LEVITEE LABS INC. (Formerly FIBONACCI CAPITAL CORP.)

MANAGEMENT DISCUSSION AND ANALYSIS

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

As of August 25, 2021

About the Company

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 1273586 B.C. Ltd. ("1273586"), a wholly-owned subsidiary of LLI. LLI consolidated its common shares ("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. On July 21, 2021, the Company became listed on the Canadian Security Exchange ("CSE").

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.

Basis of Discussion and Analysis

This Management Discussion and Analysis ("MD&A") of the financial condition of the Company is for the three and nine months ended June 30, 2021 and 2020 and was prepared as of August 25, 2021. This MD&A should be read in conjunction with the Company's unaudited financial statements and accompanying notes for the three and nine months ended June 30, 2021 ("Financial Statements") and the audited financial statements for the year ended 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") applicable to the preparation of interim financial statements including *IAS 34, Interim Financial Reporting*. This MD&A should be read in conjunction with the Company's audited consolidated financial statements as at and for the year ended September 30, 2020, as some disclosures normally included in the audited annual consolidated financial statements prepared in accordance with IFRS have been condensed or omitted. 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 and forward-looking information, 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 included in this MD&A include, but are not limited to, statements pertaining to the following: the creation and

manufacturing of mushroom infused products through the trade names Monk-E nutraceuticals and Sporeo Supply; the growth of the Company's Sporeo brand, including the launch of two SKU's, Sporeo substrate and spawn; new acquisitions; the Company's ability generate additional revenue and capital gains through its investment activities; the sale of retail products through Amazon.com and other distribution channels; expected growth in the market for nutraceuticals; expect growth in the nootropics market; expected grown in the market for Mushroom grow kits; the Company's ability to capitalize on growth in its target markets; the Company's expected financial performance; the Company's liquidity and capital resources; the Company's business plans and proposed products; and the benefits derived from mushroom-infused products.

These forward-looking statements reflect management's current views and are based on certain assumptions as of the date of this MD&A. These assumptions include management's current expectations, estimates and assumptions about the global economic environment; the market price and demand for its products; the Company's ability to manage its operating costs; 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; the Company's ability to obtain additional financing on satisfactory terms; and the impact of COVID-19 on the market demand. While considered reasonable by the Company as of the date of the MD&A, these assumptions may prove to be incorrect, which may cause the actual results, performance or achievements to be materially different from those expressed or implied by the forward-looking statements included herein.

Forward-looking statements are subject to known and unknown risks, uncertainties, and other factors that may cause the actual results, performance or achievements to be materially different from those expressed or implied by such forward-looking statements, including but not limited to risks associated with the following: the Company's limited history of operations; ability to secure additional financing; negative cash flow from operating activities since inception; regulatory requirements; changes in consumer preferences; supply of raw materials; reliance on a limited number of products; brand awareness; the ability to develop, market and produce new products; dependence on certain key senior managers; reliance on third parties for manufacturing and packaging; potential product liability claims and product recalls; and significant competition. For additional information regarding these and other risks, please see the section below title "Risk Factors" and the risk factors identified and reported in the Company's public filings under its SEDAR profile at www.sedar.com, including the final prospectus dated July 9, 2021 ("Prospectus").

Readers are cautioned not to place undue reliance on forward-looking statements or information. Any and all forward-looking statements and information contained in this MD&A is expressly qualified by this cautionary statement. The forward-looking statements and information included in this MD&A is made as of the date of this MD&A, and the Company assumes no obligation to publicly update or revise such forward-looking statements or information, except as required by applicable securities laws.

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.

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 (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 and 722,400 Common Shares were issued to contractors as a signing bonus. The shares are not subject to any vesting conditions.

- An aggregate of 3,582,100 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.

- The Company commenced trading its Common Shares on the Canadian Securities Exchange ("CSE") under the symbol "LVT" on July 21, 2021. The Company will focus its business on pursuing further opportunities in the biotechnology and psychopharmacology industry.

- On July 23, 2021, the Company signed definitive agreements to acquire clinics, pharmacies, and a telemedicine company in Alberta. Aggregate purchase price for the acquisitions was 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 Common Shares at a deemed price of $0.43 per Common Share on the closing date, for a total of 3,430,871 Common 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 Common Shares at a deemed value of C$0.51 per Common Share and paid US$1,675,000 in cash on closing, with an additional US$125,000 having been previously paid as a deposit. The Company may also be required to pay up to an additional US$500,000 pursuant to an earn out mechanism based on gross revenue generated by ECO in the six months following closing.

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. The Company's 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

The Company is currently focused on growing footprint across Canada though acquisition of targets and growing its Sporeo brand in order to generate revenue and gains through capital appreciation of these investments.

	Three months ended June 30, 2021	Three months ended June 30, 2020	Nine months ended June 30, 2021	Nine months ended June 30, 2020
Expenses				
Consulting fees	$ 41,754	$ 77,237	$ 1,351,700	$ 114,249
Payroll expense	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	31,279	-	52,120	4,725
Travel expense	7,681	-	25,608	2,950
Stock-based compensation	3,515,777	-	3,530,521	-
Bank charges	1,758	-	2,913	-
Total Expenses	$ 4,514,471	$ 79,762	$ 6,445,602	$ 133,515

The increase in operating expenses during the nine months ended September 30, 2021 as compared to the same period ended June 30, 2020 was a result of the Company's overall increased business activity due to the go-public plans and an implementation of an equity-based compensation program.

Nine Months Ended June 30, 2021

The Company reported a net loss of $6,136,606 for the nine months ended June 30, 2021. Revenue was nil, and expenses mainly comprised of consulting fees of $1,351,700, payroll expenses of $670,072, professional fees of $481,635 and stock-based compensation of $3,530,521.

Consulting fees of $1,351,700 mainly consist of consulting expenses related to the Company's go-public plans. Payroll expenses of $ 670,072 consist of amounts paid to executive team members and employees of the Company. Professional fees of $481,535 consist of fees paid to lawyers and accountants for their professional services. Marketing expenses of $120,155 mainly consist of expenses incurred to promote the Company. Office expenses of $117,901 consist of expenses related to operations of the office location due to the increase in employees and physical locations. The Company also incurred stock-based compensation of $3,530,521.

Nine Months Ended June 30, 2020

The Company reported a net loss of $133,515 for the nine months ended June 30, 2020. Revenue was nil, and expenses mainly comprised of consulting fees of $114,249, professional fees of $10,746, rent expenses of $4,725.

Selected financial information from the statement of financial position:

	June 30, 2021 (Unaudited)	September 30, 2020
Total Current Assets	$ 11,361,402	$ 156,990
Total Current Liabilities	1,438,423	2,572
Total Shareholders' Equity	10,645,349	154,418
Total Liabilities and Shareholders' Equity	$ 12,327,895	$ 156,990

Current and total assets consist of cash and cash equivalents, restricted cash, prepaid assets for consulting services, deposit balance for acquisition of companies and marketable securities.

Current and total liabilities consist 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 June 30, 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.

Selected information from the statement of cash flows:

	Nine months ended June 30, 2021	Nine months ended June 30, 2020
Cash used in operating activities	$ (1,391,253)	$ (50,381)
Cash provided by investing activities	455,172	(30,000)
Cash provided by financing activities	997,643	(50,881)
Cash balance, end of the period	$ 104,455	$ 245,923

From June 30, 2020 to June 30, 2021, cash and cash equivalents decreased from $245,923 to $104,455. The major uses for cash in the period related to professional and administrative costs for increasing the operating functionality of the Company and preparation to go-public plans.

Cash used in operating activities during nine-month period ended June 30, 2021 was $1,391,253 mainly used for consulting, professional fees, salaries and marketing activities.

Cash provided by investing activities during the nine-month period ended June 30, 2021, was $455,172 mainly as a result of $636,148 acquired in business combination under common control and $207,475 used for deposit for purchase of companies.

Cash generated by financing activities during nine-month period ended June 30, 2021, was $997,643. The source of financing came from the exercise of shares during the period.

Acquisition of Monk-E

Business Acquisition Under Common Control

On November 30, 2020, Monk-E and 1273586 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 Common Shares (Note 13d to the Financial Statements).

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 to the Financial Statements.

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**

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, the Chief Executive Officer, other executive team members and 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 mainly consist of payroll expenses to the 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 expenses relate to office space the Company leased during the period.

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 square foot facility which is 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).

The Company has incurred approximately $200,000 for installation and an additional $200,000 for materials and equipment for the build of the facility to have operations live. To complete construction, the location required facility upgrades, installation of equipment and personnel (consultants, engineers). The Company ensured that the installation would also allow for expansion to minimize any potential downtime with equipment and machinery, while being able to quickly scale up operations when it is required. In March 2021, the Company engaged with EMB Management for installation and procurement of materials required for the facility installation which they have seen to fruition of the project.

The commencement phase consisted of two weeks of testing equipment for safety, quality control and standardization of processes for products produced. The Company has established local, regional and international logistics, final packaging and all associated marketing materials required for sale of Sporeo products. The Company has begun hiring for various positions in operations, packaging, sales, and marketing.

Except for updates and maintenance from time to time required in the ordinary course of business, the commencement of the facility has started as at July 19, 2021. The Company anticipates some further minor upgrades to increase capacity and workflow as the Company increases production levels and adds additional products to manufacture and sell.

On July 30, 2021, the Company successfully launched www.sporeogrow.com to commence retail sales and has established the supply chain for products for sale with My Green Planet which sales are expected to start imminently. The Company has established the supply chain and added products to Amazon.com for sale beginning August 5, 2021 and anticipates the sale product immediately after launch.

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.

In June 2021, the MONKE website monkenutra.com was launched and Google display ads were deployed. Social media and YouTube marketing programs are set to launch in Q3 2021 which will help give these new ventures added traction. During the same month MONKE was also launched on Amazon in Canada and in the US. A distribution network was setup in June 2021 to ensure all orders are being fulfilled within twenty four hours and ninety percent of orders will be delivered within two business days in the US and Canada.

MONKE was launched in June 2021 with a small production run to test the supply chain and fulfilment processes. The focus is now on placing larger orders to prepare the Company for growth and to support scaling marketing programs which will be delivered late Q3 2021.

The Sporeo Supply website sporeogrow.com was launched in July 2021. An ecommerce distribution network has been set up with fulfilment centres in Richmond BC, Phoenix AZ and Fredericktown, MO to support ecommerce sales.

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 2026.[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 are 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 include 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

[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.*

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 required material, 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.

The Company 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 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 Company's competitors include:

- **Four Sigmatic:** Four Sigmatic is a US company specialized in superfoods, functional mushrooms and adaptogenic herbs.

[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.*

- **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 and digestive support, including some mushroom-based products.

Regulatory Environment

The Company is focused on developing and commercializing plant-based health and wellness products. In order to develop such products, the Company'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 Company operates.

Some of the Company'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 Company 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 Company'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 Company 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 Company'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 Company currently plans to launch sales of its products across Canada and the United States, focusing initially on the United States market. The Company 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 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	Three months ended Jun 30, 2021
Total revenue	-	-	-	-	-	-	-	-
Gain (Loss) from continuing operations	(48,450)	(15,840)	(37,913)	(79,762)	(308,213)	(1,073,731)	(568,206)	(4,494,669)
Loss per share (diluted and non-diluted)	$ (0.01)	$ (0.00)	$ (0.01)	$ (0.02)	$ (0.06)	$ (0.13)	$ (0.02)	$ (0.11)

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.

During the three months ended June 30, 2021 expenses consisted mainly of stock based compensation, payroll expense and 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 nine month period ended June 30, 2021.

As at June 30, 2021, the Company had cash and cash equivalent balance of $104,455 (September 30, 2020 - $42,893) available to settle current liabilities of $1,438,423 (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 Prospectus.

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

In order to develop regulated medicines, the Company'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 the Company 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 MD&A. Such risk factors may have a material adverse effect on the financial position or results of operations of the Company or the value of the Common Shares.

Limited History of Operations

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

The Company 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 Company's business or to fulfill its obligations under any applicable agreements. There can be no assurance that the Company 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 Company's business.

Market for Securities

Even with the Company obtaining listing, there can be no assurance that an active public market for the Common Shares will develop or be sustained after listing and securities of the Company provide a liquid market for such securities. 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 Company is to successfully develop its business. No assurances can be given that the Company 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, and may involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Company, if at all. If the Company 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 Company has had negative cash flow from operating activities since inception. Significant capital investment will be required to achieve the Company's existing plans. There is no assurance that the Company's business will generate earnings, operate profitably or provide a return on investment in the near future. Accordingly, the Company may be required to obtain additional financing in order to meet its future cash commitments.

Regulatory Environment

The Company'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 Company's products, including food safety standards. The Company's products may be subject to inspection by federal, provincial, state and local authorities. The Company 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 Company 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 Company to comply with applicable laws and regulations and permits and licenses could subject the Company 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 Company's business, financial condition or results of operations.

Management of Growth

The Company may be subject to growth-related risks including pressure on its internal systems and controls. The Company'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 Company 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 Company may experience growth in the number of its employees and the scope of its operating and financial systems, resulting in increased responsibilities for the Company'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 Company 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 Company will be able to manage such growth effectively, that its management, personnel or systems will be adequate to support the Company's operations or that the Company 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 Company'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 which the Company has little, if any, control. A significant shift in consumer demand away from the Company'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 Company imports. These changes could lead to, among other things, reduced demand and price decreases, which could have a material adverse effect on the Company's business.

Raw Materials

The Company's products are derived from mushrooms. Accordingly, the Company 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 Company. If the Company 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 Company will likely be unable to meet customer demand.

Consumer Perception of Mushrooms

The Company 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 Company'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 Company's target markets. There is no assurance that the Company will be able to achieve brand awareness in any of its target markets. In addition, the Company must develop successful marketing, promotional and sales programs in order to sell its products. If the Company 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 Company 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 Company's revenue is derived almost exclusively from sales of mushroom-based and related products, and the Company 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 Company will not be able to grow its revenues sufficiently for it to achieve consistent profitability.

Even if products to be distributed by the Company 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 Company sells may discourage consumers from buying products distributed by the Company.

Development of New Products

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

Dependence on Management Team

The Company 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 Company's future performance.

Reliance on Third Party Manufacturers

The Company 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 Company does not intend to develop its own packaging capacity in the short term. As these are third parties over which the Company 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 Company 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 Company plans to engage a distribution company to permit the Company to develop an extensive regional sales and distribution network throughout Canada and other jurisdictions where the Company's product is lawful. To the extent that marketing partners and distributors are distracted from selling the Company's products or do not expend sufficient efforts in managing and selling its products, the Company's future sales will be adversely affected. The Company'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 Company'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 Company's ability to deliver products in the quantity and at the time ordered by distributors.

Product Liability Insurance

The Company currently does not carry any product liability insurance coverage. Even though the Company 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 Company 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 Company could have a material adverse effect on its business, financial condition and results of operations.

Although the Company 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 Company could have a material adverse effect on its business, financial conditional and results of operations.

Product Liability Claims

The Company 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 Company's products are found to cause any injury or damage, the Company will be subject to substantial liability. This liability may exceed the funds available by the Company and result in the failure of its business.

Product Recall

The sale of products for human consumption involves inherent risks. The Company 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 Company's general reputation in the industry.

Trademark Protection

The Company currently has not obtained any trademarks. Failure to register trademarks for the Company or its products could require the Company 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 Company'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 Company 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 Company from marketing particular products or using certain statements of nutritional support on its products. The Company 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 Company to remove a particular product from the market. Any future recall or removal would result in additional costs to the Company, 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 Company faces competition in the markets in which it operates. Some of the Company'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 Company. The Company'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 Company 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 Company's products or level of service to customers or any occurrence of a price war among the Company's competitors and the Company 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 Company 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 Company. The value of the Common Shares distributed hereunder will be affected by such volatility.

Use of Funds

The Company 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 Company's product development and marketing initiatives. As the Company further expands its business, it is possible that results and circumstances may dictate a departure from the pre-existing budget. Further, the Company 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 Company's broader objectives, as a means of advancing shareholder value.

Conflicts of Interest

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

Personnel

The Company has a small management team and the loss of any key individual could affect the Company's business. Additionally, the Company 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 Company.

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 Company'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 Company and its proposed operations, and some which may affect the sectors in which the Company operates. Such factors could include the performance of the Company'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 Company and general market and economic conditions.

No Dividends

The Company 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 Company'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 Company 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 Company, the risks noted above do not necessarily comprise all those potentially faced by the Company 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 Company 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:

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

(b) Transactions with related parties

	Nine months ended June 30, 2021	**Nine months ended 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.

Outstanding Share Data

The Company's authorized share capital consists of an unlimited number of Common Shares without par value.

As of the date of this MD&A, there are 84,032,142 (September 30, 2020 – 5,855,561) Common Shares issued and outstanding.

Critical Accounting Estimates and Judgements

The preparation of 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 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 audited consolidated financial statements for the year ended September 30, 2020, 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

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**

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 the 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 to the Financial Statements. 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. CSE Listing

The Company commenced trading of its shares on the CSE on July 21, 2021.

b. Acquisitions

On July 23, 2021, the Company signed definitive agreements to acquire clinics, pharmacies, and a telemedicine company in 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 have 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 C$0.51 per share and paid US$1,675,000 in cash on closing, with an additional US$125,000 having been previously paid as a deposit. The Company may also be required to pay up to an additional US$500,000 pursuant to an earn out mechanism based on gross revenue generated by ECO in the six months following closing.

Additional Information

Additional information relating to the Company can be found on SEDAR at www.sedar.com.