Condensed Interim Consolidated Financial Statements
LEVITEE LABS INC. (Formerly FIBONACCI CAPITAL CORP.)

For the three and nine months ended June 30, 2021 and 2020

(Expressed in Canadian Dollars)

(Unaudited)

LEVITEE LABS INC. (Formerly FIBONACCI CAPITAL CORP.)
Condensed Interim Consolidated Statements of Financial Position
As at June 30, 2021 and September 30, 2020
(Unaudited)
(Expressed in Canadian dollars)

		June 30,2021		September 30, 2020 (Audited)
Assets				
Current Assets				
Cash and cash equivalents	$	104,455	$	42,893
Restricted cash (note 5)		10,658,265		-
Amounts receivable (note 6)		161,182		-
Prepaid expenses		116,860		35,437
Deposits (note 7)		213,474		-
Marketable securities (note 8)		46,800		78,660
Inventory (note 9)		60,366		-
Total Current Assets		**11,361,402**		**156,990**
Non-current Assets				
Equipment (note 10)		531,394		-
Right of use assets (note 11)		356,182		-
Lease deposit		78,917		-
Total Assets	**$**	**12,327,895**	**$**	**156,990**
Liabilities				
Current Liabilities				
Accounts payable and accrued liabilities (note 12)	$	1,289,768	$	2,572
Current portion of lease liability (note 11)		148,655		-
Total Current Liabilities		**1,438,423**		**2,572**
Non-current liabilities				
Lease liability (note 11)		244,123		-
Total Liabilities		**1,682,546**		**2,572**
Shareholders' Equity				
Share capital (note 13)		7,260,013		906,453
Reserves (note 14)		10,273,977		-
Accumulated deficit		(6,888,641)		(752,035)
Total Shareholders' Equity		**10,645,349**		**154,418**
Total Liabilities and Shareholders' Equity	**$**	**12,327,895**	**$**	**156,990**

Nature and continuance of operations (note 1)
Subsequent events (note 18)

Approved on behalf of the Board of Directors on August 25, 2021

(Signed) Pouya Farmand, Director

(Signed) 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 nine months ended June 30, 2021 and 2020
(Unaudited)
(Expressed in Canadian dollars)

	Three months ended		Nine months ended	
	June 30, 2021	**June 30, 2020**	**June 30, 2021**	**June 30, 2020**
Expenses				
Consulting fees (note 15)	$ 41,754	$ 77,237	$ 1,351,700	$ 114,249
Payroll expense (note 15)	435,487	-	670,072	-
Professional fees	290,599	2,507	481,635	10,746
Marketing expense	62,606	-	120,155	412
Office expense	61,543	18	117,901	433
Depreciation expense	65,987	-	92,977	-
Rent expense (note 15)	31,279	-	52,120	4,725
Travel expense	7,681	-	25,608	2,950
Stock based compensation (note 13,14,15)	3,515,777	-	3,530,521	-
Bank and financing charges	1,758	-	2,913	-
Total Expenses	4,514,471	79,762	6,445,602	133,515
Other Income				
Interest earned	19,802	-	32,820	-
Gain from sale of marketable securities (note 8)	-	-	276,176	-
Total Other Expenses	**19,802**	**-**	**308,996**	-
Net loss and comprehensive loss for the period	$ (4,494,669)	$ (79,762)	$ (6,136,606)	$ (133,515)
Basic and diluted loss per share	$ (0.14)	$ (0.02)	$ (0.23)	$ (0.03)
Weighted average number of common shares outstanding – Basic and diluted	32,782,864	4,495,695	26,187,717	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 nine months ended June 30, 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	-	-	-	(133,515)	(113,515)
Balance - June 30, 2020	4,495,695	$ 652,742	$ -	$ (443,821)	$ 208,921
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
Shares issued for services subject to vesting	-	-	232,836	-	232,836
Reserve for amounts received for common shares to be issued		-	10,545,000	-	10,545,000
Shares issued subject to vesting	-	-	2,417,224	-	2,417,224
Finder's warrants and fees related to share units to be issued	-	(900,616)	214,675	-	(685,941)
Reserve for amounts received for special warrant	-	(1,600)	1,230,000	-	1,228,400
Stock based compensation	-	-	204,825	-	204,825
Bonuses shares	1,732,400	675,635	-	-	675,635
Issued for acquisition of investment	120,000	46,800	-	-	46,800
Net loss and comprehensive loss	-	-	-	(6,136,606)	(6,136,606)
Balance - June 30, 2021	33,956,011	$ 7,260,013	$ 10,273,977	$(6,888,641)	$ 10,645,349

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 nine months ended June 30, 2021 and 2020
(Unaudited)
(Expressed in Canadian dollars)

	Nine months ended June 30, 2021	Nine months ended June 30, 2020
Operating activities		
Net loss and comprehensive loss	$ (6,136,606)	$ (133,515)
Adjustments for items not affecting cash:		
Deprecation	92,977	-
Interest on lease obligation	23,193	-
Stock based compensation	3,530,521	-
Fair value (gain) on marketable securities (note 8)	(276,176)	-
Expenses paid by shares	1,080,000	-
	(1,686,091)	(133,515)
Changes in non-cash working capital balances:		
Accounts receivable	(137,753)	-
Prepaid expenses	(92,960)	1,428
Inventory	(60,366)	-
Accounts payable and accrued liabilities	585,917	81,706
Cash used in operating activities	**(1,391,253)**	**(50,381)**
Investing activities		
Cash acquired in business combination under common control (note 4)	636,148	-
Purchase of equipment	(328,337)	-
Purchase of marketable securities	-	(30,000)
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	**455,172**	**(30,000)**
Financing activities		
Cash from issuance of share subscriptions	-	29,500
Cash received from shares not yet issued	1,116,734	-
Cost of share issuance	(72,575)	-
Payments on lease liability	(46,516)	-
Cash provided by financing activities	**997,643**	**29,500**
Change in cash and cash equivalents	**61,562**	**(50,881)**
Cash balance, beginning of the period	**42,893**	**296,804**
Cash balance, end of the period	**$ 104,455**	**$ 245,923**

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 $6,136,606 for the nine-month period ended June 30, 2021 and a net loss of $133,515 for the same nine month period ended June 30, 2020 for a total accumulated deficit of $6,888,641. The Company had a net cash outflow of $1,393,522 from operating activities for the nine-month period ended June 30, 2021 and a cash balance of $104,455 as at June 30, 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. The Company is closely monitoring the impact of the pandemic on all aspect of its business. It is not possible to reliably estimate the impact on the financial results and conditions of the Company in future periods.

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 August 25, 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.

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

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.

v) Share-based compensation

Under the Company's stock option plan, all stock options granted have graded vesting periods and are exercisable up to a maximum of 5 years form the date of grant. Each tranche of an award with graded vesting periods is considered a separate grant at each grant date for the calculation of fair value, and the resulting fair value is amortized over the vesting period of the respective tranches. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted, the estimated volatility, estimated risk free rate and estimated forfeitures.

If a grant of the share-based payments is cancelled or settled during the vesting period (other than a grant cancelled by forfeiture when the vesting conditions are not satisfied), the Company accounts for the cancellation or settlement as an acceleration of vesting, and recognized immediately the amount that otherwise would have been recognized for services over the remainder of the vesting period.

The amount recognized for goods or services received during the vesting period are based on the best available estimate of the number of equity instruments anticipated to vest. The Company revises that estimate, if necessary, if subsequent information indicates that the number of share options anticipated to vest differs from previous estimates. On vesting date, the Company revises the estimate to equal the number of equity instrument that ultimately vested.

Where equity instruments are granted to non-employee, they are recorded at the fair value of the goods or services received unless the fair value cannot be estimated reliably in which case they are measured at the fair value of the equity instruments granted.

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 nine months ended June 30, 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.

(Expressed in Canadian Dollars)

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 14a).

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.

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	23,429
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	894,712
Acquisition reserve	4,587,301
Total net assets and equity recognized	**5,482,013**

(Expressed in Canadian Dollars)

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 June 30, 2021 (September 30, 2020 - nil) relates to cash received for share subscriptions not yet issued (note 14). 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 share transfer agent confirming that all of the release conditions have been met. All abovementioned conditions have been met on July 12, 2021. Accordingly, the cash has been released on July 13, 2021.

The restricted cash balance of $103,565 as at June 30, 2021 (September 30, 2020 -nil) relates to secured credit cards.

6. Amounts receivable

		June 30, 2021		September 30, 2020
Other receivables	$	31,966	$	-
Input tax credit receivable		129,216		-
Total	$	161,182	$	-

7. Deposits

		June 30, 2021		September 30, 2020
Deposit for purchase of Earth Circle Organics	$	159,856	$	-
Deposit for purchase of ACT Medical Centers		47,619		-
Other deposits		5,999		-
Total	$	213,474	$	-

(Expressed in Canadian Dollars)

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 for the nine months and three months ended June 30, 2021, respectively (September 30, 2020–Nil). The investment is a public company listed on the TSX Venture Exchange and therefore quoted in active markets and classified as Level 1.

On April 9, 2021, the Company acquired a 15% equity stake in BODIE (the "BODIE Investment") in exchange for 120,000 common shares at a fair value of $0.39 per share. At June 30, 2021 the fair value has not changed from the acquisition date.

9. Inventory

Inventory balance as at June 30, 2021 of $60,366 (September 30, 2020 - $nil), consists of production supplies.

10. Equipment

Equipment acquired has the following balances as at June 30, 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	47,685	1,427	243,298	328,337
Balance – June 30, 2021	45,398	274,682	1,427	243,928	564,805
Accumulated depreciation – September 30, 2020	-	-	-	-	-
Accumulated depreciation acquired in business combination	562	-	-	-	562
Depreciation	4,293	13,734	78	14,744	32,849
Accumulated depreciation – June 30, 2021	4,855	13,734	78	14,744	33,411
Equipment – September 30, 2020	-	-	-	-	-
Equipment – June 30, 2021	$ 40,543	$ 260,948	$ 1,349	$ 228,554	$531,394

(Expressed in Canadian Dollars)

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 $235,099 as of November 30, 2020. 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 $181,174 as of March 1, 2021. A right of use asset and corresponding lease liability was recognized for the same amount.

As of June 30, 2021, the following balances have been recorded:

Right of use asset

Balance as at September 30, 2020	$	-
Additions		416,101
Depreciation		(59,919)
Balance as at June 30, 2021	$	356,182

Lease liability

Balance as at September 30, 2020	$	-
Additions		416,101
Interest expense		23,193
Lease payments		(46,516)
Balance as at June 30, 2021		392,778
Current portion		148,655
Long term	$	244,123

The maturity of contractual undiscounted lease obligation payments are as follows:

Due within 1 year		186,027
Due within 1 to five years		305,299
	$	491,326

12. Accounts payable and accrued liabilities

		June 30, 2021		September 30, 2020
Trade payables	$	468,993	$	2,572
Amounts payable for finders commissions (note 13)		626,920		-
Payroll liabilities		193,855		-
Total	$	1,289,768	$	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 nine months ended June 30, 2021 the Company had the following share issuances:

Date	Number of Issued Shares	Number of unrestricted shares	Price Per Share	Amount
Balance as at September 30, 2019	4,495,695	4,495,695		$ 652,742
September 17, 2020[2]	1,328,000	1,328,000	$ 0.1875	249,000
September 17, 2020[1]	31,866	31,866	$ 0.1875	5,975
Total	5,855,561	5,855,561		907,717
Share issuance costs				(1,264)
Balance as at September 30, 2020	**5,855,561**	**5,855,561**		**$ 906,453**
November 30, 2020[3]	21,928,050	21,928,050	$ 0.2500	$ 5,482,013
December 15, 2020[2]	4,200,000	4,200,000	$ 0.2500	1,050,000
March 16, 2021[2]	120,000	120,000	$ 0.2500	30,000
April 9, 2021[4]	120,000	120,000	$ 0.3900	46,800
May 31, 2021[5]	1,732,400	1,732,400	$ 0.3900	675,636
May 31, 2021[6]	19,024,452		$ 0.3900	2,417,224
May 31, 2021[7]	3,582,100		$ 0.3900	232,836
Total	56,562,563	33,956,011		9,934,509
Share issuance costs				(930,888)
Balance as at June 30, 2021	**56,562,563**	**33,956,011**		**$9,003,621**

(1) Shares issued for cash
(2) Shares issued as payments for consulting services
(3) Shares issued in business combination (note 4)
(4) Shares issued in acquisition of investments (Note 8)
(5) Shares issued as signing bonus (see below)
(6) Shares issued to employees (see below)
(7) Shares issued to non-employees (see below)

During the year ended September 30, 2020, the Company completed the following transactions:

(a) On September 17, 2020, the Company issued 31,866 common shares as part of a private placement at a price of $0.1875 per share for total gross proceeds of $31,866.

(b) On September 17, 2020, the board of directors approved settlement of the amount $249,000 indebted to a consulting firm with 1,328,000 common shares of the Company at a fair value of $0.1875 per share.

During the nine months ended May 31, 2021, the Company completed the following transactions:

(c) 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.

(d) On March 16, 2021, the Company issued 120,000 shares with a value of $30,000 for consulting services.

(e) On May 31, 2021, the Company issued an aggregate of 1,732,400 common shares, 1,010,000 common shares were issued to various employees as a signing bonus and 722,400 common shares were issued to contractors as a signing bonus. The common shares are not subject to any vesting conditions.

(f) On May 31, 2021, the Company issued an aggregate of 19,024,452 common shares (the "Employee Compensation Shares") to certain employees of LLH. 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.

Related share based compensation expenses as at June 30, 2021 amounted to 6,198,010 shares and the fair value of those shares was estimated at $2,417,224. 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.

(g) On May 31, 2021, an aggregate of 3,582,100 common shares (the "Contractor Compensation Shares") to certain contractors of the Company were issued. 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. In the event a contractor's engagement by the Company is terminated within one year from issuance, (i) all unvested Contractor Compensation Shares held by such person will be automatically repurchased by the Company 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 Company, at the discretion of the Board, at a price of $0.000001 per share. The Company recognized $232,837 in stock-based compensation expense for the nine months and the three months ended June 30, 2021, respectively.

(h) The Company incurred share issuance costs of $930,888 for the nine months ended June 30, 2021 (September 30, 2020 - $1,264). Share issuance costs included legal costs and finders fees of $699,495 and finders warrants of $231,393.

(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.

(Expressed in Canadian Dollars)

14. Reserves

(a) 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.

(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 to be 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.

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 to be 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.

(c) 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.

(d) During the nine months ended June 30, 2021 the Company issued the following additional warrants:

(Expressed in Canadian Dollars)

- 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.
- 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

(i) 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 June 30, 2021, 41,667 of the total stock options outstanding had vested. The Company recognized $23,375 in stock-based compensation expense for the nine months ended June 30, 2021 and $8,631 for the three months ended June 30, 2021.

Stock option transactions for nine months ended June 30, 2021 are as follows:

	Number of options	**Weighted Average Exercise Price**
Issued options	250,000	$0.10
Balance at June 30, 2021	250,000	$0.10
Exercisable at June 30, 2021	41,667	$0.10

(ii) On May 31, 2021, the Company granted options to purchase up to 19,024,452 common shares to executive officers and employees with an exercise price of $0.02 and vesting over a 48-

(Expressed in Canadian Dollars)

month period expiring July 20, 2025. These shares were exercised immediately and subject to vesting conditions (note13).

The Company issued an aggregate of 1,732,400 common shares, 1,010,000 common shares were issued to various employees as a signing bonus and 722,400 common shares were issued to contractors as a signing bonus. The common shares are not subject to any vesting conditions (note13).

On May 31, 2021, 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. The fair value of the options was estimated at $ 181,499 using the Black Scholes valuation model with the following assumptions. Expected stock price volatility was derived from a sample of similar publicly traded companies.

Grant Date	**May 31, 2021**
Expected dividend yield	Nil
Expected stock price volatility	120%
Risk-free interest rate	0.32%
Expected life of options	5 years
Forfeiture rate	5%-40%

The Company recognized $181,499 in stock-based compensation expense for the three months and the nine months ended June 30, 2021.

Stock option transactions for nine months ended June 30, 2021 are as follows:

	Number of options	**Weighted Average Exercise Price**
Issued options	25,678,938	$0.07
Vested	(20,034,452)	$0.02
Balance at June 30, 2021	5,644,486	$0.25
Exercisable at June 30, 2021	182,549	$0.25

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.

(Expressed in Canadian Dollars)

(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		Nine months ended	
	June 30, 2021	**June 30, 2020**	**June 30, 2021**	**June 30, 2020**
Consulting fee	-	$ 23,625	$ 193,244	$ 23,625
Salary	238,744	-	418,876	-
Stock based compensation	2,905,897	-	2,905,897	
Rent	-	-	13,200	4,725
Total	**$ 3,144,641**	**$ 23,625**	**$ 3,531,217**	**$ 28,350**

(b) Transactions with related parties

	As at June 30, 2021	**As at June 30, 2020**
Amount owed from related parties	$ -	$ 50,000

(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.

16. Financial instruments and risk management

(a) Fair values of financial instruments

June 30, 2021	**Financial assets at amortized cost**	**Financial liabilities at amortized cost**	**Financial assets at fair value through profit or loss**
Cash and cash equivalents	$ 104,455	$ -	$ -
Restricted cash	10,658,265	-	-
Amounts receivable	161,182	-	-
Marketable securities	-	-	48,600
Accounts payable and accrued liabilities	-	1,289,768	-
Total	**$10,923,902**	**$1,289,768**	**$ 48,600**

(Expressed in Canadian Dollars)

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 June 30, 2021, the Company had a cash balance of $104,455 (September 30, 2020 - $42,983). The restricted cash of $10,554,700 has been released on July 13, 2021. Accordingly, the cash is available to settle liabilities of $1,438,423 (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. Subsequent events

a. CSE Listing approval

On July 7, 2021, the Company has obtained an approval for listing from the CSE with certain conditions. All conditions have been met. A first date for trading was July 21, 2021.

b. Acquisitions

On July 23, 2021, the Company signed definitive agreements to acquire clinics, pharmacies, and a telemedicine company in the province of Alberta. The agreements include:

- Asset purchase agreement to acquire all material operating assets of 5 addiction clinics
- Share purchase agreement to acquire 3 specialized pharmacies
- Share purchase agreement to acquire leading telehealth provider in addiction services
- Combined for over 35,000 patient visits over the past 12 months, 70% via telehealth
- Targets combined trailing twelve months revenues of approximately $7.5 million, with over $1 million in EBITDA
- Aggregate purchase price for the three acquisitions of approximately C$4 million in cash and C$1.5 million in stock

On July 27, 2021, the Company has completed the acquisition of all the issued and outstanding shares of telemedicine company BlockMD. In consideration for the acquisition of BlockMD, the Company issued $1,475,000 in shares at a deemed price of $0.43 per common share on the closing date, for a total of 3,430,871 shares.

As of August 3, 2021, the Company has completed the acquisition of all the issued and outstanding shares of Earth Circle Organics Chain Inc. ("ECO"). In consideration for the acquisition of ECO, the Company issued 488,702 shares at a deemed value of CAD $0.51 per share and paid USD $1,675,000 in cash on closing, with an additional USD $125,000 having been previously paid as a deposit. The Company may also be required to pay up to an additional USD $500,000 pursuant to an earn out mechanism based on gross revenue generated by ECO in the six months following closing.