Statements of Financial Position
As at March 31, 2021 and September 30, 2020
(Unaudited)
(Expressed in Canadian dollars)

		March 31, 2021		September 30, 2020
Assets				
Current Assets				
Cash and cash equivalents	$	914,799	$	42,893
Restricted cash (note 5)		10,554,700		-
Amounts receivable (note 6)		126,663		-
Prepaid expenses		158,805		35,437
Deposits (note 7)		292,391		
Marketable securities (notes 8)		-		78,660
Inventory (note 9)		36,257		-
Total Current Assets		**12,083,615**		**156,990**
Non-current Assets				
Equipment (note 10)		336,417		-
Right of use assets (note 11)		392,449		-
Total Assets	**$**	**12,812,481**	**$**	**156,990**
Liabilities				
Current Liabilities				
Accounts payable and accrued liabilities (note 12 and 15)	$	818,454	$	2,572
Current portion of lease liability (note 11)		132,781		-
Total Current Liabilities		**951,235**		**2,572**
Non-current liabilities				
Lease liability (note 11)		283,804		-
Total Liabilities		**1,235,039**		**2,572**
Shareholders' Equity				
Share capital (note 13)		6,537,578		906,453
Reserves		7,433,836		-
Accumulated deficit		(2,393,972)		(752,035)
Total Shareholders' Equity		**11,577,442**		**154,418**
Total Liabilities and Shareholders' Equity	**$**	**12,812,481**	**$**	**156,990**

Nature and continuance of operations (note 1)
Commitments and contingent liabilities (note 18)
Subsequent events (note 19)

Approved on behalf of the Board of Directors on May 14, 2021

Pouya Farmand
________________________, Director

Ken Osborne
________________________, Director

The accompanying notes are an integral part of the unaudited condensed interim consolidated financial statements.

LEVITEE LABS INC. (Formerly FIBONACCI CAPITAL CORP.)
Condensed Interim Consolidated
Statements of Loss and Comprehensive Loss
For three and six months ended March 31, 2021 and 2020
(Unaudited)
(Expressed in Canadian dollars)

	Three months ended		Six months ended	
	March 31, 2021	**March 31, 2020**	**March 31, 2021**	**March 31, 2020**
Expenses				
Consulting fees (note 15)	$ 117,676	$ 35,437	$ 1,309,946	$ 37,012
Payroll expense (note 15)	182,443	-	234,585	-
Professional fees	109,550	1,239	191,036	8,239
Marketing expense	52,970	-	57,549	412
Office expense	49,029	18	56,358	415
Depreciation expense	22,649	-	26,990	-
Rent expense (note 15)	16,423	-	20,841	4,725
Travel expense	17,053	1,219	17,927	2,950
Stock based compensation (note 13e)	12,404	-	14,744	-
Bank and financing charges	1,027	-	1,155	-
Total Expenses	581,224	37,913	1,931,131	53,753
Other Income				
Interest earned	13,018	-	13,018	-
Gain from sale of marketable securities (note 8)	-	-	276,176	-
Total Other Expenses	**13,018**	**-**	**289,194**	-
Net loss and comprehensive loss from the period	$ (568,206)	$ (37,913)	$ (1,641,937)	$ (53,753)
Basic and diluted loss per share (note 14)	$ (0.02)	$ (0.01)	$ (0.07)	$ (0.01)
Weighted average number of common shares outstanding – Basic and diluted (note 14)	32,003,611	4,495,695	22,890,144	4,495,695

The accompanying notes are an integral part of the unaudited condensed interim consolidated financial statements.

LEVITEE LABS INC. (Formerly FIBONACCI CAPITAL CORP.)
Condensed Interim Consolidated
Statements of Changes in Shareholders' Equity
For the six months ended March 31, 2021 and 2020
(Unaudited)
(Expressed in Canadian dollars)

	Number of shares	Share Capital	Reserves	Accumulated deficit	Total
Balance – September 30, 2019	4,495,695	$ 652,742	$ -	$ (310,306)	$ 342,436
Net loss and comprehensive loss	-	-	-	(53,754)	(53,754)
Balance - March 31, 2020	4,495,695	$ 652,742	$ -	$ (364,060)	$ 288,682
Balance - September 30, 2020	5,855,561	$ 906,453	$ -	$ (752,035)	$ 154,418
Issuance of common shares capital for acquisition of Monk-E, net of costs (note 4 and 13)	21,928,050	5,482,013	-	-	5,482,013
Reserve applied for acquisition of Monk-E (note 4)	-	-	(4,587,301)	-	(4,587,301)
Finder's warrants issued	-	(16,718)	16,718	-	-
Share capital issuance for services, net of costs	4,320,000	1,068,046	-	-	1,068,046
Reserve for amounts received for common shares to be issued	-	(59,021)	10,545,000	-	10,485,979
Finder's warrants and fees related to share units to be issued	-	(841,595)	214,675	-	(626,920)
Reserve for amounts received for special warrant	-	(1,600)	1,230,000	-	1,228,400
Stock based compensation	-	-	14,744	-	14,744
Net loss and comprehensive loss	-	-	-	(1,641,937)	(1,641,937)
Balance - March 31, 2021	32,103,611	$ 6,537,578	$ 7,433,836	$ (2,393,972)	$ 11,577,442

The accompanying notes are an integral part of the unaudited condensed interim consolidated financial statements.

LEVITEE LABS INC. (Formerly FIBONACCI CAPITAL CORP.)
Condensed Interim Consolidated
Statements of Cash Flows
For the six months ended March 31, 2021 and 2020
(Unaudited)
(Expressed in Canadian dollars)

	Six months ended March 31, 2021	Six months ended March 31, 2020
Operating activities		
Net loss and comprehensive loss	$ (1,641,937)	$ (53,753)
Adjustments for items not affecting cash:		
Amortization and deprecation	26,990	-
Interest on lease obligation	11,190	-
Stock based compensation	14,744	-
Fair value (gain) loss on marketable securities (note 8)	(276,176)	-
Expenses paid by shares	1,080,000	-
	(785,189)	(53,753)
Changes in non-cash working capital balances:		
Accounts receivable	(93,234)	-
Prepaid expenses	(134,905)	1,239
Inventory	(36,257)	-
Accounts payable and accrued liabilities	114,812	41,651
Cash used in operating activities	**(934,773)**	**(10,863)**
Investing activities		
Cash acquired in business combination under common control (note 4)	636,148	-
Purchase of equipment	(103,641)	-
Sale of marketable securities	354,836	-
Deposit for purchase of Earth Circle Organics	(159,856)	-
Deposit for purchase of ACT Medical Centers	(47,619)	-
Cash provided by investing activities	**679,868**	**-**
Financing activities		
Repayment of shares subscriptions cancelled	-	(8,000)
Cash received from shares not yet issued	1,210,300	-
Cost of share issuance	(72,575)	-
Payments on lease liability	(10,914)	-
Cash provided by financing activities	**1,126,811**	**(8,000)**
Change in cash and cash equivalents	**871,906**	**(18,863)**
Cash balance, beginning of the period	**42,893**	**296,804**
Cash balance, end of the period	**$ 914,799**	**$ 277,941**

The accompanying notes are an integral part of the unaudited condensed interim consolidated financial statements.

1. Nature and continuance of operations

Levitee Labs Inc. (name changed on November 30, 2020 from Fibonacci Capital Corp.) ("the Company" or "LLI") was incorporated on January 23, 2019 and is a company continued under the Business Corporations Act (British Columbia). The Company intends to acquire financially sustainable integrated wellness assets that are complementary to the evolving psychedelic industry through the subsidiary Levitee Labs Holdings Inc. (name changed on December 1, 2020 from Monk-E Nutraceuticals Inc.) ("LLH"). The registered office of the Company is located at Suite 305 – 1068 Hornby Street, Vancouver, British Columbia, Canada.

The Company completed three-cornered amalgamation with Monk-E Nutraceuticals Inc ("Monk-E") and its 100% owned subsidiary of 1273586 B.C. Ltd and is in the process of a direct listing via non-offering prospectus ("NOP"). LLI consolidated its common shares at a ratio of 2.5:1 from 14,638,903 common shares to 5,855,561 common shares immediately prior to amalgamation. Monk-E shareholders were then issued 1 common share in LLI in exchange for 1 common share in Monk-E. This amounted to a total addition of 21,928,050 common shares issued in LLI. (Note 4). Since the amalgamation has occurred on November 30, 2020, the interim statements of financial position is prepared at the consolidated level while the interim statements of loss and comprehensive loss are presented at a non-consolidated level and the respective statement for Monk-e is presented in the note to this financial statement (Supplemental information for Monk-e in Note 4).

The Company had a net loss of $1,641,937 for the six-month period ended March 31, 2021 and a net loss of $53,753 for the same six month period ended March 31, 2020 for a total accumulated deficit of $2,393,972. The Company had a net cash outflow of $934,773 from operating activities for the six-month period ended March 31, 2021 and a cash balance of $914,799 as at March 31, 2021. To date, the Company's activities have been funded through financing activities. The Company will need to raise additional capital during the next twelve months and beyond to support current operations and planned development. These factors indicate the existence of a material uncertainty that may cast significant doubt as to the Company's ability to continue as a going concern. Management intends to finance operating costs over the next twelve months with cash on hand, private placements and through the direct listing via a non-offering prospectus. However, management has considered expectations for future profitability and believes that the Company will continue in operation for the foreseeable future and will be able to satisfy its liabilities and commitments in the normal course of business, and accordingly, it is appropriate to prepare these financial statements on a going concern basis.

As such, the accompanying condensed interim consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities in the normal course of business. The financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classifications of liabilities that could result should the Company be unable to continue as a going concern.

COVID-19 Impact Uncertainty

The impact of the COVID-19 pandemic, with its combined health toll and sharp decline in global economic output, is unprecedented and the full extent of the impact will depend on future developments. These developments are highly uncertain and cannot be accurately predicted, including new information which may emerge concerning its severity, its duration and actions by government authorities to contain the outbreak or manage its impact. As a result, it is not possible to determine the impact on the Company's ability to continue as a going concern at this time.

2. Summary of significant accounting policies

(a) Basis of presentation and statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, "Interim Financial Reporting" and should be read in conjunction with the Company's audited consolidated financial statements as at and for the period ended September 30, 2020, as some disclosures normally included in the audited annual consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), have been condensed or omitted.

These condensed interim consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments that have been measured at fair value. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The policies applied are based on the IFRS issued and outstanding as at the date of these condensed interim consolidated financial statements.

These condensed interim consolidated financial statements were approved by the Company's Board of Directors on July 8, 2021.

(b) Basis of consolidation

These condensed interim consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary LLH incorporated under Ontario Business Corporations Act on May 24th, 2020 ("Monk-e" and the name changed on December 1, 2020 to Levitee Labs Holdings Inc. upon amalgamation) and its 100% owned subsidiary of 1273586 B.C. Ltd. Monk-e is owned 100% by LLI which has a jurisdiction in British Columbia at November 30, 2020 and prior to that at September 30, 2020 its jurisdiction was in Ontario where it was incorporated. All intercompany balances and transactions were eliminated on consolidation. The operating results of Monk-e are included from the date of acquisition on November 30, 2020. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and can affect those returns through its power over the investee.

During the period the Company incorporated the following wholly owned subsidiaries. These subsidiaries had no activity during the period:

- Levitee Pharmacies Inc. on March 5, 2021
- Levitee Clinics Inc. on March 9, 2021
- Levitee Digital Health Inc. on March 9, 2021
- Levitee Nutraceuticals Inc. on March 9, 2021
- Levitee Real Estate Inc. on March 9, 2021
- Levitee Alternative Medicines Inc. on April 4, 2021
- Sporeo Grow Supply Corp. on April 7, 2021

(c) Accounting policies

The principal accounting policies adopted in the preparation of these condensed interim consolidated financial statements are the same as those applied to the consolidated financial statements for the period ended September 30, 2020 with the addition of the following policies:

i) Business combinations under common control

Where business combinations include transactions among entities under common control and outside the scope of IFRS 3 – Business Combinations, the Company considered the guidance provided by IFRS 10 – Consolidated Financial Statements and IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors and applied predecessor accounting.

(Expressed in Canadian Dollars)

Management assesses whether the transaction should be accounted for using predecessor value method or acquisition date method based on the circumstances. The assessment is performed separately for each common control business combination. The predecessor value method recognizes assets and liabilities acquired at the carrying values reported by the acquired company. Any difference between purchase price and net assets acquired goes directly to equity, in a dedicated reserve. The acquisition accounting method recognizes the assets and liabilities of the acquired company at fair value with the difference between purchase price and net assets acquired as goodwill and intangible assets, where applicable.

Assets acquired or liabilities assumed are not restated to their fair values. Instead, the acquirer incorporates the carrying amounts of assets and liabilities of the acquired entity and no new goodwill arises.

ii) Equipment

Equipment is stated at historical cost less accumulated depreciation and accumulated impairment losses.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the statement of comprehensive loss during the financial period in which they are incurred.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in the statement of comprehensive loss.

Depreciation is calculated on a declining balance method to write off the cost of the assets to their residual values over their estimated useful lives. The annual depreciation rate applicable to the current category of equipment is as follows:

Class of Equipment	**Depreciation Rate**
Computer	30%
Machinery and equipment	20%
Office equipment	20%
Leasehold improvements	Term of lease

iii) Lease accounting

This is the first period for which the Company has applied IFRS 16. The Company has adopted IFRS 16 on a modified retrospective approach. This new standard replaces IAS 17 Leases and the related interpretive guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting is not substantially changed.

As a result of adopting IFRS 16, the Company updated its lease accounting policies as follows:

The Company assesses whether a contract is or contains a lease at inception of the contract. A lease is recognized as a right-of-use asset and corresponding liability at the commencement date. Each lease payment included in the lease liability is apportioned between the repayment of the liability and a finance cost. Lease liabilities represent the net present value of fixed lease payments (including in-substance fixed payments); variable lease payments based on an index, rate, or subject to a fair market value renewal condition; amounts expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and payments of penalties for terminating the lease, if it is probable that the lessee will exercise that option.

The lease payments are discounted using the interest rate implicit in the lease or, if that rate cannot be determined, the lessee's incremental borrowing rate. The period over which the lease payments are discounted is the expected lease term, including renewal and termination options that the Company is reasonably certain to exercise.

Payments associated with short-term leases and leases of low-value assets are recognized as an expense on a straight-line basis in general and administration and sales and marketing expense in the consolidated statement of comprehensive loss. Short term leases are defined as leases with a lease term of 12 months or less. Right-of-use assets are measured at cost, which is calculated as the amount of the initial measurement of lease liability plus any lease payments made at or before the commencement date, any initial direct costs and related restoration costs. The right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the useful life of the underlying asset (Note 11).

iv) Inventory

Inventories of production supplies are capitalized to inventory to the extent that cost is less than net realizable value. Cost of inventory and subsequent sale of such inventory is determined using the average cost basis.

3. Critical accounting estimates and judgements

The preparation of these condensed interim consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies, the reported amounts of assets, liabilities and expenses, as well as the Company's ability to continue as a going concern. The estimates and assumptions made are continually evaluated and have been based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Such estimates and assumptions are inherently uncertain. Actual results could differ materially from these estimates and assumptions. Revisions to estimates are recognized in the period in which the estimate is revised and may impact future periods.

In preparation of the condensed interim consolidated financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the six months ended March 31, 2021, with the addition of the following judgements:

i) Assessment of control in a business acquisition

The date on which the acquirer obtains control of the acquiree is generally the date on which the acquirer legally transfers the consideration, acquires the assets and assumes the liabilities of the acquiree - the closing date. However, the acquirer might obtain control on a date that is either earlier or later than the closing date, or it might be determined that the businesses were under common control. Management exercises judgment in considering all pertinent facts and circumstances in assessing the control of a business and the acquisition date.

The Company examines three elements to determine whether control exists.

- power over the investee, such as the ability to direct relevant activities of the investee;
- exposure, or rights, to variable returns from its involvement with the investee, such as returns that are not fixed and have the potential to vary with performance of the investee;

- the ability to use its power over the investee to affect the amount of the investor's returns, such as identifying the link between power and returns.

When all of these three elements of control are present, then an investor is considered to control an investee and consolidation is required. When one or more of the elements is not present, an investor will not consolidate but instead be required to determine the nature of its relationship with the investee.

ii) Estimated useful lives, depreciation of equipment

Depreciation of equipment is dependent upon estimates of useful lives which are determined through the exercise of judgment. The assessment of any impairment of these assets is dependent upon estimates of recoverable amounts which consider factors such as economic conditions, market conditions and the useful lives of assets.

iii) Incremental borrowing rate for leases under IFRS 16

IFRS 16 requires lessees to discount lease payments using the rate implicit in the lease if that rate is readily available. If that rate cannot be readily determined, the lessee is required to use its incremental borrowing rate. As information from the lessor regarding the fair value of underlying assets and initial direct costs incurred by the lessor related to the leased assets is generally not available, the Company uses its incremental borrowing rate when initially recording real estate leases. The Company determines the incremental borrowing rate as the interest rate the Company would pay to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, in a similar economic environment over a similar term.

iv) Valuation of stock-based payments

The Company measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for stock-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected: option life, volatility, risk-free interest rate, forfeiture rates, stock option exercise behaviours, dividend yield and corporate performance. Changes in these assumptions affect the fair value estimate for stock-based payments.

4. Acquisition of Monk-E

a. Business acquisition under common control

On November 30, 2020, Monk-e and 1273586 B.C. Ltd. ("1273586"), a wholly-owned subsidiary of LLI, amalgamated under the Business Corporations Act (British Columbia).

LLI consolidated its common shares at a ratio of 2.5:1 from 14,638,903 common shares to 5,855,561 common shares immediately prior to amalgamation. Monk-E shareholders were then issued 1 common share in LLI in exchange for 1 common share in Monk-E. This amounted to a total addition of 21,928,050 common shares issued in LLI. In addition Monk-E had 95,360 outstanding warrants issued to brokers on November 24, 2020 for commissions related to equity sales of Monk-E. These warrants were exchanged for warrants to purchase LLI shares (note 13d).

Post amalgamation, the combined entity had 27,783,611 common shares outstanding at the amalgamation date. Management has concluded Monk-E's share value of $0.25 is the best indicator of the fair value of this transaction due to recent fund raising on November 24, 2020 at this price.

The transaction was determined to be a business combination under common control and the Company has applied the accounting method described in note 2c.

The following table summarizes the carrying value of the assets acquired and liabilities assumed on the date of acquisition.

(Expressed in Canadian Dollars)

Total consideration	
Shares issued	21,928,050
Share value	$0.25
Total consideration	**5,482,013**
Net identifiable assets acquired	
Cash and cash equivalents	636,148
Amounts receivable	23,428
Prepaid expenses	73,379
Equipment	235,906
Right of use asset	247,618
Accounts payable and accrued liabilities	(74,150)
Lease liability	(247,618)
Total net identifiable assets	894,711
Acquisition reserve	4,587,301
Total net assets and equity recognized	**5,482,013**

b. Supplemental information for Monk-e

As a result of the amalgamation and common control acquisition of Monk-E, the results of operations for the two-month period ended November 30, 2020 were not included in the condensed interim consolidated statement of profit and loss. Those results are as follows:

Expenses		
Payroll expense	$	88,251
Consulting fees		58,614
Professional fees		45,040
Marketing expense		9,710
Rent expense		6,600
Office expense		6,445
Travel expense		4,963
Bank charges		203
Computer expense		169
Total expenses		219,995
Total net loss	**$**	**219,995**

5. Restricted cash

Restricted cash of $10,554,700 as at March 31, 2021 (September 30, 2020 - nil) relates to cash received for share subscriptions not yet issued (note 13). This cash is considered restricted until a) the Company obtains a receipt for the prospectus from the British Columbia Securities Commission ("BCSC"), b) the conditional approval of the Canadian Securities Exchange for the Company listing of the common shares and c) delivery of a release notice to the to the share transfer agent confirming that all of the release conditions have been met.

6. Amounts receivable

		March 31, 2021		**September 30, 2020**
Trade receivables	$	12,230	$	-
Input tax credit receivable		104,433		-
Amounts receivable for shares issued		10,000		-
Total	$	126,663	$	-

(Expressed in Canadian Dollars)

7. Deposits

	March 31, 2021	September 30, 2020
Deposit for purchase of Earth Circle Organics	$ 159,856	$ -
Deposit for purchase of ACT Medical Centers	47,619	-
Lease deposits	78,917	-
Other deposits	5,999	-
Total	$ 292,391	$ -

8. Marketable securities

As at September 30, 2020 the Company held 414,000 shares with a fair value of $78,660. On December 22, 2020, the Company sold 414,000 common shares of ESE Entertainment Inc. The shares were sold for $354,836 in cash and resulted in a realized gain of $276,176 which was recognized in the condensed interim consolidated statement of loss and comprehensive loss. The investment is a public company listed on the TSX Venture Exchange and therefore quoted in active markets and classified as Level 1.

9. Inventory

Inventory balance as at March 31, 2021 of $36,257 (September 30, 2020 - $nil), consists of production supplies.

10. Equipment

Equipment acquired has the following balances as at March 31, 2021:

	Computer	Machinery and equipment	Office Equipment	Leasehold Improvements	Total
Balance – September 30, 2020	$ -	$ -	$ -	$ -	$ -
Acquired in business combination	9,471	226,997	-	-	236,468
Additions	35,927	35,724	787	31,203	103,641
Balance – March 31, 2021	45,398	262,721	787	31,203	340,109
Accumulated depreciation – September 30, 2020	-	-	-	-	-
Accumulated depreciation acquired in business combination	562	-	-	-	562
Depreciation	2,101	-	13	1,016	3,130
Accumulated depreciation – March 31, 2021	2,663	-	13	1,016	3,692
Equipment – September 30, 2020	-	-	-	-	-
Equipment – March 31, 2021	$ 42,735	$ 262,721	$ 774	$ 30,187	$336,417

(Expressed in Canadian Dollars)

Machinery and equipment includes production machinery and equipment that is not yet in use.

11. Right of use asset and lease liabilities

On November 30, 2020 the Company commenced a five-year warehouse lease agreement at 104 – 1533 Broadway Street, Port Coquitlam with monthly lease payments starting at $5,353 and expiring on November 20, 2025. The Company's incremental borrowing rate at the inception of the lease of 12% has been used to determine the present value of the minimum lease payments which was determined to be $233,559 as of March 31, 2021. A right of use asset and corresponding lease liability was recognized for the same amount.

On March 1, 2021 the Company commenced a 22-month office lease agreement at suite 215 - 800 West Pender Street, Vancouver with monthly lease payments starting on May 1, 2021 at $9,876 and expiring on December 31, 2022. The lease includes the use of office furniture which will be transferred to the Company at the end of the lease term in exchange for the security deposit of $40,214. The Company's incremental borrowing rate at the inception of the lease of 12% has been used to determine the present value of the minimum lease payments which was determined to be $182,986 as of March 31, 2021. A right of use asset and corresponding lease liability was recognized for the same amount.

As of March 31, 2021, the following balances have been recorded:

Right of use asset

Balance as at September 30, 2020	$	-
Additions		416,101
Depreciation		(23,652)
Balance as at March 31, 2021	$	392,449

Lease liability

Balance as at September 30, 2020	$	-
Additions		416,101
Interest expense		11,190
Lease payments		(10,706)
Balance as at March 31, 2021		416,585
Current portion		132,781
Long term	$	283,804

The maturity of contractual undiscounted lease obligation payments are as follows:

Due within 1 year		174,510
Due within 1 to five years		332,876
	$	507,386

12. Accounts payable and accrued liabilities

		March 31, 2021		September 30, 2020
Trade payables	$	160,366	$	2,572
Amounts payable for finders commissions (note 13b)		626,920		-
Payroll liabilities		31,168		-
Total	$	818,454	$	2,572

(Expressed in Canadian Dollars)

13. Share capital

(a) Share issuances

The authorized capital of the Company consists of an unlimited number of common shares without par value. All shares are Class A common shares with voting rights.

From the year ended date September 30, 2020 and the six months ended March 31, 2021 the Company had the following share issuances:

Date	Number of Shares	Price Per Share	Proceeds
Balance as at September 30, 2019	4,495,695		$ 652,742
September 17, 2020[(2)]	1,328,000	$ 0.1875	249,000
September 17, 2020[(1)]	31,866	$ 0.1875	5,975
Total	5,855,561		907,717
Share issuance costs			(1,264)
Balance as at September 30, 2020	**5,855,561**		**$ 906,453**
November 30, 2020[(3)]	21,928,050	$ 0.2500	$ 5,482,013
December 15, 2020[(2)]	4,200,000	$ 0.2500	1,050,000
March 16, 2021[(2)]	120,000	$ 0.2500	30,000
Total	32,103,611		7,468,466
Share issuance costs			(930,888)
Balance as at March 31, 2021	**32,103,611**		**$ 6,537,578**

(1) Shares issued for cash
(2) Shares issued as payments for consulting services
(3) Shares issued in business combination (note 4)

The Company incurred share issuance costs of $930,888 for the six months ended March 31, 2021 (September 30, 2020 - $1,264). Share issuance costs included legal costs and finders fees of $699,494 and finders warrants of $231,393 (note 13d).

On December 15, 2020, the board of directors approved settlement of the amount of $1,050,000 indebted to an M&A consulting firm with 4,200,000 common shares of the Company at a fair value of $0.25 per share.

On March 16, 2021, the Company issued 120,000 shares with a value of $30,000 for consulting services.

(b) Private placements and special warrant private placement

On January 20, 2021, the Company completed a private placement (the "First Subscription Receipts Private Placement") of 15,491,000 subscription receipts (each, a "Subscription Receipt") of the Company at a price of $0.50 per Subscription Receipt for gross proceeds of $7,745,500. With this private placement the Company paid finders commissions of $528,360 and issued 995,520 finders warrants with an exercise price of $0.75 and expiry of 24 months from the date of issuance. Upon satisfaction of the Escrow Release Conditions (defined below), each Subscription Receipt will be exercised or exchanged for one common share of the Company and one half of one common share purchase warrant of the Company (a "Subscription Receipt Warrant"). Each Subscription Receipt Warrant will be exercisable into one common share of the Company at price of $0.75 for 24 months from issuance. The "Escrow Release Conditions" are as follows:

(i) the shares of the Company will have been conditionally approved for listing on the Canadian Securities Exchange;

(ii) the Company will have obtained a final receipt for its long-form prospectus from the applicable regulatory authorities.

(Expressed in Canadian Dollars)

On February 4, 2021, the Company completed an additional private placement of 5,599,000 Subscription Receipts with the same terms above for gross proceeds of $2,799,500. With this private placement the Company paid finders commissions of $98,560 and issued 197,120 finders warrants with an exercise price of $0.75 and expiry of 24 months from the date of issuance.

On March 19, 2021, the Company issued a private placement of a 2,460,000 special warrants for proceeds of $1,230,000. These special warrants will be exercisable at the earlier of March 19, 2022 and the third business day after the British Columbia Securities Commission received the final prospectus from the Company. On exercise, each special warrant will be converted to a unit of the Company. Each unit will have to same terms of the Subscription Receipt in the private placement above. No finders warrants were issued in connection with this private placement.

(c) Escrow Shares

On February 7, 2019, the Company issued 480,000 shares which, pursuant to the subscription agreements providing for their issuance, will be subject to resale restrictions for two (2) years starting from the date on which the Company's shares commence trading on the CSE (the "Listing Date"). In addition, pursuant to National Policy 46-201 and the rules and policies of the CSE, any securities held by principals of the issuer (subject to a de minimis threshold) will become subject to escrow at the time of the Listing Date. Such escrow will provide for release as follows: (i) 10% of the securities will be released on the Listing Date; (ii) 15% of the securities will be released 6 months from the Listing Date; (iii) 15% of the securities will be released 12 months from the Listing Date; (iv) 15% of the securities will be released 18 months from the Listing Date; (v) 15% of the securities will be released 24 months from the Listing Date; (vi) 15% of the securities will be released 30 months from the Listing Date; and (vii) 15% of the securities will be released 36 months from the Listing Date.

(d) Share purchase warrants

In connection with the share issuances of Monk-E on November 30, 2020, the Company issued 95,360 share purchase warrants as payment for brokers' commission. These warrants had an exercise price of $0.25 and an expiry date of November 24, 2023. On the amalgamation date of November 30, 2020 these share purchase warrants were exchanged for warrants of Levitee Labs Inc. with the same terms. The Company has determined the fair value of these warrants using Black-Scholes Option pricing model on the acquisition date to be $16,718 using the following terms:

Expected life	3 years
Risk-free interest rate	0.29%
Expected volatility	120%
Expected dividends yield	0%
Forfeiture rate	0%

The value of these warrants were included in the consideration transferred in on the acquisition of Monk-E.

During the six months ended March 31, 2021 the Company issued the following additional warrants:

- On January 20, 2021 and in connection with the private placement, the Company issued 995,520 finders warrants, which have an expiry date of 2 years from their issuance and an exercise price of $0.75 per common share. The warrants were valued using the Black-Scholes options pricing model with the assumptions below and a fair value of $179,193. The value of these warrants will be recorded as share issuance costs.

(Expressed in Canadian Dollars)

- On February 4, 2021 and in connection with the private placement, the Company issued 197,120 finders warrants, which have an expiry date of 2 years from their issuance and an exercise price of $0.75 per common share. The warrants were valued using the Black-Scholes options pricing model with the assumptions below and a fair value of $35,482. The value of these warrants will be recorded as share issuance costs.

The following terms were used to determine the fair value of the above warrant issuances:

	January 20, 2021	**February 4, 2021**
Expected life	2 years	2 years
Risk-free interest rate	0.20%	0.19%
Expected volatility	120%	120%
Expected dividends yield	0%	0%
Forfeiture rate	0%	0%

(e) Stock based compensation

On December 15, 2020, the board of directors approved granting the 250,000 stock options with an exercise price of $0.10, an expiry date of December 15, 2023 and a vesting period of 12 quarters with the 1/12th beginning vesting at the grant date and 1/12th of the award vesting every quarter. The fair value of options granted was $51,353.

The Company has valued this grant based on the Black-Scholes option pricing model with the following assumptions. Expected stock price volatility was derived from a sample of similar publicly traded companies.

Grant Date	**December 15, 2020**
Expected dividend yield	Nil
Expected stock price volatility	120%
Risk-free interest rate	0.30%
Expected life of options	3 years
Forfeiture rate	Nil

As at March 31, 2021, 20,833 of the total stock options outstanding had vested. The Company recognized $14,744 in stock-based compensation expense for the six months ended March 31, 2021 and $12,404 for the three months ended March 31, 2021.

Stock option transactions from six months ended March 31, 2021 are as follows:

	Number of options	**Weighted Average Exercise Price**
Issued options	250,000	$0.10
Balance at March 31, 2021	250,000	$0.10
Exercisable at March 31, 2021	20,833	$0.10

(Expressed in Canadian Dollars)

14. Loss per share

	Three months ended March 31, 2021	Three months ended March 31, 2020	Six months ended March 31, 2021	Six months ended March 31, 2020
Loss attributable to shareholders	$ (568,206)	$ (37,913)	$ (1,641,937)	$ (53,753)
Basic and diluted loss per share	(0.02)	(0.01)	(0.07)	(0.01)
Weighted average number of shares	32,003,611	4,495,695	22,890,144	4,495,695

15. Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Some of the consulting expenses included in related party were outside of the scope of written consulting agreements and were agreed discretionally by the Company's management and the consultants verbally.

(a) Compensation of key management personnel

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Company's Board of Directors, and corporate officers. The remuneration of key management personnel including consulting fees paid through companies owned by directors during the year ended was as follows:

	Three months ended March 31, 2021	Three months ended March 31, 2020	Six months ended March 31, 2021	Six months ended March 31, 2020
Consulting fee	$ 22,000	$ 23,625	$ 193,244	$ 23,625
Salary	123,428	-	161,156	-
Rent	-	-	13,200	4,725
Total	**$ 145,428**	**$ 23,625**	**$ 367,600**	**$ 28,350**

(b) Transactions with related parties

	As at March 31, 2021	As at March 31, 2020
Amount owed from related parties	$ 2,000	$ 1,000
Amount owed to related parties	$ 2,738	$ 23,625

(c) Loans with related parties

On June 10, 2019, the Company entered into an agreement to lend $50,000 to two companies for $25,000 each. These companies are each controlled a common director to the Company. The loan agreement states that the loan is unsecured, non-interest bearing, and repayable on demand. On August 31, 2020 these loans were settled in exchange for amounts owing to the two parties for consulting services.

(Expressed in Canadian Dollars)

16. Financial instruments and risk management

(a) Fair values of financial instruments

March 31, 2021	Financial assets at amortized cost	Financial liabilities at amortized cost	Financial assets at fair value through profit or loss
Cash and cash equivalents	$ 914,799	$ -	$ -
Restricted cash	10,554,700	-	-
Amounts receivable	126,663	-	-
Accounts payable and accrued liabilities	-	818,454	-
Total	**$11,596,162**	**$ 818,454**	**$ -**

September 30, 2020	Financial assets at amortized cost	Financial liabilities at amortized cost	Financial assets at fair value through profit or loss
Cash and cash equivalents	$ 42,893	$ -	$ -
Marketable securities	-	-	78,660
Accounts payable and accrued liabilities	-	2,572	-
Total	**$ 42,893**	**$ 2,572**	**$ 78,660**

Fair value measurements and disclosures use the following hierarchy definitions in determining its classifications:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - Inputs other than quoted prices included with Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)

Level 3 - Inputs for the asset or liability that are not based on observable market data (that is unobservable inputs

Cash and cash equivalents, restricted cash, amounts receivable, accounts payable and accrued liabilities approximate their fair value due to their short-term nature. The carrying value of lease liabilities where a discount rate is used is not significantly different than fair value. The fair value of the marketable securities is determined using Level 1 as this consists of shares of a publicly traded company on in an active market.

(b) Credit risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. The following note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, polices and processes for managing those risks or the methods used to measure them unless otherwise stated in the note.

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The key to success in managing liquidity is the degree of certainty in the cash flow projections.

The Company monitors its cash flows to meet the Company's normal operating requirements on an ongoing basis and its planned capital expenditures. All of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms. As at March 31, 2021, the Company had a cash balance of $914,799 (September 30, 2020 - $42,983) available to settle current liabilities of $951,235 (September 30, 2020 - $2,572).

(d) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Currently the Company does not charge or is charged floating interest rates on its loans receivable, payables or other loan. The Company is not exposed to significant interest rate risk.

(e) Market risk

The Company has exposure to equity securities price risk through the marketable securities investment described in note 8. The investment held by the Company and classified on the balance sheet as at fair value through other comprehensive income (loss) (FVOCI).

To manage its price risk arising from the marketable securities investment, the Company closely monitors the price and performance of the equity security held.

17. Capital management

The Company's objectives when managing capital are to identify, pursue and complete the acquisition of companies and strategic assets in the psychedelics industry. The goal of the Company is to maintain financial strength, to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain credit worthiness and to maximize returns for shareholders over the long term. The Company does not have any externally imposed capital requirements to which it is subject. Capital of the Company comprises of cash and cash equivalents and shareholders' equity. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares. The Company's investment policy is to invest its cash in financial instruments in high credit quality financial institutions with terms to maturity selected with regards to the expected timing of expenditures from continuing operations.

There were no changes to the Company's approach to capital management during the period.

18. Commitments and Contingent Liabilities

As at September 30, 2020, Monk-E had a number of contingent commitments as per agreements with some consultants. Subsequent to year end, all contingent commitments mentioned above were transferred from Monk-E to Fibonacci prior to amalgamation:

- $20,000 in stock options contingent to initial public offering;
- In the event a consultant introduces the Company to an M&A target and the Company acquire the corporation, the Company will pay the consultant 5% of the transaction value in cash or shares, to be determined by the Company at the time of the acquisition;

- Grant of 500,000 stock options to purchase shares of the Company upon completion of the agreement and contingent to BOD approval;
- Grant of 500,000 restricted stock units of common shares contingent on the initial public offering, subject to requirements from Canadian Securities Exchange and the Company's employee restricted stock unit plan;
- Contingent on a number of milestones and achievements to grant up to a total of 11,400,000 stock options.

19. Subsequent events

a. Non-Offering Prospectus (NOP)

The Company is currently in the process of completing a non-offering prospectus on the CSE with expected completion prior to the end of the current fiscal year.

b. Investment in BODIE Phytoceuticals Ltd.("BODIE")

On March 29, 2020, the Company entered into an agreement with BODIE to acquire a 15% equity stake in BODIE in exchange for 120,000 common shares of the Company at a deemed issue price of $0.25 per share. The Company expects to consummate the BODIE Investment in early calendar Q2 2021. With respect to the Company's acquisition of the remaining 85% interest in BODIE, the Company continues to conduct due diligence and consider whether to pursue the transaction.

c. Equity-based compensation program implementation

On May 31, 2021, the Company implemented an equity-based compensation program designed to incentivize employee and contractor performance and retention. A summary of the program is follows:

- An aggregate of 5,644,485 common share purchase options (the "Employee Compensation Options") were issued to certain employees of LLH, each option exercisable at $0.25 per share for a period of five years. The Employee Compensation Options will vest in accordance with certain performance-based milestones.
- An aggregate of 19,024,452 common shares s (the "Employee Compensation Shares) were issued to certain employees of LLH at a price of $0.02. The Employee Compensation Shares are subject to a reverse vesting arrangement, providing for release of such shares in tranches to the relevant Employee on achievement of the timeline milestones.
- An aggregate of 1,010,000 common shares issued to various employees as a signing bonus. The shares are not subject to any vesting conditions.
- an aggregate of 4,304,500 Common Shares (the "Contractor Compensation Shares") to certain contractors of the Company, each at a deemed issue price of $0.25 per share. The Contractor Compensation Shares are subject to a reverse vesting arrangement, providing for release of such shares to the relevant Contractor in monthly tranches over the twelve months from issuance.

d. CSE Listing approval

On July 7, 2021, the Company has obtained an approval for listing from the CSE with certain conditions. A date for trading will be determined upon confirmation of the conditions being met.

SCHEDULE "D"

MANAGEMENT'S DISCUSSION AND ANALYSIS OF LEVITEE LABS INC. FOR THE THREE AND SIX MONTHS ENDED MARCH 31, 2021

LEVITEE LABS INC. (Formerly FIBONACCI CAPITAL CORP.)

MANAGEMENT DISCUSSION AND ANALYSIS

For the three and six months ended March 31, 2021 and 2020

As of July 8, 2021

About the Company

Levitee Labs Inc. (name changed on November 30, 2020 from Fibonacci Capital Corp.) ("the Company", "the Corporation" or "LLI") was incorporated on January 23, 2019 and is a company continued under the Business Corporations Act (British Columbia). The Company intends to acquire financially sustainable integrated wellness assets that are complementary to the evolving psychedelic industry through the subsidiary Levitee Labs Holdings Inc. (name changed on December 1, 2020 from Monk-E Nutraceuticals Inc.) ("LLH"). The registered office of the Company is located at Suite 305 – 1068 Hornby Street, Vancouver, British Columbia, Canada.

The Company completed three-cornered amalgamation with Monk-E Nutraceuticals Inc ("Monk-E") and its 100% owned subsidiary of 1273586 B.C. Ltd and is in the process of a direct listing via non-offering prospectus ("NOP"). LLI consolidated its common shares at a ratio of 2.5:1 from 14,638,903 common shares to 5,855,561 common shares immediately prior to amalgamation. Monk-E shareholders were then issued 1 common share in LLI in exchange for 1 common share in Monk-E. This amounted to a total addition of 21,928,050 common shares issued in LLI.

The Company had a net loss of $1,641,937 for the six month period ended March 31, 2021 and a net loss of $53,753 for the same six month period ended March 31, 2020 for a total accumulated deficit of $2,393,972. The Company had a net cash outflow of $934,773 from operating activities for the six month period ended March 31, 2021 and a cash balance of $914,799 as at March 31, 2021. To date, the Company's activities have been funded through financing activities.

Basis of Discussion and Analysis

This Management Discussion and Analysis ("MD&A") of the financial condition for the three and six months ended to March 31, 2021 and the same period in 2020 was prepared as of July 8, 2021. This MD&A should be read in conjunction with the Company's unaudited financial statements and accompanying notes for the three and six-month periods ended March 31, 2021 and the audited financial statements for the year end September 30, 2020.

The Company prepares its condensed interim consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). IFRS comprises IFRS, International Accounting Standards ("IAS") and interpretations issued by the IFRS Interpretations Committee ("IFRIC") and the former Standing Interpretations Committee ("SIC").

All dollar amounts are expressed in Canadian dollars unless otherwise indicated.

Forward-Looking Statements

Certain statements contained in this MD&A and in certain documents incorporated by reference into this MD&A, constitute forward-looking statements, within the meaning of applicable securities laws ("forward-looking statements"). Such statements relate to future events or the Company's future performance. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "potential", "targeting", "intend", "could", "might", "should", "believe", "prospect", "future", "possible", "can", "speculative", "perhaps" and similar expressions.

Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations or intentions regarding the future. Such statements are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the statements. No assurance can be given that any of the events anticipated by the forward-looking statements will occur or, if they do occur, what benefits we will obtain from them. These forward-looking statements reflect management's current views and are based on certain assumptions and speak only as of the date of this report. These assumptions, which include management's current expectations, estimates and assumptions about the global economic environment, the market price and demand for products and our ability to manage our operating costs, may prove to be incorrect. A number of risks and uncertainties could cause our actual results to differ materially from those expressed or implied by the forward-looking statements, including: (1) a downturn in general economic conditions, (2) the uncertainty of government regulation and politics (3) potential negative financial impact from regulatory investigations, claims, lawsuits and other legal proceedings and challenges, (4) other factors beyond our control, and (5) the risk factors set out in the Prospectus (as defined below). There is a significant risk that such forward-looking statements will not prove to be accurate. Investors are cautioned not to place undue reliance on these forward-looking statements. No forward-looking statement is a guarantee of future results. We disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. Additional information about these and other assumptions, risks and uncertainties are set out in the section entitled "Risk Factors" below as well as in the Prospectus as set out in the section entitled "Risk Factors".

With respect to forward-looking statements contained in this prospectus, the Company has made assumptions regarding, among other things:

- the Company's ability to generate revenue while controlling costs and expenses;
- the impact of increasing competition;
- the absence of material adverse changes in the industry or regulatory regimes;
- the Company's ability to attract and retain key personnel;
- the Company's ability to manage its growth effectively;
- trends in the Company's industry and markets;
- the Company's ability to keep pace with technological developments;
- the Company's ability to protect its intellectual property rights;
- the Company's continued compliance with relevant regulatory regimes;
- the Company's ability to raise sufficient financing to support continued growth; and
- the Company's ability to obtain additional financing on satisfactory terms.
- the impact of COVID-19 on the market demand

The Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below and elsewhere in this prospectus:

- The Company's limited history of operations
- There is currently no market through which any of the Company's securities may be sold
- Substantial additional financing may be required if the Company is to successfully develop its business
- The Company has had negative cash flow from operating activities since inception
- The Company's products are subject to extensive regulation
- The Company may be subject to growth-related risks
- The success of the Company's products are dependent on pronounced and rapidly changing public tastes
- The Company is dependent on the reliable supply of its raw materials
- The Company is heavily reliant on a limited number of products
- The Company is highly dependent on consumer perception of mushrooms
- The Company has not achieved, and there is no assurance that it will be able to achieve brand awareness
- The Company's success may be dependent on its ability to develop, market and produce new products, which may require substantial capital
- The Company is heavily dependent on certain key senior managers
- The Company relies on third parties to manufacture and package its products
- The Company may be subject to product liability claims

- The Company may be required to recall its products
- The Company faces significant competition

Forward looking information and statements included throughout this MD&A include, but are not limited to, statements pertaining to the following:

- Monk-E will launch its Sporeo ecommerce platform at URL: www.sporeogrow.com.
- Monk-E will launch its new business line called Sporeo Supply, and began selling Sporeo Supply products through Sporeo's ecommerce platform. See *Description of Business – Sporeo Supply*".
- On August 10, 2020, the Company has signed a LOI with PharmaCosta Medicinal Corp., which set out the parties' intentions to jointly develop a mushroom infused coffee product for consumers.
- The Company, Amalgamation SubCo, and Monk-E Nutraceuticals Inc. ("Monk-E") entered into an amalgamation agreement (the "Amalgamation Agreement"). Pursuant to Amalgamation Agreement: (i) Monk-E and Amalgamation Subco amalgamated under Division 3 of Part 9 of the BCBCA and continued as one corporation, Levitee Holdings Inc OpCo; and (ii) the Corporation changed its name from "Fibonacci Capital Corp." to "Levitee Labs Inc. " Fibonacci Capital Corp. consolidated its shares 2.5x (September 30, 2020 - 14,638,903 shares) and immediately prior to amalgamation had 5,855,561 shares outstanding. Monk-E shareholders were then issued shares in Fibonacci 1 for 1 in exchange for their Monk-E shares. This amounted to 21,928,050 shares. In post amalgamation, the combined entity changed name to Levitee Labs Inc (changed name from Fibonacci Capital Corp.) and it had 27,783,611 at the amalgamation date.
- Levitee Labs is planning on a public listing with expected completion prior to the end of the current fiscal year. It has plans to use the capital raised to acquire established businesses in the nutraceutical and supplement space, as well as in areas of pain and addiction treatment. Capital raised as part of the listing is expected to be used on M&A opportunities, as well as general working and growth capital. On November 30, 2020, the company raised $855,762 at $0.25 per share, equating to 3,423,048 shares sold. These funds will be used as working capital to support operations and the public listing.
- On January 20, 2021, the Company raised gross proceeds of $7,745,500 with a private placement of 15,491,000 subscription receipts at a price of $0.75 each. Each subscription receipt consists of one common share of the Company and one half of one common share purchase warrant of the Company. In connection to this private placement the Company paid finders commissions of $528,360 and issued 995,520 finders warrants with an exercise price of $0.75 and expiry of 24 months from the date of issuance.
- On February 4, 2021, the Company raised gross proceeds of $2,799,500 with a private placement of 5,599,000 subscription receipts at a price of $0.75 each. Each subscription receipt consists of one common share of the Company and one half of one common share purchase warrant of the Company. In connection to this private placement the Company paid finders commissions of $98,560 and issued 197,120 finders warrants with an exercise price of $0.75 and expiry of 24 months from the date of issuance.
- On March 19, 2021, the Company issued a private placement of a 2,460,000 special warrants for proceeds of $1,230,000. These special warrants will be exercisable at the earlier of March 19, 2022 and the third business day after the British Columbia Securities Commission received the final prospectus from the Company. On exercise, each special warrant will be converted to a unit of the Company. Each unit will have to same terms of the subscription receipt in the private placements above. No finders warrants were issued in connection with this private placement.

Current Year Activities and Corporate Developments

The Company is establishing itself as a leader in the alternative medicine space. The Company has been active in establishing strategic relationships and operations towards executing the goal of acquiring and creating cash-flowing assets directly in or ancillary to the psychopharmacological industry. The Company is now actively engaged in creating mushroom infused products and manufacturing for traditional mushroom cultivators through the trade names Monk-E nutraceuticals and Sporeo Supply.

The Company will pursue a going-public transaction and list its shares on the Canadian Securities Exchange (CSE). The Company will focus its business on pursuing further opportunities in the biotechnology and psychopharmacology industry.

RELATIONSHIPS WITH THIRD PARTIES

My Green Planet

Monk-E has established a strategic alliance and exclusive distribution agreement with My Green Planet. My Green Planet is a British Columbia based company specializing in the wholesale distribution of quality impact products for the indoor gardening, hydroponic, and hobby greenhouse market. They have been successfully active in this market for over 20 years, with millions of dollars in sales each year. My Green Planet is one of the largest distributors of cannabis cultivation equipment globally. Levitee Labs' brand Sporeo will initially be launching with two SKU's, Sporeo substrate and spawn. My Green Planet's distribution channels reach thousands of stores located in Canada, the United States, Europe, and Australia.

Selected Financial Information

Selected financial information from the statement of loss for the Company below.

Discussion of Operations

For a discussion of current year operations see "Selected Financial Information" in this MD&A.

The Company is currently focused on raising equity financing in order to acquire additional acquisition targets in order to generate additional revenue and gains through capital appreciation of these investments.

	Three months ended		Six months ended	
	March 31, 2021	**March 31, 2020**	**March 31, 2021**	**March 31, 2020**
Expenses				
Consulting fees	$ 117,676	$ 35,437	$ 1,309,946	$ 37,012
Payroll expense	182,443	-	234,585	-
Professional fees	109,550	1,239	191,036	8,239
Marketing expense	52,970	-	57,549	412
Office expense	49,029	18	56,358	415
Depreciation expense	22,649	-	26,990	-
Rent expense	16,423	-	20,841	4,725
Travel expense	17,053	1,219	17,927	2,950
Stock based compensation	12,404	-	14,744	-
Bank and financing charges	1,027	-	1,155	-
Total Expenses	$ 581,224	$ 37,913	$ 1,931,131	$ 53,753

Consulting fees mainly consist of consulting expenses by related parties, Chief Executive Officer, other executive team members, finance and accounting related expenses. The increase in consulting fees during the six months ended March 31, 2021 as compared to the same period ended March 31, 2020 was a result of the Company's overall increased business activity due to the go-public plans.

Payroll expenses consist of amounts paid to employees of the company.

Professional fees mainly consist of fees paid to lawyers for other professional services.

Marketing expenses mainly consists of expenses incurred to promote the Company.

Office expenses consists of expenses related to operations of the office location due to the increase in employees and physical locations.

Selected financial information from the statement of financial position:

	March 31, 2021 (Unaudited)	September 30, 2020
Total Current Assets	$ 12,083,615	$ 156,990
Total Current Liabilities	951,235	2,572
Total Shareholders' Equity	11,577,442	154,418
Total Liabilities and Shareholders' Equity	$ 12,812,481	$ 156,990

Cash and cash equivalents and restricted cash increased from September 30, 2020 to March 31, 2021 more funds raised through private placements and additional financing activities.

Prepaid assets balances at March 31, 2021 and September 30, 2020 relate to prepaid consulting fees paid to consultants and companies that will source acquisition targets and guide the Company through the due diligence and general deal process. In addition, prepaid deposits for equipment to be purchased.

Deposits balance in current assets is made up of deposits on acquisitions of companies and deposits on real estate leases.

Marketable securities were sold during the period and the Company had a nil balance at March 31, 2021. The cash from the sale of marketable securities will be used to finance operations and expansion the Company.

Current and total liabilities consists of accounts payable due to vendors of the Company and the current portion of the lease commitment for the leased production plant.

Shareholders' equity from September 30, 2020 to March 31, 2021 increased due to new fund raising activities to the issuances of the Company's stock which was partially offset by the operating loss during this period and reserves related to the amalgamation.

Acquisition of Monk-E

Business acquisition under common control

On November 30, 2020, Monk-e and 1273586 B.C. Ltd. ("1273586"), a wholly-owned subsidiary of LLI, amalgamated under the Business Corporations Act (British Columbia).

LLI consolidated its common shares at a ratio of 2.5:1 from 14,638,903 common shares to 5,855,561 common shares immediately prior to amalgamation. Monk-E shareholders were then issued 1 common share in LLI in exchange for 1 common share in Monk-E. This amounted to a total addition of 21,928,050 common shares issued in LLI. In addition Monk-E had 95,360 outstanding warrants issued to brokers on November 24, 2020 for commissions related to equity sales of Monk-E. These warrants were exchanged for warrants to purchase LLI shares (financial statement note 13d).

Post amalgamation, the combined entity had 27,783,611 common shares outstanding at the amalgamation date. Management has concluded Monk-E's share value of $0.25 is the best indicator of the fair value of this transaction due to recent fund raising on November 24, 2020 at this price.

The transaction was determined to be a business combination under common control and the Company has applied the accounting method described in financial statement note 2c.

The following table summarizes the carrying value of the assets acquired and liabilities assumed on the date of acquisition.

Total consideration		
Shares issued		21,928,050
Share value	$	0.25
Total consideration	**$**	**5,482,013**
Net identifiable assets acquired		
Cash and cash equivalents	$	636,148
Amounts receivable		23,428
Prepaid expenses		73,379
Equipment		235,906
Right of use asset		247,618
Accounts payable and accrued liabilities		(74,150)
Lease liability		(247,618)
Total net identifiable assets		894,711
Acquisition reserve		4,587,301
Total net assets and equity recognized	**$**	**5,482,013**

Supplemental information for Monk-E

As a result of the amalgamation and common control acquisition of Monk-E, the results of operations for the two-month period ended November 30, 2020 were not included in the condensed interim consolidated statement of profit and loss. Those results are as follows:

Expenses		
Payroll expense	$	88,251
Consulting fees		58,614
Professional fees		45,040
Marketing expense		9,710
Rent expense		6,600
Office expense		6,445
Travel expense		4,963
Bank charges		203
Computer expense		169
Total expenses		219,995
Total net loss	**$**	**219,995**

Consulting fees mainly consist of consulting expenses by related parties, Chief Executive Officer, other executive team members, finance and accounting related expenses. The increase in consulting fees during the period ended November 30, 2020 as compared to November 30, 2019 was a result of the Company's overall increased business activity due to the go-public plans.

Payroll expenses fees mainly consist of payroll expenses to the Chief Executive Officer, other executive team members. The increase in payroll expenses during the period ended November 30, 2020 as compared to November 30, 2019 was a result of the Company's overall increased business activity due to the go-public plans.

Professional fees mainly consist of fees paid to lawyers for other professional services.

Rent and office expense related to office space the Company leased during the period.

Selected financial information from the statement of financial position:

	November 30, 2020 (Unaudited)		September 30, 2020	
Total Current Assets	$	985,626	$	156,990
Total Current Liabilities		105,282		2,572
Total Shareholders' Equity		1,147,382		154,419
Total Liabilities and Shareholders' Equity	$	1,469,150	$	156,990

Significant Projects

As of the date of this MD&A, the amalgamated Company has two significant projects which have not generated revenue, but are expected to generate revenue in the future. Each project is related to the mushroom industry as a whole. The following is a description of each such project, including a description of the Company's plan for such project, the status of the project relative to the Company's plan for such project, the expenditures made by the Company in respect of such project to date and how such expenditures relate to anticipated timing and costs to advance the project to the next stage of the Company's plan for the specific project.

Facility

The Company currently leases an approximately 4,300 sq ft facility which will be home to the manufacturing processes and fulfillment of all Canadian eCommerce business.

In November 2020, the company sourced all manufacturing equipment and engaged an independent consultant to determine the steps necessary to advance the facility to the operational stage. The Planning Stage involved a general assessment of the facility, during which, management of the Company and the consultant worked closely to plan the steps required to commence the manufacturing of non GMP certified Spawn and Substrate Facility (including, among other things, identifying appropriate ceiling, wall, and floor coating suitable for the proposed manufacturing processes).

To date the Company incurred approximately $200,000 in capital expenditures in connection with the planning stage (attributed to obtaining the lease, equipment purchases, consultants, etc.)

While assessing with the independent consultants, the Company has determined that the Company may be required to incur an additional estimated amount of up to $150,000 to build out the facility to have operations live which will require minor facility upgrades, installation of equipment and personnel (consultants, engineers).

The build-out plan is expected to be tailored to suit the Company's business objectives at the time of such consultation process, as the same may exist considering the impact of COVID-19 on, among other things, the Company's specific business objectives in respect of, and the reasons for, the certification for the Facility, as well as the then prevailing market and competitive conditions in respect of such objectives.

As part of this consultation process, the engineering firm is expected to draft a final construction plan covering each stage of the construction necessary to obtain certification for the Facility, in light of the then prevailing EU-GMP standards and certification requirements applicable to qualify the Company's cultivation and production process at the Facility, as well as the then present business objectives of the Company.

As of the date of this MD&A, the Company is further considering and evaluating the economic viability and benefits of proceeding with building-out the Facility. The Company's disclosure in the Listing Statement projected that construction of the Facility is expected to be completed over the course of a one (1) to three (3) month period following commencement.

The Company's ability to begin the build out of the facility in calendar Q3 2021 is dependent on the following material factors and assumptions. (I) the Company having adequate financial resources to fund the build out of the facility, (II) the Company's ability to retain a consultant on the terms and conditions favorable to the Company; and (III) the favorability of the general market conditions with respect to the mushroom industry. In particular, the Company believes that the following events and circumstances may reasonably be likely to cause actual results with respect to the timing and commencement of the build out to differ materially from those anticipated by the Company and expressed in this MD&A.

- The impact of COVID-19 on general market conditions and particularly on regulating entities approving build outs in a timely fashion.
    - The ability for personnel to work safely and quickly to the Company's time schedules.
- Unanticipated setbacks which may materialize following the date of the MD&A, including, among other things, changes in regulations and the Company's inability to identify a cost-effective build out plan to operate.

<u>eCommerce Platform</u>

In September 2020, the Company launched their websites and eCommerce platforms under the domain names sporeogrow.com and monkenutra.com in order to promote and collect data regarding future consumers of products for sale.

To date, the company has incurred minimal capital expenditures in connection with the development and cost of the eCommerce platform. The company expects to incur more capital expenditures in the coming years to further build its eCommerce infrastructure.

As of the date of this MD&A, the Company's products are available for pre-sale. To date, the Company has not launched at material marketing, promotional or educational campaigns on the eCommerce platforms.

Except for updates and maintenance from time to time required in the ordinary course of business, the initial release of the eCommerce platform is complete. The Company anticipates some further platform development work as the Company adds new SKU's and design elements to the platform.

<u>Nutraceuticals Industry Analysis</u>

The global nutraceuticals market size is predicted to reach USD 486.36 billion by 2026, exhibiting a compound annual growth rate ("**CAGR**") of 8.14% between 2019 and 2016.[1] The growing demand for functional food and beverage will create new opportunities for the nutraceuticals market growth during that period. In recent years there has been a surge in product development and innovation activities, as well as rising availability of nutraceutical products, which has contributed and is expected to continue to contribute to this growth in the market.

Growing consumer interest in a healthy diet has led to a thriving food and beverage market in the recent past and the trend is expected to continue over the forecast period.[2] Demand for functional foods is on the rise as they believed to impart exceptional health benefits owing to their nutrient content. This is

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[1] Fortune Business Insights, "*Nutraceuticals Market Size, Share & Industry Analysis, By Product Type (Functional Foods, Functional Beverages, and Dietary Supplements), Distribution Channel (Supermarkets/ Hypermarkets, Convenience Stores, Online Retail and Others), and Regional Forecast, 2019 – 2026*" (March 2020).

[2] *Ibid.*

further expected to boost the growth of the market for nutraceuticals.

The global nutraceuticals industry has been witnessing key developments in terms of product innovation and portfolio expansion over the past few years. Companies, both private and publicly-traded, have been proactive in initiating strategies to gain a competitive advantage in the nutraceuticals industry.

Dietary Supplements Industry Analysis

A dietary supplement is a manufactured product intended to supplement the human diet when taken, typically orally as a pill, capsule, tablet, or liquid. The use of such supplements are typically to provide nutrients that the consumer may be unable to obtain by other sources, or normal diet. Dietary supplements are either extracted from food sources or synthetic, individually or in combination, in order to increase and improve the quantity of their consumption. Common types of nutrient compounds that dietary supplements derive from includes vitamins, minerals, fiber, fatty acids and amino acids. Dietary supplements can also contain substances that have not been confirmed as being essential to life, but are marketed as having a beneficial biological effect. In the United States and Canada, dietary supplements are considered a subset of foods, and are regulated accordingly. The European Food Safety Authority has also established harmonized rules to help insure that food supplements are safe and properly labeled.[3]

The global dietary supplements market size was estimated at USD 123.28 billion in 2019 and is projected to expand at a CAGR of 8.2% through 2027.[4]

Nootropics Industry Analysis

The global nootropics market size was valued at USD 2.17 billion in 2018 and is expected to grow at a CAGR of 12.5% between 2019 and 2025.[4] An increasing demand for brain boosters and "smart drugs" is anticipated to drive the growth. A growing number of students and professionals consume these products for their ability to improve focus and memory. Continued product development using both synthetic and natural raw materials is projected to further fuel the demand.[5]

Mushroom Grow Kits

Mushroom grow kits are a nascent market, and currently there are few statistics on market size. The sector is based on consumers who would like to grow their own mushrooms, but have not because they are unfamiliar with the process. When it comes to growing mushrooms, consumers are unsure of where to purchase equipment and material required, or how to access a safe, reliable supply in the wild. Growing mushrooms at home can be an appealing option, but one that comes with its own set of challenges. Mushroom grow kits solve these problems by providing all the required resources and equipment in one single package, and allowing consumers to safely and successfully grow mushrooms.

Levitee Labs believes that this market will see high growth in the coming years, and has therefore built the brand Sporeo to capitalize on this.

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[3] https://www.efsa.europa.eu/en/topics/topic/food-supplements

4 Dietary Supplements Market Size, Share & Trends Analysis Report By Ingredient (Vitamins, Minerals), By Form, By Application, By End User, By Distribution Channel, By Region, And Segment Forecasts, 2020 - 2027

[4] Grand View Research, "*Nootropics Market Size, Share & Trends Analysis Report By Application (Memory Enhancement, Mood & Depression, Attention & Focus, Anxiety), By Distribution Channel, And Segment Forecasts, 2019 – 2025*" (September 2019).

[5] *Ibid.*

Marketing Plans

The Company launched marketing initiatives in calendar Q2 2021 for both brands, Monk-E and Sporeo.

Competitive Conditions

The number of competitors and the degree of competition within the North American food industry varies greatly by product segment and region. In the nutraceutical space, the market is highly fragmented, with many companies owning small market share. In the functional mushrooms space, our competitors offer products such as mushroom extracts, powders, teas and other wellness products. Some of the Corporation's competitors include:

- **Four Sigmatic:** Four Sigmatic is a US company specialized in superfoods, functional mushrooms and adaptogenic herbs.
- **Mud Water:** MUD\WTR™ is a coffee alternative consisting of natural ingredients, including mushrooms, which is marketed for its health and performance benefits, including natural energy and focus.
- **Purica:** Purica is a Canadian wellness company which sells products designed to address arthritis, pain relief, post-surgical recovery, cardiovascular health, stress relief, immune support, digestive support, including some mushroom-based products.

Regulatory Environment

The Corporation is focused on developing and commercializing plant-based health and wellness products. In order to develop such products, the Corporation's business and processes must be conducted in strict compliance with the regulations of federal, provincial, state, local and regulatory agencies locally and internationally, in the jurisdictions in which the Corporation operates.

Some of the Corporation's products are considered "food" and, as such, are principally regulated under the *Food and Drugs Act* (Canada) and the *Consumer Packaging and Labelling Act* (Canada) as well as the *Federal Food, Drug, and Cosmetic Act* (USA) and the *Nutrition Labeling and Education Act* (USA).

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

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

The United States Food and Drug Administration ("**US-FDA**") is responsible for assuring that foods sold in the United States are safe, wholesome and properly labeled. This applies to foods produced domestically, as well as foods from foreign countries. The *Federal Food, Drug, and Cosmetic Act* ("**FD&C Act**") and the *Fair Packaging and Labeling Act* are the Federal laws governing food products under US-FDA's jurisdiction.

The *Nutrition Labeling and Education Act* ("**NLEA**"), which amended the FD&C Act, requires most foods to bear nutrition labeling and requires food labels that bear nutrient content claims and certain health messages to comply with specific requirements.

Monk-E does not have any direct or indirect involvement with the illegal selling, production or distribution of any psychedelic substances in the jurisdictions in which it operates. The Corporation is a health and wellness product company and does not advocate for the legalization of any psychedelic substances and does not deal with psychedelic substances. The Corporation's products will not be commercialized in any given jurisdiction prior to applicable regulatory approval in that jurisdiction, which may only be granted if evidence of safety and efficacy for the intended uses is successfully developed.

Foreign Operations

The Corporation currently plans to launch sales of its products across Canada and the United States, focusing initially on the United States market. The Corporation is developing third-party logistics relationships in California, New York, and Arizona.

Summary of Quarterly Results

The following summarizes the selected quarterly results for the Company:

	Three months ended Jun 30, 2019	Three months ended Sep 30, 2019	Three months ended Dec 31, 2019	Three months ended Mar 31, 2020	Three months ended Jun 30, 2020	Three months ended Sep 30, 2020	Three months ended Dec 31, 2020	Three months ended Mar 31, 2021
Total revenue	-	-	-	-	-	-	-	-
Gain (Loss) from continuing operations	(251,948)	(48,450)	(15,840)	(37,913)	(79,762)	(308,213)	(1,073,731)	(568,206)
Loss per share (diluted and non-diluted)	$ (0.14)	$ (0.01)	$ (0.00)	$ (0.01)	$ (0.02)	$ (0.06)	$ (0.13)	$ (0.02)

During the three months ended June 30, 2019 expenses consisted mainly of consulting fees for set up of the business and share structure and rent expense.

During the three months ended September 30, 2019 expenses consisted mainly of consulting fees and rent expense.

During the three months ended December 31, 2019 expenses consisted mainly of consulting fees, accounting fees and rent expense.

During the three months ended March 31, 2020 expenses consisted mainly of consulting fees.

During the three months ended June 30, 2020 expenses consisted mainly of consulting fees.

During the three months ended September 30, 2020 expenses consisted mainly of consulting fees and unrealized loss from fair value adjustments on short-term investments.

During the three months ended December 31, 2020 expenses consisted mainly of consulting fees, professional fees, payroll expense and gain from fair value adjustments on short-term investments.

During the three months ended March 31, 2021 expenses consisted mainly of consulting fees, payroll expense and professional fees as well as office and marketing expenses.

Liquidity and Capital Resources

The Company manages its capital structure and adjusts based on the funds available to the Company in order to facilitate the liquidity needs of its operations. The Board does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital to include its working capital position, capital stock and accumulated deficit. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the six month period ended March 31, 2021

As at March 31, 2021, the Company had cash and cash equivalent balance of $914,799 (September 30, 2020 - $42,893) available to settle current liabilities of $951,235 (September 30, 2020 - $2,572).

Risks and Uncertainties

Due to the nature of the Company's business, its limited operating history, and its stage of development, an investment in the securities of the Company is highly speculative and involves significant risks and uncertainties. As the Company continues to develop its business, the Company will face numerous challenges, and additional risks and uncertainties not presently known to the Company, or which the Company believes to be immaterial. In the event that such risks and uncertainties materialize, the Company's business, financial condition, and results of operations could be materially adversely affected, and shareholders of the Company could lose all or part of their investment in the Company. Such risks and uncertainties could also cause actual events to differ materially from those described in forward looking statements relating to the Company described in this MD&A and in certain documents incorporated by reference into this MD&A.

The following section summarizes certain of the risks and uncertainties relating to the business of the Company as of the date of this MD&A. The summary of such risks and uncertainties is not intended to be exhaustive, and such risks are in addition to the usual risks associated with investment in a business. Investors should carefully consider the following risks and uncertainties as well as the risk factors set out in the Listing Statement.

Introduction of, or Changes in, Laws, Regulations and Guidelines

In order to develop regulated medicines, Levitee Discovery's process must be conducted in strict compliance with the regulations of federal, state, local and regulatory agencies in Canada and the United States, and the equivalent regulatory agencies in the other jurisdictions in which Levitee may operate.

These regulatory authorities regulate, among other things, the research, manufacture, promotion and distribution of drugs in specific jurisdictions under applicable laws and regulations.

Canada

The process required before a prescription drug product candidate may be marketed in Canada generally involves:

- *Chemical and Biological Research* - Laboratory tests are carried out on tissue cultures and with a variety of small animals to determine the effects of the drug. If the results are promising, the manufacturer will proceed to the next step of development.

- *Pre-Clinical Development* – Animals are given the drug in varying amounts over differing periods of time. If it can be shown that the drug causes no serious or unexpected harm at the doses required to have an effect, the manufacturer will proceed to clinical trials.
- *Clinical Trials — Phase 1* - The first administration in humans is to test if people can tolerate the drug. If this testing is to take place in Canada, the manufacturer must prepare a clinical trial application for the Therapeutic Products Directorate of Health Canada (the "TPD"). This includes the results of the first two steps and a proposal for testing in humans. If the information is sufficient, the Health Products and Food Branch of Health Canada (the "HPFB") grants permission to start testing the drug, generally first on healthy volunteers.
- *Clinical Trials — Phase 2* - Phase 2 trials are carried out on people with the target condition, who are usually otherwise healthy, with no other medical condition. Trials carried out in Canada must be approved by the TPD. In Phase 2, the objective of the trials is to continue to gather information on the safety of the drug and begin to determine its effectiveness.
- *Clinical Trials — Phase 3* - If the results from Phase 2 show promise, the manufacturer provides an updated clinical trial application to the TPD for Phase 3 trials. The objectives of Phase 3 include determining whether the drug can be shown to be effective, and have an acceptable side effect profile, in people who better represent the general population. Further information will also be obtained on how the drug should be used, the optimal dosage regimen and the possible side effects.
- *New Drug Submission* - If the results from Phase 3 continue to be favourable, the drug manufacturer can submit a new drug submission ("NDS") to the TPD. A drug manufacturer can submit an NDS regardless of whether the clinical trials were carried out in Canada. The TPD reviews all the information gathered during the development of the drug and assesses the risks and benefits of the drug. If it is judged that, for a specific patient population and specific conditions of use, the benefits of the drug outweigh the known risks, the HPFB will approve the drug by issuing a notice of compliance.

United States

Our development and commercialization activities and product candidates are significantly regulated by a number of governmental entities, including the FDA, HC, and comparable authorities in other countries. Regulatory approvals are required prior to each clinical trial and we may fail to obtain the necessary approvals to commence or continue clinical testing. We must comply with regulations concerning the manufacture, testing, safety, effectiveness, labeling, documentation, advertising, and sale of products and product candidates and ultimately must obtain regulatory approval before we can commercialize a product candidate.

The time required to obtain approval by such regulatory authorities is unpredictable but typically takes many years following the commencement of preclinical studies and clinical trials. Any analysis of data from clinical activities we perform is subject to confirmation and interpretation by regulatory authorities, which could delay, limit or prevent regulatory approval. Even if we believe results from our clinical trials are favorable to support the marketing of our product candidates, the FDA or other regulatory authorities may disagree. In addition, approval policies, regulations, or the type and amount of clinical data necessary to gain approval may change during the course of a product candidate's clinical development and may vary among jurisdictions. We have not obtained regulatory approval for any product candidate and it is possible that none of our existing product candidates or any future product candidates will ever obtain regulatory approval.

We could fail to receive regulatory approval for our product candidates for many reasons, including, but not limited to:

- disagreement with the design or implementation of our clinical trials;
- failure to demonstrate that a product candidate is safe and effective for its proposed indication;

- failure of clinical trials to meet the level of statistical significance required for approval;
- failure to demonstrate that a product candidate's clinical and other benefits outweigh its safety risks;
- disagreement with our interpretation of data from preclinical studies or clinical trials;
- the insufficiency of data collected from clinical trials of our product candidates to support the submission and filing of an IND or other submission to obtain regulatory approval;
- deficiencies in the manufacturing processes or the failure of facilities of CMOs with whom we contract for clinical and commercial supplies to pass a pre-approval inspection; or
- changes in the approval policies or regulations that render our preclinical and clinical data insufficient for approval.

A regulatory authority may require more information, including additional preclinical or clinical data to support approval, which may delay or prevent approval and our commercialization plans, or we may decide to abandon the development program. If we were to obtain approval, regulatory authorities may approve any of our product candidates

for fewer or more limited indications than we request, may grant approval contingent on the performance of costly post-marketing clinical trials, or may approve a product candidate with a label that does not include the labeling claims necessary or desirable for the successful commercialization of that product candidate. Moreover, depending on any safety issues associated with our product candidates that garner approval, the FDA may impose a risk evaluation and mitigation strategy, thereby imposing certain restrictions on the sale and marketability of such products.

Technology and information security

The Company is also subject to technology and information security risk, including the risk that confidential information held by the Company is stolen or accessed causing financial or personal harm to the affected individual(s) or the Company's business. The Company reduces this risk through enhancement of policies and procedures, and monitoring and auditing to ensure compliance related to information technology, safety of data, and secure storage of physical files. The Company is also subject to risks related to reliance on key personnel and catastrophic and general uninsured loss.

COVID-19

The impact of the COVID-19 pandemic, with its combined health toll and sharp decline in global economic output, is unprecedented and the full extent of the impact will depend on future developments. These developments are highly uncertain and cannot be accurately predicted, including new information which may emerge concerning its severity, its duration and actions by government authorities to contain the outbreak or manage its impact. As a result, it is not possible to determine the impact on the going concern of the Company at this time.

The following are certain risk factors relating to an investment in Shares which prospective investors should carefully consider before deciding whether to purchase common shares. The following information must be read in conjunction with the detailed information appearing elsewhere in this prospectus. Such risk factors may have a material adverse effect on the financial position or results of operations of the Corporation or the value of the common shares.

Limited History of Operations

The Corporation is in the early stage of development and must be considered a start-up. As such, the Corporation is subject to many risks common to such enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and the lack of revenues. There is no assurance that the Corporation will be successful in achieving a return on Shareholders' investment and the likelihood of success must be considered in light of its early stage of operations. The Corporation has no intention of paying any dividends in the near future.

The Corporation has limited financial resources, has not earned any significant revenue since commencing operations has no source of operating cash flow and there is no assurance that additional funding will be available to it for further development of the Corporation's business or to fulfill its obligations under any applicable agreements. There can be no assurance that the Corporation will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further development of the Corporation's business.

No Market for Securities

There is currently no market through which the common shares may be sold and there is no assurance that such securities of the Corporation will be listed for trading on a stock exchange, or if listed, will provide a liquid market for such securities. Until the common shares are listed on a stock exchange, holders of the common shares may not be able to sell their common shares. Even if a listing is obtained, there can be no assurance that an active public market for the common shares will develop or be sustained after listing. The holding of common shares involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. common shares should not be purchased by persons who cannot afford the possibility of the loss of their entire investment.

Additional Requirements for Capital

Substantial additional financing may be required if the Corporation is to successfully develop its business. No assurances can be given that the Corporation will be able to raise the additional capital that it may require for its anticipated future development. Any additional equity financing may be dilutive to investors and debt financing, if available, may involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Corporation, if at all. If the Corporation is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion.

Negative Cash Flow from Operating Activities

The Corporation has had negative cash flow from operating activities since inception. Significant capital investment will be required to achieve the Corporation’s existing plans. There is no assurance that the Corporation’s business will generate earnings, operate profitably or provide a return on investment in the near future. Accordingly, the Corporation may be required to obtain additional financing in order to meet its future cash commitments.

Regulatory Environment

The Corporation’s operations are subject to regulation by government agencies including, among others, Health Canada and the CFIA. These agencies regulate the processing, packaging, storage, distribution, advertising, and labeling of the Corporation’s products, including food safety standards. The Corporation’s products may be subject to inspection by federal, provincial, state and local authorities. The Corporation strives to maintain compliance with all laws and regulations and maintain all permits and licenses relating to our operations. Nevertheless, there can be no assurance that the Corporation is in compliance with all such laws and regulations, has all necessary permits and licenses, and will be able to comply with such laws and regulations, or obtain such permits and licenses in the future. Failure by the Corporation to comply with applicable laws and regulations and permits and licenses could subject the Corporation to civil remedies, including fines, injunctions, recalls or seizures, as well as potential criminal sanctions, which could have a material adverse effect on our financial condition and results of operations. In addition, enforcement of existing laws and regulations, changes in legal requirements and/or evolving interpretations of existing regulatory requirements may result in increased compliance costs and create other obligations, financial or otherwise, that could adversely affect the Corporation's business, financial condition or results of operations.

Management of Growth

The Corporation may be subject to growth-related risks including pressure on its internal systems and controls. The Corporation's ability to manage its growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Corporation to deal with this growth could have a material adverse impact on its business, operations and prospects. While management believes that it will have made the necessary investments in infrastructure to process anticipated volume increases in the short term, the Corporation may experience growth in the number of its employees and the scope of its operating and financial systems, resulting in increased responsibilities for the Corporation's personnel, the hiring of additional personnel and, in general, higher levels of operating expenses. In order to manage its current operations and any future growth effectively, the Corporation will also need to continue to implement and improve its operational, financial and management information systems and to hire, train, motivate, manage and retain its employees. There can be no assurance that the Corporation will be able to manage such growth effectively, that its management, personnel or systems will be adequate to support the Corporation's operations or that the Corporation will be able to achieve the increased levels of revenue commensurate with the increased levels of operating expenses associated with this growth.

Success is Dependent on Public Taste for Levitee's Products

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

Raw Materials

The Corporation's products are derived from mushrooms. Accordingly, the Corporation and/or its manufacturers must acquire enough mushrooms so that the products can be produced to meet the demand of its customers. A mushroom shortage could result in loss of sales and damage to the Corporation. If the Corporation and/or its manufacturers become unable to acquire commercial quality mushrooms on a timely basis and at commercially reasonable prices, and are unable to find one or more replacement suppliers with the regulatory approvals to produce mushrooms at a substantially equivalent cost, in substantially equivalent volumes and quality, and on a timely basis, the Corporation will likely be unable to meet customer demand.

Consumer Perception of Mushrooms

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

Brand Awareness

Brand awareness has not been achieved inside or outside of the Corporation's target markets. There is no assurance that the Corporation will be able to achieve brand awareness in any of its target markets. In addition, the Corporation must develop successful marketing, promotional and sales programs in order to sell its products. If the Corporation is not able to develop successful marketing, promotional and sales programs, then such failure will have a material adverse effect on the business, financial condition and operating results.

Limited Number of Products

The Corporation is heavily reliant on the production and distribution of mushroom-based and related products. If they do not achieve sufficient market acceptance, it will be difficult for us to achieve profitability.

The Corporation's revenue is derived almost exclusively from sales of mushroom-based and related products, and the Corporation expects that such products will account for substantially all of its revenue for the foreseeable future. If the mushroom-based and related products market declines or fails to achieve substantially greater market acceptance than it currently enjoys, the Corporation will not be able to grow its revenues sufficiently for it to achieve consistent profitability.

Even if products to be distributed by the Corporation conform to international safety and quality standards, sales could be adversely affected if consumers in target markets lose confidence in the safety, efficacy, and quality of mushrooms. Adverse publicity about mushroom-based products that the Corporation sells may discourage consumers from buying products distributed by the Corporation.

Development of New Products

The Corporation'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 Corporation must meet such demand through new and innovative products or else its business will fail. The Corporation's ability to develop, market and produce new products is subject to it having substantial capital. There is no assurance that the Corporation will be able to develop new and innovative products or have the capital necessary to develop such products.

Dependence on Management Team

The Corporation will depend on certain key senior managers to oversee the core marketing, business development, operational and fundraising activities and who have developed key relationships in the industry. Their loss or departure in the short-term would have an adverse effect on the Corporation's future performance.

Reliance on Third Party Manufacturers

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

Reliance on Marketing Partners and Future Distributors

The Corporation will sell its products online directly to end customers and it will rely on third parties for the sale and marketing of its products at retail locations. The Corporation plans to engage a distribution company to permit the Corporation to develop an extensive regional sales and distribution network throughout Canada and other jurisdictions where the Corporation's product is lawful. To the extent that marketing partners and distributors are distracted from selling the Corporation's products or do not expend sufficient efforts in managing and selling its products, the Corporation's future sales will be adversely affected. The Corporation's ability to grow our distribution network and attract additional distributors will depend on several factors, many of which are outside of its control. Some of these factors include: (i) the level of demand for the Corporation's brand and products in a particular distribution area; (ii) our ability to price our products at levels competitive with those offered by competing products and (iii) the Corporation's ability to deliver products in the quantity and at the time ordered by distributors.

Product Liability Insurance

The Corporation currently does not carry any product liability insurance coverage. Even though the Corporation is not aware of any product liability claims at this time, its business exposes itself to potential product liability, recalls and other liability risks that are inherent in the sale of food and other ingestible products. The Corporation can provide no assurance that such potential claims will not be asserted against it. A successful liability claim or series of claims brought against the Corporation could have a material adverse effect on its business, financial condition and results of operations.

Although the Corporation intends to obtain adequate product liability insurance, it cannot provide any assurances that it will be able to obtain or maintain adequate product liability insurance of on acceptable terms, if at all, or that such insurance will provide adequate coverage against potential liabilities. Claims or losses in excess of any product liability cover that may be obtained by the Corporation could have a material adverse effect on its business, financial conditional and results of operations.

Product Liability Claims

The Corporation may be required to pay for losses or injuries purportedly or actually caused by its products. Historically, there have been no product liability claims; however, there is no assurance that this trend will continue in the future. In the event that the Corporation's products are found to cause any injury or damage, the Corporation will be subject to substantial liability. This liability may exceed the funds available by the Corporation and result in the failure of its business.

Product Recall

The sale of products for human consumption involves inherent risks. The Corporation could decide to, or be required to, recall products due to suspected or confirmed contamination or product tampering. A product recall could adversely affect product sales financial condition and results of operation as well as the Corporation's general reputation in the industry.

Trademark Protection

The Corporation currently has not obtained any trademarks. Failure to register trademarks for the Corporation or its products could require the Corporation to rebrand its products resulting in a material adverse impact on its business.

Government Regulation

The processing, manufacturing, packaging, labeling, advertising and distribution of the Corporation's products is subject to regulation by one or more federal agencies, and various agencies of the provinces and localities in which our products are sold. These government regulatory agencies may attempt to regulate any of our products that fall within their jurisdiction. Such regulatory agencies may not accept the evidence of safety for any new ingredients that the Corporation may want to market, may determine that a particular product or product ingredient presents an unacceptable health risk and may determine that a particular statement of nutritional support that we want to use is an unacceptable claim. Such a determination would prevent the Corporation from marketing particular products or using certain statements of nutritional support on its products. The Corporation also may be unable to disseminate third-party literature that supports its products if the third-party literature fails to satisfy certain requirements.

In addition, a government regulatory agency could require the Corporation to remove a particular product from the market. Any future recall or removal would result in additional costs to the Corporation, including lost revenues from any products that we are required to remove from the market, any of which could be material. Any such product recalls or removals could lead to liability, substantial costs and reduced growth prospects.

Competition

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

Junior Companies

Market perception of junior companies may change, potentially affecting the value of investors' holdings and the ability of the Corporation to raise further funds through the issue of further common shares or otherwise. The share price of publicly traded smaller companies can be highly volatile. The value of the common shares may go down as well as up and, in particular, the share price may be subject to sudden and large falls in value given the restricted marketability of the common shares.

Current Market Volatility

The securities markets in the United States and Canada have recently experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any market for the common shares will be subject to market trends generally, notwithstanding any potential success of the Corporation. The value of the common shares distributed hereunder will be affected by such volatility.

Use of Funds

The Corporation has prepared a budget setting out the way in which it proposes to expend its available funds. However, the quantum and timing of expenditure will necessarily be dependent upon receiving positive results from the Corporation's product development and marketing initiatives. As the Corporation further expands its business, it is possible that results and circumstances may dictate a departure from the pre-existing budget. Further, the Corporation may, from time to time as opportunities arise, utilize part of its financial resources to participate in additional opportunities that arise and fit within the Corporation's broader objectives, as a means of advancing shareholder value.

Conflicts of Interest

Some or all of the Corporation's Directors and officers may act as directors and/or officers of other health and wellness companies. As such, the Corporation's Directors and officers may be faced with conflicts of interests when evaluating alternative health and wellness opportunities. In addition, the Corporation's Directors and officers may prioritize the business affairs of another company over the affairs of the Corporation.

Personnel

The Corporation has a small management team and the loss of any key individual could affect the Corporation's business. Additionally, the Corporation will be required to secure other personnel to facilitate its marketing and product development initiatives. Any inability to secure and/or retain appropriate personnel may have a materially adverse impact on the business and operations of the Corporation.

Tax Issues

Income tax consequences in relation to the securities offered will vary according to the circumstances of each purchaser. Prospective purchasers should seek independent advice from their own tax and legal advisers prior to subscribing for the securities.

Liquidity of the common shares

Listing on the Exchange should not be taken as implying that there will be a liquid market for the common shares. Thus an investment in the common shares may be difficult to realize. Investors should be aware that the value of the common shares may be volatile. Investors may, on disposing of common shares, realize less than their original investment, or may lose their entire investment. The common shares, therefore, may not be suitable as a short-term investment.

The market price of the common shares may not reflect the underlying value of the Corporation's net assets. The price at which the common shares will be traded, and the price at which investors may realize their common shares, will be influenced by a large number of factors, some specific to the Corporation and its proposed operations, and some which may affect the sectors in which the Corporation operates. Such factors could include the performance of the Corporation's operations, large purchases or sales of the common shares, liquidity or the absence of liquidity in the common shares, legislative or regulatory changes relating to the business of the Corporation, and general market and economic conditions.

No Dividends

The Corporation has not declared or paid any cash dividends on the common shares to date. The payment of dividends in the future, if any, is dependent on the Corporation's earnings, financial condition, capital requirements, business conditions, corporate law requirements and on such other factors as the Board considers appropriate. Unless and until the Corporation pays dividends, shareholders' ability to achieve a return on their investment will depend upon an appreciation in the price of the common shares.

General

Although management believes that the above risks fairly and comprehensibly illustrate all material risks facing the Corporation, the risks noted above do not necessarily comprise all those potentially faced by the Corporation as it is impossible to foresee all possible risks. Although the Directors will seek to minimize the impact of the risk factors, an investment in the Corporation should only be made by investors able to sustain a total loss of their investment. Investors are strongly recommended to consult a person who specializes in investments of this nature before making any decision to invest.

Off Balance Sheet Arrangements

The Company is currently in the process of developing a stock based compensation plan for employees and consultants. As of the date of the MD&A this plan had not been finalized.

As at September 30, 2020, Monk-E had a number of contingent commitments as per agreements with some consultants. Subsequent to year end, all contingent commitments mentioned above were transferred from Monk-E to Fibonacci prior to amalgamation:

- $20,000 in stock options contingent to initial public offering;
- In the event a consultant introduces the Company to an M&A target and the Company acquire the corporation, the Company will pay the consultant 5% of the transaction value in cash or shares, to be determined by the Company at the time of the acquisition;
- Grant of 500,000 stock options to purchase shares of the Company upon completion of the agreement and contingent to BOD approval;
- Grant of 500,000 restricted stock units of common shares contingent on the initial public offering, subject to requirements from Canadian Securities Exchange and the Company's employee restricted stock unit plan;
- Contingent on a number of milestones and achievements to grant up to a total of 11,400,000 stock options.

Related Party Transactions

(a) Compensation of key management personnel

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Company's Board of Directors, and corporate officers. The remuneration of key management personnel including consulting fees paid through companies owned by directors during the year ended was as follows:

	Six months ended		**Three months ended**	
	March 31, 2021	**March 31, 2020**	**March 31, 2021**	**March 31, 2020**
Consulting fee	$ 193,244	$ 23,625	$ 22,000	$ 23,625
Salary	161,156	-	123,428	-
Rent	13,200	4,725	-	-
Total	**$ 367,600**	**$ 28,350**	**$ 145,428**	**$ 23,625**

(b) Transactions with related parties

		Six months ended March 31, 2021		Six months ended March 31, 2020
Amount owed from related parties	$	2,000	$	1,000
Amount owed to related parties	$	2,738	$	23,625

(c) Loans with related parties

On June 10, 2019, the Company entered into an agreement to lend $50,000 to two companies for $25,000 each. These companies are each controlled a common director to the Company. The loan agreement states that the loan is unsecured, non-interest bearing, and repayable on demand. On August 31, 2020 these loans were settled in exchange for amounts owing to the two parties for consulting services.

Critical accounting estimates and judgements

The preparation of these condensed interim consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies, the reported amounts of assets, liabilities and expenses, as well as the Company's ability to continue as a going concern. The estimates and assumptions made are continually evaluated and have been based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Such estimates and assumptions are inherently uncertain. Actual results could differ materially from these estimates and assumptions. Revisions to estimates are recognized in the period in which the estimate is revised and may impact future periods.

In preparation of the condensed interim consolidated financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the six months ended March 31, 2021, with the addition of the following judgements:

i) Assessment of control in a business acquisition

The date on which the acquirer obtains control of the acquiree is generally the date on which the acquirer legally transfers the consideration, acquires the assets and assumes the liabilities of the acquiree - the closing date. However, the acquirer might obtain control on a date that is either earlier or later than the closing date, or it might be determined that the businesses were under common control. Management exercises judgment in considering all pertinent facts and circumstances in assessing the control of a business and the acquisition date.

The Company examines three elements to determine whether control exists.

- power over the investee, such as the ability to direct relevant activities of the investee;
- exposure, or rights, to variable returns from its involvement with the investee, such as returns that are not fixed and have the potential to vary with performance of the investee;
- the ability to use its power over the investee to affect the amount of the investor's returns, such as identifying the link between power and returns.

When all of these three elements of control are present, then an investor is considered to control an investee and consolidation is required. When one or more of the elements is not present, an investor will not consolidate but instead be required to determine the nature of its relationship with the investee.

ii) Estimated useful lives, depreciation of equipment

Depreciation of equipment is dependent upon estimates of useful lives which are determined through the exercise of judgment. The assessment of any impairment of these assets is dependent upon estimates of recoverable amounts which consider factors such as economic conditions, market conditions and the useful lives of assets.

iii) Incremental borrowing rate for leases under IFRS 16

IFRS 16 requires lessees to discount lease payments using the rate implicit in the lease if that rate is readily available. If that rate cannot be readily determined, the lessee is required to use its incremental borrowing rate. As information from the lessor regarding the fair value of underlying assets and initial direct costs incurred by the lessor related to the leased assets is generally not available, the Company uses its incremental borrowing rate when initially recording real estate leases. The Company determines the incremental borrowing rate as the interest rate the Company would pay to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, in a similar economic environment over a similar term.

iv) Valuation of stock-based payments

The Company measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for stock-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected: option life, volatility, risk-free interest rate, forfeiture rates, stock option exercise behaviours, dividend yield and corporate performance. Changes in these assumptions affect the fair value estimate for stock-based payments.

Financial Instruments and Other Instruments

(a) Fair values of financial instruments

March 31, 2021	**Financial assets at amortized cost**	**Financial liabilities at amortized cost**	**Financial assets at fair value through profit or loss**
Cash and cash equivalents	$ 914,799	$ -	$ -
Restricted cash	10,554,700	-	-
Amounts receivable	126,663	-	-
Accounts payable and accrued liabilities	-	818,454	-
Total	**$11,596,162**	**$ 818,454**	**$ -**

September 30, 2020	**Financial assets at amortized cost**	**Financial liabilities at amortized cost**	**Financial assets at fair value through profit or loss**
Cash and cash equivalents	$ 42,893	$ -	$ -
Marketable securities	-	-	78,660
Accounts payable and accrued liabilities	-	2,572	-
Total	**$ 42,893**	**$ 2,572**	**$ 78,660**

Fair value measurements and disclosures use the following hierarchy definitions in determining its classifications:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - Inputs other than quoted prices included with Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)

Level 3 - Inputs for the asset or liability that are not based on observable market data (that is unobservable inputs

Cash and cash equivalents, restricted cash, amounts receivable, accounts payable and accrued liabilities approximate their fair value due to their short-term nature. The carrying value of lease liabilities where a discount rate is used is not significantly different than fair value. The fair value of the marketable securities is determined using Level 1 as this consists of shares of a publicly traded company on in an active market.

(b) Credit risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. The following note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, polices and processes for managing those risks or the methods used to measure them unless otherwise stated in the note.

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The key to success in managing liquidity is the degree of certainty in the cash flow projections.

The Company monitors its cash flows to meet the Company's normal operating requirements on an ongoing basis and its planned capital expenditures. All of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms. As at March 31, 2021, the Company had a cash balance of $914,799 (September 30, 2020 - $42,983) available to settle current liabilities of $951,235 (September 30, 2020 - $2,572).

(d) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Currently the Company does not charge or is charged floating interest rates on its loans receivable, payables or other loan. The Company is not exposed to significant interest rate risk.

(e) Market risk

The Company has exposure to equity securities price risk through the marketable securities investment described in financial statement note 8. The investment held by the Company and classified on the balance sheet as at fair value through other comprehensive income (loss) (FVOCI).

To manage its price risk arising from the marketable securities investment, the Company closely monitors the price and performance of the equity security held.

Subsequent Events

a. Non-Offering Prospectus (NOP)

The Company is currently in the process of completing a non-offering prospectus on the CSE with expected completion prior to the end of the current fiscal year.

b. Investment in BODIE Phytoceuticals Ltd.("BODIE")

On March 29, 2020, the Company entered into an agreement with BODIE to acquire a 15% equity stake in BODIE in exchange for 120,000 common shares of the Company at a deemed issue price of $0.25 per share. The Company expects to consummate the BODIE Investment in early calendar Q2 2021. With respect to the Company's acquisition of the remaining 85% interest in BODIE, the Company continues to conduct due diligence and consider whether to pursue the transaction.

c. Equity-based compensation program implementation

On May 31, 2021, the Company implemented an equity-based compensation program designed to incentivize employee and contractor performance and retention. A summary of the program is follows:

- An aggregate of 5,644,485 common share purchase options (the "Employee Compensation Options") were issued to certain employees of Levitee Labs Holdings Inc, each option exercisable at $0.25 per share for a period of five years. The Employee Compensation Options will vest in accordance with certain performance-based milestones.
- An aggregate of 19,024,452 common shares s (the "Employee Compensation Shares) were issued to certain employees of Levitee Labs Holdings Inc at a price of $0.02. The Employee Compensation Shares are subject to a reverse vesting arrangement, providing for release of such shares in tranches to the relevant Employee on achievement of the timeline milestones.
- An aggregate of 1,010,000 common shares issued to various employees as a signing bonus. The shares are not subject to any vesting conditions.
- an aggregate of 4,304,500 Common Shares (the "Contractor Compensation Shares") to certain contractors of the Company, each at a deemed issue price of $0.25 per share. The Contractor Compensation Shares are subject to a reverse vesting arrangement, providing for release of such shares to the relevant Contractor in monthly tranches over the twelve months from issuance.

d. CSE Listing approval

On July 7, 2021, the Company has obtained an approval for listing from the CSE with certain conditions. A date for trading will be determined upon confirmation of the conditions being met.

Additional Information

Additional information relating to the Company can be found on SEDAR at www.sedar.com.

SCHEDULE “E”

FINANCIAL STATEMENTS OF MONK-E NUTRACEUTICALS INC. FOR THE PERIOD FROM MAY 24, 2020 (INCORPORATION) TO SEPTEMBER 30, 2020

Financial Statements
Monk-E Nutraceuticals Inc.

For the period from date of incorporation on May 24, 2020 to September 30, 2020

(Expressed in Canadian Dollars)

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Independent Auditor's Report

To the Directors of Monk-e Nutraceuticals Inc.

Opinion

We have audited the financial statements of Monk-e Nutraceuticals Inc. (the "Company"), which comprise the statement of financial position as at September 30, 2020, and the statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the period from the date of incorporation on May 24, 2020 to September 30, 2020, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at September 30, 2020, and its financial performance and its cash flows for the period from the date of incorporation on May 24, 2020 to September 30, 2020 in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the Company incurred a net loss of $240,208 and had net cash inflows of $407,303 during the period from May 24, 2020 to September 30, 2020. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

MNP LLP

Vancouver, British Columbia
July 9, 2021

Chartered Professional Accountants

Monk-E Nutraceuticals Inc.
Statement of Financial Position
As at September 30, 2020

(Expressed in Canadian dollars)

		September 30, 2020
Assets		
Current Assets		
Cash	$	407,303
Prepaid expenses and deposits		2,000
Total Current Assets		**409,303**
Non-current Assets		
Equipment (note 4)		1,088
Total Non-current Assets		**1,088**
Total Assets	**$**	**410,391**
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities (note 7)	$	91,517
Non-interest-bearing loans from subscribers (note 5)		28,000
Total Current Liabilities		**119,517**
Shareholders' Equity		
Share capital (note 5)		531,082
Accumulated deficit		(240,208)
Total Shareholders' Equity		**290,874**
Total Liabilities and Shareholders' Equity	**$**	**410,391**

Nature and continuance of operations (note 1)
Commitments and contingencies (note 11)
Subsequent events (note 12)

Approved on behalf of the Board DATE

Pouya Farmand,
Director

Ken Osborne,
Director

The accompanying notes are an integral part of the financial statements.

Monk-E Nutraceuticals Inc.
Statement of Loss and Comprehensive Loss
For the period from date of incorporation on May 24, 2020 to September 30, 2020

(Expressed in Canadian dollars)

		For the period from date of incorporation on May 24, 2020 to September 30, 2020
Expenses		
Consulting expenses (note 7)	$	178,272
Professional fees		37,280
Rent expense (note 7)		9,900
Travel expense		6,790
Marketing expenses		3,687
Office expenses		3,248
Computer expenses		482
Bank and financing charges		461
Depreciation		88
Total Expenses		240,208
Net loss and comprehensive loss for the period	**$**	**(240,208)**
Basic and diluted loss per share (note 6)	$	(0.02)
Weighted average number of common shares outstanding – Basic and diluted (note 6)		9,730,504

The accompanying notes are an integral part of the financial statements.

Monk-E Nutraceuticals Inc.
Statement of Changes in Shareholders' Equity
For the period from date of incorporation on May 24, 2020 to September 30, 2020

(Expressed in Canadian dollars)

	Number of Shares	Share Capital	Accumulated Deficit	Total
Total shareholders' equity as at May 24, 2020	-	$ -	$ -	$ -
Issuance of common shares for cash, net of issuance costs (note 5)	17,240,000	509,082	-	509,082
Shares issuance for service (note 5,7c)	1,265,000	22,000		22,000
Net loss and comprehensive loss	-	-	(240,208)	(240,208)
Total shareholders' equity as at September 30, 2020	18,505,000	$ 531,082	$ (240,208)	$ 290,874

The accompanying notes are an integral part of the financial statements.

Monk-E Nutraceuticals Inc.
Statement of Cash Flows
For the period from date of incorporation on May 24, 2020 to September 30, 2020

(Expressed in Canadian dollars)

	For the period from date of incorporation on May 24, 2020 to September 30, 2020
Operating activities	
Net loss and comprehensive loss	$ (240,208)
Adjustments for items not affecting cash:	
Amortization and depreciation (note 4)	88
Expenses paid by shares (note 5)	22,000
	(218,120)
Changes in non-cash working capital balances:	
Prepaid expenses and deposits	(2,000)
Accounts payable and accrued liabilities	91,517
Cash used in operating activities	(128,603)
Investing activities	
Acquisition of equipment (note 4)	(1,176)
Cash used in investing activities	(1,176)
Financing activities	
Cash from issuance of common shares (note 5)	517,500
Cash received from shares not yet issued (note 5)	28,000
Cost of share issuance (note 5)	(8,418)
Cash provided by financing activities	537,082
Change in cash	407,303
Cash balance, beginning of the period	**-**
Cash balance, end of the period	**$ 407,303**

The accompanying notes are an integral part of the financial statements.

1. Nature and continuance of operations

Monk-E Nutraceuticals Inc. (the "Company" or "Monk-E") was incorporated under Ontario Business Corporations Act on May 24th, 2020. Its principal business activity is the development, acquisition of assets within psychedelics industry. With the initial focus on creating cash flowing assets, the Company will engage in the exploration of alternative medicines primarily aimed at psychopharmacological research and development. It's registered and records office at 405-1477 West Pender Street, Vancouver, British Columbia, Canada, V6G 2T1.

The Company is in the process of completing an amalgamation with a wholly owned subsidiary of Fibonacci Capital Corp. ("Fibonacci") and a direct listing via non-offering prospectus ("NOP"). for common shares to be determined and list on the Canadian Securities Exchange ("CSE") (Note 12).

The Company has not generated any revenues from operations and has incurred losses since inception. The Company incurred a net loss of $240,208 for the period from date of incorporation on May 24, 2020 to September 30, 2020. The Company had a net cash inflow of $407,303 for the period from date of incorporation on May 24, 2020 to September 30, 2020. To date, the Company's activities have been funded through financing activities. The Company will need to raise additional capital during the next twelve months and beyond to support current operations and planned development. These factors indicate the existence of a material uncertainty that may cast significant doubt as to the Company's ability to continue as a going concern. Management intends to finance operating costs over the next twelve months with cash on hand, private placements and a NOP. However, management has considered expectations for future profitability and believes that the Company will continue in operation for the foreseeable future and will be able to satisfy its liabilities and commitments in the normal course of business, and accordingly, it is appropriate to prepare these financial statements on a going concern basis.

As such, the accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities in the normal course of business. The financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classifications of liabilities that could result should the Company be unable to continue as a going concern.

The impact of the COVID-19 pandemic, with its combined health toll and sharp decline in global economic output, is unprecedented and the full extent of the impact will depend on future developments. These developments are highly uncertain and cannot be accurately predicted, including new information which may emerge concerning its severity, its duration and actions by government authorities to contain the outbreak or manage its impact. As a result, it is not possible to determine the impact on the Company's ability to continue as a going concern at this time.

2. Summary of significant accounting policies

(a) Basis of presentation and statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), and the interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

These financial statements for the period ended September 30, 2020 are the first financial statements the Company has prepared in accordance with IFRS, as such, no reconciliation between previous GAAP and IFRS is applicable. All IFRS applicable as at September 30, 2020 have been applied.

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

These financial statements were approved by the Company's Board of Directors on July 8, 2021.

(b) **Functional currency**

The functional currency of the Company is measured using the currency of the primary economic environment in which the Company operates. The functional and presentation currency used to prepare the Company's financial statements is Canadian dollars.

(c) **Cash**

Cash consist of cash and demand deposits with maturities of 90 days or less and they are readily convertible to known amounts of cash and subject to an insignificant risk of change in value.

(d) **Equipment**

Equipment is stated at historical cost less accumulated depreciation and accumulated impairment losses.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the statement of comprehensive loss during the financial period in which they are incurred.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in the statement of comprehensive loss.

Depreciation is calculated on a declining balance method to write off the cost of the assets to their residual values over their estimated useful lives. The annual depreciation rate applicable to the current category of equipment is as follows:

Class of Equipment	Depreciation Rate
Computer equipment	30%

(e) **Loss per share**

Basic earnings per share is computed by dividing the net loss attributable to common shares of the Company by the weighted average number of common shares outstanding for the relevant period.

Diluted earnings per share is computed by dividing the net loss attributable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding, if potentially dilutive instruments were converted. The Company's instruments are not dilutive due to the loss in the period.

(f) **Share capital**

Share capital issued for non-monetary consideration is recorded at an amount based on the fair market value of these shares.

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

(g) **Financial instruments**

Financial Assets

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, the transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit and loss are expensed in profit or loss. Financial assets are considered in the entirety when determining whether their cash flows are solely payment of principal and interest.

Subsequent measurement of financial assets depends on their classification. The classification depends on the Company's business model for managing the financial assets and contractual terms of the cash flows. These are the measurement categories under which the Company classifies its financial assets:

- Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measures at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.
- Fair value through OCI ("FVOCI"): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains and losses, interest revenue, and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains (losses). Interest income from these financial assets is included as finance income using the effective interest rate method.
- Fair value through profit or loss: Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. A gain or loss on an investment that is subsequently measured at FVTPL is recognized in profit or loss and presented net as revenue in the statement of loss and comprehensive income in the period which it arises.

The Company financial instruments are measured as follows:

	Amortized Cost	**FVTPL - Mandatory**
Cash and cash equivalents	X	

	Amortized Cost (Other FL)
Accounts payable and accrued liabilities	X

Impairment of Financial Assets at Amortized Cost:

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses of the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of loss and comprehensive income, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Financial Liabilities

The Company classifies its financial liabilities into the following categories: financial liabilities at FVTPL and amortized cost.

A financial liability is classified as FVTPL if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognized in profit or loss as incurred. The fair value changes to financial liabilities at FVTPL are presented as follows: the amount of change in fair value that is attributable to changes in the credit risk of the liability is presented in OCI; and the remaining amount of the change in the fair value is presented in profit or loss. The Company does not designate any financial liabilities at FVTPL.

Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest rate method. The Company classifies its accounts payable and accrued liabilities, as financial liabilities held at amortized cost.

(h) **Income taxes**

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when the related asset is realized or liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are to the extent that it is no longer probable that the related tax benefit will be realized. Deferred income tax assets and liabilities are presented as non-current.

(i) **Right-of-use assets and lease liability**

The Company has applied IFRS 16, Leases since its inception. The Company assesses whether a contract is or contains a lease at inception of a contract. The Company recognizes a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term unless another systematic basis is more representative of the usage of the economic benefits from the leased asset.

The lease liability is initially measured at the present value of the future lease payments at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrow rate. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, payments made on or before the lease commencement and any direct costs. They are subsequently measured at cost less depreciation and any impairment losses. Right-of-use assets are depreciated over the shorter period of the lease term and useful life of the underlying asset.

The Company does not currently have any leases that satisfy the conditions under IFRS 16 to record a right-of-use asset and lease liability.

Future accounting pronouncements

Certain new and revised accounting standards and new International Financial Reporting Interpretations Committee ('IFRIC') interpretations have been issued during year, but do not have a material effect on the results or the financial position of the Company.

There are currently no new accounting standards the Company is evaluating.

3. Critical accounting estimates and judgements

In the application of the Company's accounting policies, which are described within this note, the management of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

(i) Going concern - Management has applied judgements in the assessment of the Company's ability to continue as a going concern when preparing its financial statements. Management prepares the financial statements on a going concern basis unless management either intends to liquidate the entity or to cease trading or has no realistic alternative to do so. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period.

Key sources of estimation uncertainty

(i) Current and deferred taxes - The estimation of income tax expense and the composition of deferred tax assets and liabilities involves judgment and estimates as to the future taxable earnings, expected timing of reversal of deferred tax assets and liabilities, and interpretations of tax laws. The Company is subject to assessments by tax authorities who may interpret the tax law differently. Changes in these interpretation, judgments and estimates may materially affect the final amount of current and deferred tax provisions, deferred income tax assets and liabilities, and results of operations. While the precise impact of the recent novel coronavirus ("COVID-19") outbreak remains unknown, it has introduced uncertainty and volatility in Canadian and global economies. The Company is monitoring developments and preparing for any impacts related to COVID-19. The Company has business plans in place, that ensures its readiness to appropriately address and mitigate regulatory and business risks as they arise including, but not limited to, impacts on employees and other key resources in the business.

(Expressed in Canadian Dollars)

4. Equipment

		For the period from date of incorporation on May 24, 2020 to September 30, 2020
Balance – May 24, 2020	$	-
Additions		1,176
Balance – September 30, 2020	**$**	**1,176**
Accumulated Depreciation – May 24, 2020	$	-
Depreciation		88
Accumulated Depreciation – September 30, 2020	**$**	**88**
Net Equipment – September 30, 2020	**$**	**1,088**

Depreciation expense of $88 was recorded for the period from the date of incorporation on May 24, 2020 to September 30, 2020.

5. Share capital

(a) Share issuances

The authorized capital of the Company consists of an unlimited number of common shares without par value. All shares are Class A common shares with voting rights.

Date	Number of Shares	Price Per Share		Proceeds
July 15, 2020(1)	12,700,000	$0.005	$	63,500
July 15, 2020(2)	1,100,000	$0.005		5,500
September 3, 2020(1)	4,540,000	$0.10		454,000
September 3, 2020(2)	165,000	$0.10		16,500
Total	18,505,000			539,500
Share issuance cost				(8,418)
As at September 30, 2020	**18,505,000**		**$**	**531,082**

(1) *Shares issued for cash*
(2) *Shares issued as payments for consulting services*

The Company paid a cash finder's fee and other share issuance costs of $8,418 during the period from date of incorporation on May 24, 2020 to September 30, 2020. As at September

(Expressed in Canadian Dollars)

30, 2020 the Company had a balance of $28,000 for Non-interest-bearing loans from subscribers for cash received for common shares yet to be issued.

(b) Escrow Shares

On July 15, 2020, the Company issued 12,700,000 shares which, pursuant to the subscription agreements providing for their issuance, will be subject to resale restrictions for two (2) years starting from the date on which the Company's shares commence trading on the CSE (the "Listing Date"). In addition, pursuant to National Policy 46-201 and the rules and policies of the CSE, any securities held by principals of the issuer (subject to a de minimis threshold) will become subject to escrow at the time of the Listing Date. Such escrow will provide for release as follows: (i) 10% of the securities will be released on the Listing Date; (ii) 15% of the securities will be released 6 months from the Listing Date; (iii) 15% of the securities will be released 12 months from the Listing Date; (iv) 15% of the securities will be released 18 months from the Listing Date; (v) 15% of the securities will be released 24 months from the Listing Date; (vi) 15% of the securities will be released 30 months from the Listing Date; and (vii) 15% of the securities will be released 36 months from the Listing Date.

6. Loss per share

		For the period from date of incorporation May 24, 2020 to September 30, 2020
Loss	$	240,208
Weighted average number of shares		9,730,504
Basic and diluted loss per share	$	0.02

7. Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Some of the consulting expenses included in related party were outside of the scope of written consulting agreements and were agreed discretionally by the Company's management and the consultants verbally.

(a) Compensation of key management personnel

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Company's Board of Directors, and corporate officers. The remuneration of key management personnel including consulting fees paid through companies owned by directors during the year ended was as follows:

(Expressed in Canadian Dollars)

		Period from date of incorporation on May 24, 2020 to September 30, 2020
Consulting fees	$	82,957
Accounting fees		6,899
Total		**89,856**
Amount due to related parties	$	29,098

(b) Transactions with related parties

		Period from date of incorporation on May 24, 2020 to September 30, 2020
Rent expense paid to a director of the Company		9,900
Amount due from related parties	$	2,000

(c) Services provided by related parties settled with shares

The company has settled some of its consulting expenses with the related parties with shares. For the period ended September 30, 2020 the total number of shares and value of the shares are 800,000 shares and $4,000 respectively.

8. Financial instruments and risk management

(a) Fair values of financial instruments

September 30, 2020	Financial assets at amortized cost	Financial liabilities at amortized cost	Financial assets at fair value through profit or loss
	$	**$**	**$**
Cash	407,303	-	-
Accounts payable and accrued liabilities	-	91,517	-
Total	**407,303**	**91,517**	**-**

Fair value measurements and disclosures use the following hierarchy definitions in determining its classifications:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - Inputs other than quoted prices included with Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)

Level 3 - Inputs for the asset or liability that are not based on observable market data (that is unobservable inputs

Cash and cash equivalents and accounts payable and accrued liabilities approximate their fair value due to their short-term nature.

(a) Credit risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. The following paragraph describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

The risk exposure is limited to their carrying amounts at the statement of financial position date. The risk for cash is mitigated by holding these instruments with highly rated Canadian financial institutions. The Company does not invest in asset-backed deposits or investments and does not expect any credit losses. The Company periodically assesses the quality of its investments and is satisfied with the credit rating of the financial institutions.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, polices and processes for managing those risks or the methods used to measure them unless otherwise stated in the note.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The key to success in managing liquidity is the degree of certainty in the cash flow projections.

The Company monitors its cash flows to meet the Company's normal operating requirements on an ongoing basis and its planned capital expenditures. All of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms. As at September 30, 2020, the Company had a cash balance of $407,303 available to settle current financial liabilities of $119,517.

(c) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Currently the Company does not charge or is charged floating interest rates on its loans receivable, payables or other loan. The Company is not exposed to significant interest rate risk.

9. Capital management

The Company's objectives when managing capital are to identify, pursue and complete the acquisition of companies and strategic assets in the psychedelics industry. The goal of the Company is to maintain financial strength, to protect its ability to meet its on-going liabilities, to continue as a going concern, to maintain credit worthiness and to maximize returns for shareholders over the long term. The Company does not have any externally imposed capital requirements to which it is subject. Capital of the Company comprises of cash and shareholders' equity. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares. The Company's investment policy is to invest its cash in financial instruments in high credit quality financial institutions with terms to maturity selected with regards to the expected timing of expenditures from continuing operations.

There were no changes to the Company's approach to capital management during the period.

(Expressed in Canadian Dollars)

10. Income tax

The Company's tax charge, which relates fully to deferred taxes, differs from the amount obtained by applying the Canadian statutory tax rate due to the following:

		Period from date of incorporation on May 24, 2020 to September 30, 2020
Loss before taxes	$	(240,208)
Canadian statutory tax rate		27.00%
Expected income tax (recovery)		(64,856)
Non-deductible items		483
Share issuance cost		(2,273)
Change in deferred tax asset not recognized		66,646
Total income tax expense (recovery)	$	-

The Company has non-capital loss carryforwards of approximately $240,191 which may be carried forward to apply against future income for Canadian income tax purposes, subject to final determination by taxation authorities expiring in 2040. The Company also has unrecognized deductible temporary differences related to share issuance of $6,734 which do not expire.

11. Commitments and contingencies

As at September 30, 2020, the Company had a number of contingent commitments as per agreements with some consultants:

- $20,000 in free trading stock options contingent to initial public offering;
- In the event a consultant introduces the Company to an M&A target and the Company acquire the corporation, the Company will pay the consultant 5% of the transaction value in cash or shares, to be determined by the Company at the time of the acquisition;
- Grant of 500,000 stock options to purchase shares of the Company upon completion of the agreement and contingent to BOD approval;
- Grant of 500,000 restricted stock units of common shares contingent on the initial public offering, subject to requirements from Canadian Securities Exchange and the Company's employee restricted stock unit plan;
- Contingent on a number of milestones and achievements to grant up to a total of 11,400,000 stock options.

Subsequent to year end, all contingent commitments mentioned above were transferred from Monk-E to Fibonacci prior to amalgamation.

12. Subsequent events

(a) **Amalgamation**

1273586 B.C. Ltd. ("1273586"), was incorporated on November 6, 2020, to facilitate the three-cornered amalgamation to be completed among Fibonacci, 1273586 and Monk-E, whereby 1273586 and Monk-E would amalgamate under the Business Corporations Act (British Columbia) and become a wholly-owned subsidiary of Fibonacci. On November 30, 2020, Monk-e and 1273586, a wholly-owned subsidiary of Fibonacci, amalgamated under the Business Corporations Act (British Columbia). In connection therewith, Fibonacci changed its name to Levitee Labs Inc. and the entity resulting from the amalgamation of Monk-E and 1273586 changed its name to Levitee Labs Holdings Inc on December 1, 2020. As a result of these transactions, Levitee Labs Inc. now owns 100% of Levitee Labs Holdings Inc.

(Expressed in Canadian Dollars)

Fibonacci Capital Corp. consolidated its common shares at a ratio of 2.5:1 from 14,638,903 common shares to 5,855,561 common shares immediately prior to amalgamation. Monk-E shareholders were then issued 1 common share in Fibonacci in exchange for 1 common share in Monk-E. This amounted to a total addition of 21,928,050 common shares issued in Fibonacci. Post amalgamation, the combined entity changed name to Levitee Labs Inc (changed name from Fibonacci Capital Corp.) and it had 27,783,611 common shares outstanding at the amalgamation date. The total of 7,249,000 common outstanding shares of the Fibonacci were issued to the relate parties in addition to the 1,797,333 common outstanding shares previously issued as a result of the amalgamation.

(b) **Manufacturing plant lease agreement**

On November 20, 2020, the Company has entered into a lease agreement for a factory in Port Coquitlam BC. Initial monthly lease costs are $5,353 and these monthly lease commitments expire on December 31, 2025. Future lease payments during each financial year of the Company for the remaining lease are as follows:

2021		48,176
2022		65,028
2023		66,084
2024		67,141
2025		68,197
2026		17,115
	$	**331,741**

(c) **Equity Raise**

On November 24th, 2020, the Company issued 3,423,050 shares at a price of $0.25 per share to raise $840,762, net of issuance costs. These funds will be used as working capital to support operations and costs involved in the non-offering prospectus. The cash compensation of $23,840 payable to the finders and the issuance of 95,360 finder's warrant be, and is hereby, authorized and approved by the board of directors.

(d) **Stock Options**

Per consulting agreement entered by the company on July 15, 2020, part of consultant's remuneration includes granting stock options contingent on future events. On December 15, 2020, the board of directors approved granting the 250,000 stock options with an exercise price of $0.10, an expiry date of December 15, 2023 and a vesting period of 12 quarters with the 1/12th vesting at the grant date and 1/12th vesting in each quarter thereafter.

(e) **Letters of Intent signed**

On October 16th, 2020, the Company signed a Letter of Intent to acquire Earth Circle Organics. On October 23rd, 2020, the Company entered into a Letter of Intent to acquire Brain Forza Labs Inc. On December 1st, 2020, Levitee Labs signed a Memorandum of Understanding to collaborate and construct a framework for the potential future investment or acquisition of BODE Nutraceuticals Inc. On December 29th, 2020, the company has entered into a distribution agreement with Green Planet Wholesale Ltd. ("Green Planet"), pursuant to which Green Planet will distribute Sporeo grow kits through Green Planet's distribution channels.

(f) **Equity-based compensation program implementation**

On May 31, 2021, Levitee Labs Inc implemented an equity-based compensation program designed to incentivize employee and contractor performance and retention. A summary of the program is follows:

- An aggregate of 5,644,485 common share purchase options (the "Employee Compensation Options") were issued to certain employees of Levitee Labs Holdings Inc, each option exercisable at $0.25 per share for a period of five years. The Employee Compensation Options will vest in accordance with certain performance-based milestones.
- An aggregate of 19,024,452 common shares s (the "Employee Compensation Shares) were issued to certain employees of Levitee Labs Holdings Inc at a price of $0.02. The Employee Compensation Shares are subject to a reverse vesting arrangement, providing for release of such shares in tranches to the relevant Employee on achievement of the timeline milestones.
- An aggregate of 1,010,000 common shares issued to various employees as a signing bonus. The shares are not subject to any vesting conditions.
- an aggregate of 4,304,500 Common Shares (the "Contractor Compensation Shares") to certain contractors of Levitee Labs Holdings Inc, each at a deemed issue price of $0.25 per share. The Contractor Compensation Shares are subject to a reverse vesting arrangement, providing for release of such shares to the relevant Contractor in monthly tranches over the twelve months from issuance.

(g) **CSE Listing approval**

On July 7, 2021, Levitee Labs Inc has obtained an approval for listing from the CSE with certain conditions. A date for trading will be determined upon confirmation of the conditions being met.

SCHEDULE "F"

MANAGEMENT'S DISCUSSION AND ANALYSIS OF MONK-E NUTRACEUTICALS INC. FOR THE PERIOD FROM MAY 24, 2020 (INCORPORATION) TO SEPTEMBER 30, 2020

Monk-E Nutraceuticals Inc.

MANAGEMENT DISCUSSION AND ANALYSIS

For the period from date of incorporation on May 24, 2020 to September 30, 2020

As of July 8, 2021

About the Company

Monk-E Nutraceuticals Inc. (the "Company" or "Monk-E") was incorporated under Ontario Business Corporations Act on May 24th, 2020. Its principal business activity is the development, acquisition of assets within psychedelics industry. With the initial focus on creating cash flowing assets, the Company will engage in the exploration of alternative medicines primarily aimed at psychopharmacological research and development. It's registered and records office at 405-1477 West Pender Street, Vancouver, British Columbia, Canada, V6G 2T1.

The Company is engaged in the development of a suite of mushroom-infused products in the health and wellness space, including through its Monk-E Nutraceuticals and Sporeo brands.

Basis of Discussion and Analysis

This Management Discussion and Analysis ("MD&A") of the financial condition as of September 30, 2020 and the results of its operations for the period from the date of incorporation on May 24, 2020 to September 30, 2020 which was prepared as of January 21, 2021. This MD&A should be read in conjunction with the Company's audited financial statements and accompanying notes for the period from the date of incorporation on May 24, 2020 to September 30, 2020.

The Company prepares its financial statements in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). IFRS comprises IFRS, International Accounting Standards ("IAS") and interpretations issued by the IFRS Interpretations Committee ("IFRIC") and the former Standing Interpretations Committee ("SIC").

All dollar amounts are expressed in Canadian dollars unless otherwise indicated.

Forward-Looking Statements

Certain statements contained in this MD&A and in certain documents incorporated by reference into this MD&A, constitute forward-looking statements, within the meaning of applicable securities laws ("forward-looking statements"). Such statements relate to future events or the Company's future performance. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "potential", "targeting", "intend", "could", "might", "should", "believe", "prospect", "future", "possible", "can", "speculative", "perhaps" and similar expressions.

Forward-looking statements consist of statements that are not purely historical, including any statements regarding beliefs, plans, expectations or intentions regarding the future. Such statements are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the statements. No assurance can be given that any of the events anticipated by the forward-looking statements will occur or, if they do occur, what benefits we will obtain from them. These forward-looking statements reflect management's current views and are based on certain assumptions and speak only as of the date of this report. These assumptions, which include management's current expectations, estimates and assumptions about the global economic environment, the market price and demand for products and our ability to manage our operating costs, may prove to be incorrect. A number of risks and uncertainties could cause our actual results to differ materially from those expressed or implied by the forward-looking statements, including: (1) a downturn in general economic conditions, (2) the uncertainty of government regulation and politics (3) potential negative financial impact from regulatory investigations, claims, lawsuits and other legal proceedings and challenges, (4) other factors beyond our control, and (5) the risk factors set out in the Prospectus (as defined below). There is a significant risk that such forward-looking statements will not prove to be accurate. Investors are cautioned not to place undue reliance on these forward-looking statements. No forward-looking statement is a guarantee of future results. We disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. Additional information about these and other assumptions, risks and uncertainties are set out in the section entitled "Risk Factors" below as well as in the Prospectus as set out in the section entitled "Risk Factors".

With respect to forward-looking statements contained in this prospectus, the Company has made assumptions regarding, among other things:

- the Company's ability to generate revenue while controlling costs and expenses;
- the impact of increasing competition;
- the absence of material adverse changes in the industry or regulatory regimes;
- the Company's ability to attract and retain key personnel;
- the Company's ability to manage its growth effectively;
- trends in the Company's industry and markets;
- the Company's ability to keep pace with technological developments;
- the Company's ability to protect its intellectual property rights;
- the Company's continued compliance with relevant regulatory regimes;
- the Company's ability to raise sufficient financing to support continued growth; and
- the Company's ability to obtain additional financing on satisfactory terms.
- the impact of COVID-19 on the market demand

The Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below and elsewhere in this prospectus:

- The Company's limited history of operations
- There is currently no market through which any of the Company's securities may be sold
- Substantial additional financing may be required if the Company is to successfully develop its business
- The Company has had negative cash flow from operating activities since inception
- The Company's products are subject to extensive regulation
- The Company may be subject to growth-related risks
- The success of the Company's products are dependent on pronounced and rapidly changing public tastes
- The Company is dependent on the reliable supply of its raw materials
- The Company is heavily reliant on a limited number of products
- The Company is highly dependent on consumer perception of mushrooms
- The Company has not achieved, and there is no assurance that it will be able to achieve brand awareness
- The Company's success may be dependent on its ability to develop, market and produce new products, which may require substantial capital
- The Company is heavily dependent on certain key senior managers
- The Company relies on third parties to manufacture and package its products
- The Company may be subject to product liability claims
- The Company may be required to recall its products
- The Company faces significant competition

Forward looking information and statements included throughout this MD&A include, but are not limited to, statements pertaining to the following:

- The Company will launch its Monk-E Nutraceuticals ecommerce platform located at www.monkenutra.com.
- The Company will launch its Sporeo ecommerce platform at URL: www.sporeogrow.com.

- The Company will launch its new business line called Sporeo Supply, and began selling Sporeo Supply products through Sporeo's ecommerce platform. See *Description of Business – Sporeo Supply*".
- On August 10, 2020, the Company has signed a LOI with PharmaCosta Medicinal Corp., which set out the parties' intentions to jointly develop a mushroom infused coffee product for consumers.
- Fibonacci Capital Corp.("Fibonacci"), Amalgamation SubCo, and Monk-E Nutraceuticals Inc. ("Monk-E") entered into an amalgamation agreement (the "Amalgamation Agreement"). Pursuant to Amalgamation Agreement: (i) Monk-E and Amalgamation Subco amalgamated under Division 3 of Part 9 of the BCBCA and continued as one corporation, Levitee Holdings Inc OpCo; and (ii) the Corporation changed its name from "Fibonacci Capital Corp." to "Levitee Labs Inc. " Fibonacci Capital Corp. consolidated its shares 2.5x (September 30, 2020 - 14,638,903 shares) and immediately prior to amalgamation had 5,855,561 shares outstanding. Monk-E shareholders were then issued shares in Fibonacci 1 for 1 in exchange for their Monk-E shares. This amounted to 21,928,050 shares. In post amalgamation, the combined entity changed name to Levitee Labs Inc (changed name from Fibonacci Capital Corp.) and it had 27,783,611 at the amalgamation date.
- Levitee Labs Inc (the "Corporation" or "Levitee Labs") is planning on a public listing in Q3 2021 (calendar year). It has plans to use the capital raised to acquire established businesses in the nutraceutical and supplement space, as well as in areas of pain and addiction treatment. Capital raised as part of the listing is expected to be used on M&A opportunities, as well as general working and growth capital. On November 30, 2020, the company raised $855,762 at $0.25 per share, equating to 3,423,048 shares sold. These funds will be used as working capital to support operations and the public listing.

Current Year Activities and Corporate Developments

The Company is establishing itself as a leader in the alternative medicine space. The Company has been active in establishing strategic relationships and operations towards executing the goal of acquiring and creating cash-flowing assets directly in or ancillary to the psychopharmacological industry. The Company is now actively engaged in creating mushroom infused products and manufacturing for traditional mushroom cultivators through the trade names Monk-E nutraceuticals and Sporeo Supply.

The Company will pursue a going-public transaction and list its shares on the Canadian Securities Exchange (CSE). The Company will focus its business on pursuing further opportunities in the biotechnology and psychopharmacology industry.

RELATIONSHIPS WITH THIRD PARTIES

My Green Planet
Monk-E has established a strategic alliance and exclusive distribution agreement with My Green Planet. My Green Planet is a British Columbia based company specializing in the wholesale distribution of quality impact products for the indoor gardening, hydroponic, and hobby greenhouse market. They have been successfully active in this market for over 20 years, with millions of dollars in sales each year. My Green Planet is one of the largest distributors of cannabis cultivation equipment globally. Levitee Labs' brand Sporeo will initially be launching with two SKU's, Sporeo substrate and spawn. My Green Planet's distribution channels reach thousands of stores located in Canada, the United States, Europe, and Australia.

Selected Annual Information

Selected financial information from the statement of loss for the Company:

		For the period from date of incorporation on May 24, 2020 to September 30, 2020
Expenses		
Consulting fees	$	178,272
Professional fees		37,280
Rent expense		9,900
Travel expense		6,790
Marketing expenses		3,687
Office expenses		3,248
Computer expenses		482
Bank and financing charges		461
Depreciation		88
Total Expenses		240,208
Net loss and comprehensive loss for the period	**$**	**(240,208)**

Consulting fees mainly consist of consulting expenses by related parties, the Chief Executive Officer, other executive team members, finance and accounting related expenses.

Professional fees mainly consist of fees paid to lawyers for other professional services.

Rent expense related to office space the Company leased during the period.

Selected financial information from the statement of financial position:

		September 30, 2020
Current assets	$	409,303
Total assets		410,391
Current and total liabilities		119,517
Shareholders' equity		290,874
Total liabilities and shareholders' equity	$	**410,391**

Current assets mainly consist of cash. The Company is holding the cash to fund Company operations and to fund the exploration of potential acquisition after the initial public offering.

Current and total liabilities consists solely of accounts payable due to vendors of the Company and non-interest-bearing loans from subscribers.

Shareholders' equity consists of Share capital and the deficit of the Company from the past operating period.

Outstanding Share Data
As at the date of this document, the Company has the following number of securities outstanding:
- 21,928,050 common shares issued and outstanding
- 250,000 stock options outstanding;

Discussion of Operations

For a discussion of current year operations see “Selected Annual Information” in this MD&A.

The Company is currently focused on raising equity financing in order to acquire additional acquisition targets in order to generate additional revenue and gains through capital appreciation of these investments.

Significant Projects

As of the date of this MD&A, the amalgamated Company (see amalgamation note below) has two significant projects which have not generated revenue, but are expected to generate revenue in the future. Each project is related to the mushroom industry as a whole. The following is a description of each such project, including a description of the Company’s plan for such project, the status of the project relative to the Company’s plan for such project, the expenditures made by the Company in respect of such project to date and how such expenditures relate to anticipated timing and costs to advance the project to the next stage of the Company’s plan for the specific project.

Facility

The Company currently leases an approximately 4,300 sq ft facility which will be home to the manufacturing processes and fulfillment of all Canadian eCommerce business.

In November 2020, the company sourced all manufacturing equipment and engaged an independent consultant to determine the steps necessary to advance the facility to the operational stage. The Planning Stage involved a general assessment of the Facility, during which, management of the Company and the consultant worked closely to plan the steps required to commence the manufacturing of non GMP certified Spawn and Substrate Facility (including, among other things, identifying appropriate ceiling, wall, and floor coating suitable for the proposed manufacturing processes).
To date the Company incurred approximately $200,000 in capital expenditures in connection with the planning stage (attributed to obtaining the lease, equipment purchases, consultants, etc.)

While assessing with the independent consultants, the Company has determined that the Company may be required to incur an additional estimated amount of up to $150,000 to build out the facility to have operations live which will require minor facility upgrades, installation of equipment and personnel (consultants, engineers).

The build-out plan is expected to be tailored to suit the Company’s business objectives at the time of such consultation process, as the same may exist considering the impact of COVID-19 on, among other things, the Company’s specific business objectives in respect of, and the reasons for, the certification for the Facility, as well as the then prevailing market and competitive conditions in respect of such objectives.

As part of this consultation process, the engineering firm is expected to draft a final construction plan covering each stage of the construction necessary to obtain certification for the facility, in light of the then prevailing EU-GMP standards and certification requirements applicable to qualify the Company’s cultivation and production process at the Facility, as well as the then present business objectives of the Company.

As of the date of this MD&A, the Company is further considering and evaluating the economic viability and benefits of proceeding with building-out the Facility. The Company’s disclosure in the Listing Statement projected that construction of the Facility is expected to be completed over the course of a one (1) to three (3) month period following commencement.

The Company’s ability to begin the build out of the facility in calendar Q3, 2021 is dependent on the following material factors and assumptions. (I) the Company having adequate financial resources to fund the build out of the facility, (II) the Company's ability to retain a consultant on the terms and conditions favorable to the Company; and (III) the favorability of the general market conditions with respect to the mushroom industry. In particular, the Company believes that the following events and circumstances may reasonably be likely to cause actual results with respect to the timing and commencement of the build out to differ materially from those anticipated by the Company and expressed in this MD&A.

- The impact of COVID-19 on general market conditions and particularly on regulating entities approving build outs in a timely fashion.
    - The ability for personnel to work safely and quickly to the Company's time schedules.
- Unanticipated setbacks which may materialize following the date of the MD&A, including, among other things, changes in regulations and the Company's inability to identify a cost-effective build out plan to operate.

eCommerce Platform

In September 2020, the Company launched their websites and eCommerce platforms under the domain names sporeogrow.com and monkenutra.com in order to promote and collect data regarding future consumers of products for sale.

To date, the company has incurred minimal capital expenditures in connection with the development and cost of the eCommerce platform. The company expects to incur more capital expenditures in the coming years to further build its eCommerce infrastructure.

As of the date of this MD&A, the Company's products are available for pre-sale. To date, the Company has not launched at material marketing, promotional or educational campaigns on the eCommerce platforms.

Except for updates and maintenance from time to time required in the ordinary course of business, the initial release of the eCommerce platform is complete. The Company anticipates some further platform development work as the Company adds new SKU's and design elements to the platform.

Nutraceuticals Industry Analysis

The global nutraceuticals market size is predicted to reach USD 486.36 billion by 2026, exhibiting a compound annual growth rate ("**CAGR**") of 8.14% between 2019 and 2016.[1] The growing demand for functional food and beverage will create new opportunities for the nutraceuticals market growth during that period. In recent years there has been a surge in product development and innovation activities, as well as rising availability of nutraceutical products, which has contributed and is expected to continue to contribute to this growth in the market.

Growing consumer interest in a healthy diet has led to a thriving food and beverage market in the recent past and the trend is expected to continue over the forecast period.[2] Demand for functional foods is on the rise as they believed to impart exceptional health benefits owing to their nutrient content. This is further expected to boost the growth of the market for nutraceuticals.

The global nutraceuticals industry has been witnessing key developments in terms of product innovation and portfolio expansion over the past few years. Companies, both private and publicly-traded, have been proactive in initiating strategies to gain a competitive advantage in the nutraceuticals industry.

[1] Fortune Business Insights, "*Nutraceuticals Market Size, Share & Industry Analysis, By Product Type (Functional Foods, Functional Beverages, and Dietary Supplements), Distribution Channel (Supermarkets/ Hypermarkets, Convenience Stores, Online Retail and Others), and Regional Forecast, 2019 – 2026*" (March 2020).

[2] *Ibid.*

Dietary Supplements Industry Analysis

A dietary supplement is a manufactured product intended to supplement the human diet when taken, typically orally as a pill, capsule, tablet, or liquid. The use of such supplements are typically to provide nutrients that the consumer may be unable to obtain by other sources, or normal diet. Dietary supplements are either extracted from food sources or synthetic, individually or in combination, in order to increase and improve the quantity of their consumption. Common types of nutrient compounds that dietary supplements derive from includes vitamins, minerals, fiber, fatty acids and amino acids. Dietary supplements can also contain substances that have not been confirmed as being essential to life, but are marketed as having a beneficial biological effect. In the United States and Canada, dietary supplements are considered a subset of foods, and are regulated accordingly. The European Food Safety Authority has also established harmonized rules to help insure that food supplements are safe and properly labeled.[3]

The global dietary supplements market size was estimated at USD 123.28 billion in 2019 and is projected to expand at a CAGR of 8.2% through 2027.[4]

Nootropics Industry Analysis

The global nootropics market size was valued at USD 2.17 billion in 2018 and is expected to grow at a CAGR of 12.5% between 2019 and 2025.[4] An increasing demand for brain boosters and "smart drugs" is anticipated to drive the growth. A growing number of students and professionals consume these products for their ability to improve focus and memory. Continued product development using both synthetic and natural raw materials is projected to further fuel the demand.[5]

Mushroom Grow Kits

Mushroom grow kits are a nascent market, and currently there are few statistics on market size. The sector is based on consumers who would like to grow their own mushrooms, but have not because they are unfamiliar with the process. When it comes to growing mushrooms, consumers are unsure of where to purchase equipment and material required, or how to access a safe, reliable supply in the wild. Growing mushrooms at home can be an appealing option, but one that comes with its own set of challenges. Mushroom grow kits solve these problems by providing all the required resources and equipment in one single package, and allowing consumers to safely and successfully grow mushrooms.

Levitee Labs believes that this market will see high growth in the coming years, and has therefore built the brand Sporeo to capitalize on this.

Marketing Plans

The Company launched marketing initiatives in Q2 2021 (calendar year) for both brands, Monk-E and Sporeo.

[3] https://www.efsa.europa.eu/en/topics/topic/food-supplements
4 Dietary Supplements Market Size, Share & Trends Analysis Report By Ingredient (Vitamins, Minerals), By Form, By Application, By End User, By Distribution Channel, By Region, And Segment Forecasts, 2020 - 2027

[4] Grand View Research, "*Nootropics Market Size, Share & Trends Analysis Report By Application (Memory Enhancement, Mood & Depression, Attention & Focus, Anxiety), By Distribution Channel, And Segment Forecasts, 2019 – 2025*" (September 2019).
[5] *Ibid.*

Competitive Conditions

The number of competitors and the degree of competition within the North American food industry varies greatly by product segment and region. In the nutraceutical space, the market is highly fragmented, with many companies owning small market share. In the functional mushrooms space, our competitors offer products such as mushroom extracts, powders, teas and other wellness products. Some of the Corporation's competitors include:

- **Four Sigmatic:** Four Sigmatic is a US company specialized in superfoods, functional mushrooms and adaptogenic herbs.

- **Mud Water:** MUD\WTR™ is a coffee alternative consisting of natural ingredients, including mushrooms, which is marketed for its health and performance benefits, including natural energy and focus.

- **Purica:** Purica is a Canadian wellness company which sells products designed to address arthritis, pain relief, post-surgical recovery, cardiovascular health, stress relief, immune support, digestive support, including some mushroom-based products.

Regulatory Environment
The Corporation is focused on developing and commercializing plant-based health and wellness products. In order to develop such products, the Corporation's business and processes must be conducted in strict compliance with the regulations of federal, provincial, state, local and regulatory agencies locally and internationally, in the jurisdictions in which the Corporation operates.

Some of the Corporation's products are considered "food" and, as such, are principally regulated under the *Food and Drugs Act* (Canada) and the *Consumer Packaging and Labelling Act* (Canada) as well as the *Federal Food, Drug, and Cosmetic Act* (USA) and the *Nutrition Labeling and Education Act* (USA).

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

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

The United States Food and Drug Administration ("**US-FDA**") is responsible for assuring that foods sold in the United States are safe, wholesome and properly labeled. This applies to foods produced domestically, as well as foods from foreign countries. The *Federal Food, Drug, and Cosmetic Act* ("**FD&C Act**") and the *Fair Packaging and Labeling Act* are the Federal laws governing food products under US-FDA's jurisdiction.

The *Nutrition Labeling and Education Act* ("**NLEA**"), which amended the FD&C Act, requires most foods to bear nutrition labeling and requires food labels that bear nutrient content claims and certain health messages to comply with specific requirements.

Monk-E does not have any direct or indirect involvement with the illegal selling, production or distribution of any psychedelic substances in the jurisdictions in which it operates. The Corporation is a health and wellness product company and does not advocate for the legalization of any psychedelic substances and does not deal with psychedelic substances. The Corporation's products will not be commercialized in any given jurisdiction prior to applicable regulatory approval in that jurisdiction, which may only be granted if evidence of safety and efficacy for the intended uses is successfully developed.

Foreign Operations

The Corporation currently plans to launch sales of its products across Canada and the United States, focusing initially on the United States market. The Corporation is developing third-party logistics relationships in California, New York, and Arizona.

Summary of Quarterly Results

The following summarizes the selected quarterly results for the Company:

	Period from the date of incorporation May 24, 2020 to June 30, 2020	Three months ended September 30, 2020
Total revenue	$ -	$ -
Loss from continuing operations	2,418	237,790
Loss per share (diluted and non-diluted)	$ -	$ (0.02)

During the period ended June 30, 2020 expenses consisted mainly of marketing fees and other office expenses.

During the three months ended September 30, 2020 expenses consisted mainly of consulting fees and other professional fees.

Liquidity and Capital Resources

The Company manages its capital structure and adjusts based on the funds available to the Company in order to facilitate the liquidity needs of its operations. The board does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company defines capital to include its working capital position, capital stock and accumulated deficit. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the period ended September 30, 2020

At September 30, 2020, the Company had a cash balance of $407,303 available to settle current financial liabilities of $119,517.

Risks and Uncertainties

Due to the nature of the Company's business, its limited operating history, and its stage of development, an investment in the securities of the Company is highly speculative and involves significant risks and uncertainties. As the Company continues to develop its business, the Company will face numerous challenges, and additional risks and uncertainties not presently known to the Company, or which the Company believes to be immaterial. In the event that such risks and uncertainties materialize, the Company's business, financial condition, and results of operations could be materially adversely affected, and shareholders of the Company could lose all or part of their investment in the Company. Such risks and uncertainties could also cause actual events to differ materially from those described in forward looking statements relating to the Company described in this MD&A and in certain documents incorporated by reference into this MD&A.

The following section summarizes certain of the risks and uncertainties relating to the business of the Company as of the date of this MD&A. The summary of such risks and uncertainties is not intended to be exhaustive, and such risks are in addition to the usual risks associated with investment in a business. Investors should carefully consider the following risks and uncertainties as well as the risk factors set out in the Listing Statement.

Introduction of, or Changes in, Laws, Regulations and Guidelines

In order to develop regulated medicines, Levitee's research and development process must be conducted in strict compliance with the regulations of federal, state, local and regulatory agencies in Canada and the United States, and the equivalent regulatory agencies in the other jurisdictions in which Levitee may operate.

These regulatory authorities regulate, among other things, the research, manufacture, promotion and distribution of drugs in specific jurisdictions under applicable laws and regulations.

Canada
The process required before a prescription drug product candidate may be marketed in Canada generally involves:

- *Chemical and Biological Research* - Laboratory tests are carried out on tissue cultures and with a variety of small animals to determine the effects of the drug. If the results are promising, the manufacturer will proceed to the next step of development.
- *Pre-Clinical Development* – Animals are given the drug in varying amounts over differing periods of time. If it can be shown that the drug causes no serious or unexpected harm at the doses required to have an effect, the manufacturer will proceed to clinical trials.
- *Clinical Trials — Phase 1* - The first administration in humans is to test if people can tolerate the drug. If this testing is to take place in Canada, the manufacturer must prepare a clinical trial application for the Therapeutic Products Directorate of Health Canada (the "TPD"). This includes the results of the first two steps and a proposal for testing in humans. If the information is sufficient, the Health Products and Food Branch of Health Canada (the "HPFB") grants permission to start testing the drug, generally first on healthy volunteers.
- *Clinical Trials — Phase 2* - Phase 2 trials are carried out on people with the target condition, who are usually otherwise healthy, with no other medical condition. Trials carried out in Canada must be approved by the TPD. In Phase 2, the objective of the trials is to continue to gather information on the safety of the drug and begin to determine its effectiveness.
- *Clinical Trials — Phase 3* - If the results from Phase 2 show promise, the manufacturer provides an updated clinical trial application to the TPD for Phase 3 trials. The objectives of Phase 3 include determining whether the drug can be shown to be effective, and have an acceptable side effect profile, in people who better represent the general population. Further information will also be obtained on how the drug should be used, the optimal dosage regimen and the possible side effects.
- *New Drug Submission* - If the results from Phase 3 continue to be favourable, the drug manufacturer can submit a new drug submission ("NDS") to the TPD. A drug manufacturer can submit an NDS regardless of whether the clinical trials were carried out in Canada. The TPD reviews all the information gathered during the development of the drug and assesses the risks and benefits of the drug. If it is judged that, for a specific patient population and specific conditions of use, the benefits of the drug outweigh the known risks, the HPFB will approve the drug by issuing a notice of compliance.

United States

Our development and commercialization activities and product candidates are significantly regulated by a number of governmental entities, including the FDA, HC, and comparable authorities in other countries. Regulatory approvals are required prior to each clinical trial and we may fail to obtain the necessary approvals to commence or continue clinical testing. We must comply with regulations concerning the manufacture, testing, safety, effectiveness, labeling, documentation, advertising, and sale of products and product candidates and ultimately must obtain regulatory approval before we can commercialize a product candidate.

The time required to obtain approval by such regulatory authorities is unpredictable but typically takes many years following the commencement of preclinical studies and clinical trials. Any analysis of data from clinical activities we perform is subject to confirmation and interpretation by regulatory authorities, which could delay, limit or prevent regulatory approval. Even if we believe results from our clinical trials are favorable to support the marketing of our product candidates, the FDA or other regulatory authorities may disagree. In addition, approval policies, regulations, or the type and amount of clinical data necessary to gain approval may change during the course of a product candidate's clinical development and may vary among jurisdictions. We have not obtained regulatory approval for any product candidate and it is possible that none of our existing product candidates or any future product candidates will ever obtain regulatory approval.

We could fail to receive regulatory approval for our product candidates for many reasons, including, but not limited

to:

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

A regulatory authority may require more information, including additional preclinical or clinical data to support approval, which may delay or prevent approval and our commercialization plans, or we may decide to abandon the development program. If we were to obtain approval, regulatory authorities may approve any of our product candidates

for fewer or more limited indications than we request, may grant approval contingent on the performance of costly post-marketing clinical trials, or may approve a product candidate with a label that does not include the labeling claims necessary or desirable for the successful commercialization of that product candidate. Moreover, depending on any safety issues associated with our product candidates that garner approval, the FDA may impose a risk evaluation and mitigation strategy, thereby imposing certain restrictions on the sale and marketability of such products.

Technology and information security

The Company is also subject to technology and information security risk, including the risk that confidential information held by the Company is stolen or accessed causing financial or personal harm to the affected individual(s) or the Company's business. The Company reduces this risk through enhancement of policies and procedures, and monitoring and auditing to ensure compliance related to information technology, safety of data, and secure storage of physical files. The Company is also subject to risks related to reliance on key personnel and catastrophic and general uninsured loss.

COVID-19
The impact of the COVID-19 pandemic, with its combined health toll and sharp decline in global economic output, is unprecedented and the full extent of the impact will depend on future developments. These developments are highly uncertain and cannot be accurately predicted, including new information which may emerge concerning its severity, its duration and actions by government authorities to contain the outbreak or manage its impact. As a result, it is not possible to determine the impact on the going concern of the Company at this time.

The following are certain risk factors relating to an investment in Shares which prospective investors should carefully consider before deciding whether to purchase common shares. The following information must be read in conjunction with the detailed information appearing elsewhere in this prospectus. Such risk factors may have a material adverse effect on the financial position or results of operations of the Corporation or the value of the common shares.

Limited History of Operations

The Corporation is in the early stage of development and must be considered a start-up. As such, the Corporation is subject to many risks common to such enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and the lack of revenues. There is no assurance that the Corporation will be successful in achieving a return on Shareholders' investment and the likelihood of success must be considered in light of its early stage of operations. The Corporation has no intention of paying any dividends in the near future.

The Corporation has limited financial resources, has not earned any significant revenue since commencing operations has no source of operating cash flow and there is no assurance that additional funding will be available to it for further development of the Corporation's business or to fulfill its obligations under any applicable agreements. There can be no assurance that the Corporation will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further development of the Corporation's business.

No Market for Securities

There is currently no market through which the common shares may be sold and there is no assurance that such securities of the Corporation will be listed for trading on a stock exchange, or if listed, will provide a liquid market for such securities. Until the common shares are listed on a stock exchange, holders of the common shares may not be able to sell their common shares. Even if a listing is obtained, there can be no assurance that an active public market for the common shares will develop or be sustained after listing. The holding of common shares involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. common shares should not be purchased by persons who cannot afford the possibility of the loss of their entire investment.

Additional Requirements for Capital

Substantial additional financing may be required if the Corporation is to successfully develop its business. No assurances can be given that the Corporation will be able to raise the additional capital that it may require for its anticipated future development. Any additional equity financing may be dilutive to investors and debt financing, if available, may involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Corporation, if at all. If the Corporation is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion.

Negative Cash Flow from Operating Activities

The Corporation has had negative cash flow from operating activities since inception. Significant capital investment will be required to achieve the Corporation's existing plans. There is no assurance that the Corporation's business will generate earnings, operate profitably or provide a return on investment in the near future. Accordingly, the Corporation may be required to obtain additional financing in order to meet its future cash commitments.

Regulatory Environment

The Corporation's operations are subject to regulation by government agencies including, among others, Health Canada and the CFIA. These agencies regulate the processing, packaging, storage, distribution, advertising, and labeling of the Corporation's products, including food safety standards. The Corporation's products may be subject to inspection by federal, provincial, state and local authorities. The Corporation strives to maintain compliance with all laws and regulations and maintain all permits and licenses relating to our operations. Nevertheless, there can be no assurance that the Corporation is in compliance with all such laws and regulations, has all necessary permits and licenses, and will be able to comply with such laws and regulations, or obtain such permits and licenses in the future. Failure by the Corporation to comply with applicable laws and regulations and permits and licenses could subject the Corporation to civil remedies, including fines, injunctions, recalls or seizures, as well as potential criminal sanctions, which could have a material adverse effect on our financial condition and results of operations. In addition, enforcement of existing laws and regulations, changes in legal requirements and/or evolving interpretations of existing regulatory requirements may result in increased compliance costs and create other obligations, financial or otherwise, that could adversely affect the Corporation's business, financial condition or results of operations.

Management of Growth

The Corporation may be subject to growth-related risks including pressure on its internal systems and controls. The Corporation's ability to manage its growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Corporation to deal with this growth could have a material adverse impact on its business, operations and prospects. While management believes that it will have made the necessary investments in infrastructure to process anticipated volume increases in the short term, the Corporation may experience growth in the number of its employees and the scope of its operating and financial systems, resulting in increased responsibilities for the Corporation's personnel, the hiring of additional personnel and, in general, higher levels of operating expenses. In order to manage its current operations and any future growth effectively, the Corporation will also need to continue to implement and improve its operational, financial and management information systems and to hire, train, motivate, manage and retain its employees. There can be no assurance that the Corporation will be able to manage such growth effectively, that its management, personnel or systems will be adequate to support the Corporation's operations or that the Corporation will be able to achieve the increased levels of revenue commensurate with the increased levels of operating expenses associated with this growth.

Success is Dependent on Public Taste for Levitee's Products

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

Raw Materials

The Corporation's products are derived from mushrooms. Accordingly, the Corporation and/or its manufacturers must acquire enough mushrooms so that the products can be produced to meet the demand of its customers. A mushroom shortage could result in loss of sales and damage to the Corporation. If the Corporation and/or its manufacturers become unable to acquire commercial quality mushrooms on a timely basis and at commercially reasonable prices, and are unable to find one or more replacement suppliers with the regulatory approvals to produce mushrooms at a substantially equivalent cost, in substantially equivalent volumes and quality, and on a timely basis, the Corporation will likely be unable to meet customer demand.

Consumer Perception of Mushrooms

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

Brand Awareness

Brand awareness has not been achieved inside or outside of the Corporation's target markets. There is no assurance that the Corporation will be able to achieve brand awareness in any of its target markets. In addition, the Corporation must develop successful marketing, promotional and sales programs in order to sell its products. If the Corporation is not able to develop successful marketing, promotional and sales programs, then such failure will have a material adverse effect on the business, financial condition and operating results.

Limited Number of Products

The Corporation is heavily reliant on the production and distribution of mushroom-based and related products. If they do not achieve sufficient market acceptance, it will be difficult for us to achieve profitability.

The Corporation's revenue is derived almost exclusively from sales of mushroom-based and related products, and the Corporation expects that such products will account for substantially all of its revenue for the foreseeable future. If the mushroom-based and related products market declines or fails to achieve substantially greater market acceptance than it currently enjoys, the Corporation will not be able to grow its revenues sufficiently for it to achieve consistent profitability.

Even if products to be distributed by the Corporation conform to international safety and quality standards, sales could be adversely affected if consumers in target markets lose confidence in the safety, efficacy, and quality of mushrooms. Adverse publicity about mushroom-based products that the Corporation sells may discourage consumers from buying products distributed by the Corporation.

Development of New Products

The Corporation'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 Corporation must meet such demand through new and innovative products or else its business will fail. The Corporation's ability to develop, market and produce new products is subject to it having substantial capital. There is no assurance that the Corporation will be able to develop new and innovative products or have the capital necessary to develop such products.

Dependence on Management Team

The Corporation will depend on certain key senior managers to oversee the core marketing, business development, operational and fundraising activities and who have developed key relationships in the industry. Their loss or departure in the short-term would have an adverse effect on the Corporation's future performance.

Reliance on Third Party Manufacturers

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

Reliance on Marketing Partners and Future Distributors

The Corporation will sell its products online directly to end customers and it will rely on third parties for the sale and marketing of its products at retail locations. The Corporation plans to engage a distribution company to permit the Corporation to develop an extensive regional sales and distribution network throughout Canada and other jurisdictions where the Corporation's product is lawful. To the extent that marketing partners and distributors are distracted from selling the Corporation's products or do not expend sufficient efforts in managing and selling its products, the Corporation's future sales will be adversely affected. The Corporation's ability to grow our distribution network and attract additional distributors will depend on several factors, many of which are outside of its control. Some of these factors include: (i) the level of demand for the Corporation's brand and products in a particular distribution area; (ii) our ability to price our products at levels competitive with those offered by competing products and (iii) the Corporation's ability to deliver products in the quantity and at the time ordered by distributors.

Product Liability Insurance

The Corporation currently does not carry any product liability insurance coverage. Even though the Corporation is not aware of any product liability claims at this time, its business exposes itself to potential product liability, recalls and other liability risks that are inherent in the sale of food and other ingestible products. The Corporation can provide no assurance that such potential claims will not be asserted against it. A successful liability claim or series of claims brought against the Corporation could have a material adverse effect on its business, financial condition and results of operations.

Although the Corporation intends to obtain adequate product liability insurance, it cannot provide any assurances that it will be able to obtain or maintain adequate product liability insurance of on acceptable terms, if at all, or that such insurance will provide adequate coverage against potential liabilities. Claims or losses in excess of any product liability cover that may be obtained by the Corporation could have a material adverse effect on its business, financial conditional and results of operations.

Product Liability Claims

The Corporation may be required to pay for losses or injuries purportedly or actually caused by its products. Historically, there have been no product liability claims; however, there is no assurance that this trend will continue in the future. In the event that the Corporation's products are found to cause any injury or damage, the Corporation will be subject to substantial liability. This liability may exceed the funds available by the Corporation and result in the failure of its business.

Product Recall

The sale of products for human consumption involves inherent risks. The Corporation could decide to, or be required to, recall products due to suspected or confirmed contamination or product tampering. A product recall could adversely affect product sales financial condition and results of operation as well as the Corporation's general reputation in the industry.

Trademark Protection

The Corporation currently has not obtained any trademarks. Failure to register trademarks for the Corporation or its products could require the Corporation to rebrand its products resulting in a material adverse impact on its business.

Government Regulation

The processing, manufacturing, packaging, labeling, advertising and distribution of the Corporation's products is subject to regulation by one or more federal agencies, and various agencies of the provinces and localities in which our products are sold. These government regulatory agencies may attempt to regulate any of our products that fall within their jurisdiction. Such regulatory agencies may not accept the evidence of safety for any new ingredients that the Corporation may want to market, may determine that a particular product or product ingredient presents an unacceptable health risk and may determine that a particular statement of nutritional support that we want to use is an unacceptable claim. Such a determination would prevent the Corporation from marketing particular products or using certain statements of nutritional support on its products. The Corporation also may be unable to disseminate third-party literature that supports its products if the third-party literature fails to satisfy certain requirements.

In addition, a government regulatory agency could require the Corporation to remove a particular product from the market. Any future recall or removal would result in additional costs to the Corporation, including lost revenues from any products that we are required to remove from the market, any of which could be material. Any such product recalls or removals could lead to liability, substantial costs and reduced growth prospects.

Competition

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

Junior Companies

Market perception of junior companies may change, potentially affecting the value of investors' holdings and the ability of the Corporation to raise further funds through the issue of further common shares or otherwise. The share price of publicly traded smaller companies can be highly volatile. The value of the common shares may go down as well as up and, in particular, the share price may be subject to sudden and large falls in value given the restricted marketability of the common shares.

Current Market Volatility

The securities markets in the United States and Canada have recently experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any market for the common shares will be subject to market trends generally, notwithstanding any potential success of the Corporation. The value of the common shares distributed hereunder will be affected by such volatility.

Use of Funds

The Corporation has prepared a budget setting out the way in which it proposes to expend its available funds. However, the quantum and timing of expenditure will necessarily be dependent upon receiving positive results from the Corporation’s product development and marketing initiatives. As the Corporation further expands its business, it is possible that results and circumstances may dictate a departure from the pre-existing budget. Further, the Corporation may, from time to time as opportunities arise, utilize part of its financial resources to participate in additional opportunities that arise and fit within the Corporation’s broader objectives, as a means of advancing shareholder value.

Conflicts of Interest

Some or all of the Corporation’s Directors and officers may act as directors and/or officers of other health and wellness companies. As such, the Corporation’s Directors and officers may be faced with conflicts of interests when evaluating alternative health and wellness opportunities. In addition, the Corporation’s Directors and officers may prioritize the business affairs of another company over the affairs of the Corporation.

Personnel

The Corporation has a small management team and the loss of any key individual could affect the Corporation’s business. Additionally, the Corporation will be required to secure other personnel to facilitate its marketing and product development initiatives. Any inability to secure and/or retain appropriate personnel may have a materially adverse impact on the business and operations of the Corporation.

Tax Issues

Income tax consequences in relation to the securities offered will vary according to the circumstances of each purchaser. Prospective purchasers should seek independent advice from their own tax and legal advisers prior to subscribing for the securities.

Liquidity of the common shares

Listing on the Exchange should not be taken as implying that there will be a liquid market for the common shares. Thus an investment in the common shares may be difficult to realize. Investors should be aware that the value of the common shares may be volatile. Investors may, on disposing of common shares, realize less than their original investment, or may lose their entire investment. The common shares, therefore, may not be suitable as a short-term investment.

The market price of the common shares may not reflect the underlying value of the Corporation's net assets. The price at which the common shares will be traded, and the price at which investors may realize their common shares, will be influenced by a large number of factors, some specific to the Corporation and its proposed operations, and some which may affect the sectors in which the Corporation operates. Such factors could include the performance of the Corporation's operations, large purchases or sales of the common shares, liquidity or the absence of liquidity in the common shares, legislative or regulatory changes relating to the business of the Corporation, and general market and economic conditions.

No Dividends

The Corporation has not declared or paid any cash dividends on the common shares to date. The payment of dividends in the future, if any, is dependent on the Corporation's earnings, financial condition, capital requirements, business conditions, corporate law requirements and on such other factors as the Board considers appropriate. Unless and until the Corporation pays dividends, shareholders' ability to achieve a return on their investment will depend upon an appreciation in the price of the common shares.

General

Although management believes that the above risks fairly and comprehensibly illustrate all material risks facing the Corporation, the risks noted above do not necessarily comprise all those potentially faced by the Corporation as it is impossible to foresee all possible risks. Although the Directors will seek to minimize the impact of the risk factors, an investment in the Corporation should only be made by investors able to sustain a total loss of their investment. Investors are strongly recommended to consult a person who specializes in investments of this nature before making any decision to invest.

Related Party Transactions

(a) Compensation of key management personnel

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Company's Board of Directors, and corporate officers. The remuneration of key management personnel including consulting fees paid through companies owned by directors during the year ended was as follows:

		Period from date of incorporation on May 24, 2020 to September 30, 2020
Consulting fees	$	82,957
Accounting fees		6,899
Total		**89,856**
Amount due to related parties	$	29,098

(b) Transactions with related parties

		Period from date of incorporation on May 24, 2020 to September 30, 2020
Rent expense paid to a director of the Company	$	9,900

Deposit for rent	$	2,000

(c) Services provided by related parties settled with shares

The company has settled some of its consulting expenses with the related parties with shares. For the period ended September 30, 2020 the total number of shares and value for debt settlement are 800,000 shares and $4,000 respectively.

Critical accounting estimates and judgements

In the application of the Company's accounting policies, which are described within this note, the management of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

(i) Going concern - Management has applied judgements in the assessment of the Company's ability to continue as a going concern when preparing its financial statements. Management prepares the financial statements on a going concern basis unless management either intends to liquidate the entity or to cease trading or has no realistic alternative to do so. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period.

Key sources of estimation uncertainty

(i) Current and deferred taxes - The estimation of income tax expense and the composition of deferred tax assets and liabilities involves judgment and estimates as to the future taxable earnings, expected timing of reversal of deferred tax assets and liabilities, and interpretations of tax laws. The Company is subject to assessments by tax authorities who may interpret the tax law differently. Changes in these interpretation, judgments and estimates may materially affect the final amount of current and deferred tax provisions, deferred income tax assets and liabilities, and results of operations. While the precise impact of the recent novel coronavirus ("COVID-19") outbreak remains unknown, it has introduced uncertainty and volatility in Canadian and global economies. The Company is monitoring developments and preparing for any impacts related to COVID-19. The Company has business plans in place, that ensures its readiness to appropriately address and mitigate regulatory and business risks as they arise including, but not limited to, impacts on employees and other key resources in the business.

Financial Instruments and Other Instruments

(a) Fair values of financial instruments

September 30, 2020	Financial assets at amortized cost	Financial liabilities at amortized cost	Financial assets at fair value through profit or loss
	$	**$**	**$**
Cash	407,303	-	-
Accounts payable and accrued liabilities	-	91,517	-
Total	**407,303**	**91,517**	**-**

Fair value measurements and disclosures use the following hierarchy definitions in determining its classifications:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - Inputs other than quoted prices included with Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)

Level 3 - Inputs for the asset or liability that are not based on observable market data (that is unobservable inputs

Cash and cash equivalents and accounts payable and accrued liabilities approximate their fair value due to their short-term nature.

(a) Credit risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. The following paragraph describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

The risk exposure is limited to their carrying amounts at the statement of financial position date. The risk for cash is mitigated by holding these instruments with highly rated Canadian financial institutions. The Company does not invest in asset-backed deposits or investments and does not expect any credit losses. The Company periodically assesses the quality of its investments and is satisfied with the credit rating of the financial institutions.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, polices and processes for managing those risks or the methods used to measure them unless otherwise stated in the note.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The key to success in managing liquidity is the degree of certainty in the cash flow projections.

The Company monitors its cash flows to meet the Company's normal operating requirements on an ongoing basis and its planned capital expenditures. All of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms. At September 30, 2020, the Company had a cash balance of $407,303 available to settle current financial liabilities of $119,517.

(c) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Currently the Company does not charge or is charged floating interest rates on its loans receivable, payables or other loan. The Company is not exposed to significant interest rate risk.

Commitments and contingencies

As at September 30, 2020, the Company had a number of contingent commitments as per agreements with some consultants:

- $20,000 in free trading stock options contingent to initial public offering;
- In the event a consultant introduces the Company to an M&A target and the Company acquire the corporation, the Company will pay the consultant 5% of the transaction value in cash or shares, to be determined by the Company at the time of the acquisition;
- Grant of 500,000 stock options to purchase shares of the Company upon completion of the agreement and contingent to BOD approval;
- Grant of 500,000 restricted stock units of common shares contingent on the initial public offering, subject to requirements from Canadian Securities Exchange and the Company's employee restricted stock unit plan;
- Contingent on a number of milestones and achievements to grant up to a total of 11,400,000 stock options.

Subsequent to year end, all contingent commitments mentioned above were transferred from Monk-E to Fibonacci prior to amalgamation.

Subsequent Events

(a) **Amalgamation**

1273586 B.C. Ltd. ("1273586"), was incorporated on November 6, 2020, to facilitate the three-cornered amalgamation to be completed among Fibonacci, 1273586 and Monk-E, whereby 1273586 and Monk-E would amalgamate under the Business Corporations Act (British Columbia) and become a wholly-owned subsidiary of Fibonacci. On November 30, 2020, Monk-e and 1273586, a wholly-owned subsidiary of Fibonacci, amalgamated under the Business Corporations Act (British Columbia). In connection therewith, Fibonacci changed its name to Levitee Labs Inc. and the entity resulting from the amalgamation of Monk-E and 1273586 changed its name to Levitee Labs Holdings Inc on December 1, 2020. As a result of these transactions, Levitee Labs Inc. now owns 100% of Levitee Labs Holdings Inc.

Fibonacci Capital Corp. consolidated its common shares at a ratio of 2.5:1 from 14,638,903 common shares to 5,855,561 common shares immediately prior to amalgamation. Monk-E shareholders were then issued 1 common share in Fibonacci in exchange for 1 common share in Monk-E. This amounted to a total addition of 21,928,050 common shares issued in Fibonacci. Post amalgamation, the combined entity changed name to Levitee Labs Inc (changed name from Fibonacci Capital Corp.) and it had 27,783,611 common shares outstanding at the amalgamation date. The total of 7,249,000 common outstanding shares of the Fibonacci were issued to the relate parties in addition to the 1,797,333 common outstanding shares previously issued as a result of the amalgamation.

(b) **Manufacturing plant lease agreement**

On November 20, 2020, the Company has entered into a lease agreement for a factory in Port Coquitlam BC. Initial monthly lease costs are $5,353 and these monthly lease commitments expire on December 31, 2025. Future undiscounted lease payments during each financial year of the Company for the remaining lease are as follows:

2021	48,176
2022	65,028
2023	66,084
2024	67,141
2025	68,197
2026	17,115
	$ 331,741

(c) **Equity Raise**

On November 30th, 2020, the Company issued 3,423,050 shares at a price of $0.25 per share to raise $840,762, net of issuance costs. These funds will be used as working capital to support operations and costs involved in the non-offering prospectus. The cash compensation of $23,840 payable to the finders and the issuance of 95,360 finder's warrant be, and is hereby, authorized and approved by the board of directors.

(d) **Stock Options**

Per consulting agreement entered by the company on July 15, 2020, part of consultant's remuneration includes granting stock options contingent on future events. On December 15, 2020, the board of directors approved granting the 250,000 stock options with an exercise price of $0.10, an expiry date of December 15, 2023 and a vesting period of 12 quarters with the 1/12th vesting at the grant date and 1/12th vesting in each quarter thereafter.

(e) **Letter of Intent signed for future acquisitions**

On October 16th, 2020, the Company signed a Letter of Intent to acquire Earth Circle Organics. On October 23rd, 2020, the Company entered into a Letter of Intent to acquire Brain Forza Labs Inc. On December 1st, 2020, Levitee Labs signed a Memorandum of Understanding to collaborate and construct a framework for the potential future investment or acquisition of BODE Nutraceuticals Inc. On December 29th, 2020, the company has entered into a distribution agreement with Green Planet Wholesale Ltd. ("Green Planet"), pursuant to which Green Planet will distribute Sporeo grow kits through Green Planet's distribution channels.

(f) **Equity-based compensation program implementation**

On May 31, 2021, Levitee Labs Inc implemented an equity-based compensation program designed to incentivize employee and contractor performance and retention. A summary of the program is follows:

- An aggregate of 5,644,485 common share purchase options (the "Employee Compensation Options") were issued to certain employees of Levitee Labs Holdings Inc, each option exercisable at $0.25 per share for a period of five years. The Employee Compensation Options will vest in accordance with certain performance-based milestones.
- An aggregate of 19,024,452 common shares s (the "Employee Compensation Shares) were issued to certain employees of Levitee Labs Holdings Inc at a price of $0.02. The Employee Compensation Shares are subject to a reverse vesting arrangement, providing for release of such shares in tranches to the relevant Employee on achievement of the timeline milestones.
- An aggregate of 1,010,000 common shares issued to various employees as a signing bonus. The shares are not subject to any vesting conditions.
- an aggregate of 4,304,500 Common Shares (the "Contractor Compensation Shares") to certain contractors of Levitee Labs Holdings Inc, each at a deemed issue price of $0.25 per

share. The Contractor Compensation Shares are subject to a reverse vesting arrangement, providing for release of such shares to the relevant Contractor in monthly tranches over the twelve months from issuance.

(g) **CSE Listing approval**

On July 7, 2021, Levitee Labs Inc has obtained an approval for listing from the CSE with certain conditions. A date for trading will be determined upon confirmation of the conditions being met.

Additional Information

Additional information relating to the Company can be found on SEDAR at www.sedar.com.

CERTIFICATE OF THE CORPORATION

July 9, 2021

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of Alberta, British Columbia, Nova Scotia, Ontario and Saskatchewan.

ON BEHALF OF LEVITEE LABS INC.

/s/ Pouya Farmand	*/s/ Mason Darabi*
Pouya Farmand Chief Executive Officer	**Mason Darabi, CPA** Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

/s/ Justin Chorbajian	*/s/ Yarrow Willard*
Justin Chorbajian Director	**Yarrow Willard** Director

CERTIFICATE OF THE PROMOTER

July 9, 2021

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of Alberta, British Columbia, Nova Scotia, Ontario and Saskatchewan.

/s/ Pouya Farmand

Pouya Farmand
Promoter