DIAGNAMED HOLDINGS CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year Ended September 30, 2022

(Expressed in Canadian Dollars)

Dated: January 26, 2023

INTRODUCTION

Diagnamed Inc. ("Diagnamed") was incorporated under the Business Corporations Act (Ontario) on October 5, 2020. The registered head office of the Company is 82 Richmond Street East, Toronto, ON, M5C 1P1, Canada.

Diagnamed is a Canadian Biotechnology company dedicated to the development and commercialization of digital therapeutics for people who suffer from mental health and neurological disorders globally.

Diagnamed Holdings Corp. (formerly Wolf Acquisition 2.0 Corp. ("combined entity"), or "Wolf") was incorporated under the Business Corporations Act (British Columbia) on April 16, 2021.

On August 11, 2021, Wolf issued 73,250,085 common shares as consideration for acquisition of the 73,250,085 outstanding common shares in the capital of Diagnamed. The Acquisition was accounted for as a reverse takeover ("RTO") whereby Diagnamed was identified as the acquirer for accounting purposes and the resulting consolidated financial statements are presented as a continuance of Diagnamed. After the RTO, the combined entity of Wolf and Diagnamed is referred to also as "the Company" in this MD&A. The fiscal year end of the Company is September 30. On November 8, 2022, the Company's common shares were approved for listing on the Canadian Securities Exchange (the "CSE") and commenced trading under the trading symbol "DMED".

The Canadian Dollar is the Company's functional and reporting currency. Unless otherwise noted, all dollar amounts are expressed in Canadian Dollars.

This MD&A should be read in conjunction with the audited financial statements of the Company for the year ended September 30, 2022 and the period from October 5, 2020 (Date of Incorporation) to September 30, 2021, together with the notes thereto.

For the purposes of preparing this MD&A, management, in conjunction with the Board of the Company (the "Board"), considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of Diagnamed's common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) if it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Further information about the Company and its operations can be obtained from the offices of the Company.

CAUTIONARY NOTE REGARDING FORWARD LOOKING INFORMATION

This MD&A contains forward-looking information and statements ("forward-looking statements") which may include, but are not limited to, statements with respect to the future financial or operating performance of the Company. Forward-looking statements reflect the current expectations of management regarding the Company's future growth, results of operations, performance and business prospects and opportunities. Wherever possible, words such as "may", "would", "could", "will", "anticipate", "believe", "plan", "expect", "intend", "estimate" and similar expressions have been used to identify these forward-looking statements. These statements reflect management's current beliefs with respect to future events and are based on information currently available to management. Forward-looking statements involve significant risks, uncertainties and assumptions. Many factors could cause the actual results, performance or events to be materially different from any future results, performance or events that may be expressed or implied by such forward-looking statements, including, without limitation, those listed in the "Risk Factors" section of this Interim MD&A. Although the Company has attempted to identify important factors that could cause actual results, performance or events to differ materially from those described in the forward-looking statements, there could be other factors unknown to management or which management believes are immaterial that could cause actual results, performance or events to differ from those anticipated, estimated or intended. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect,

actual results, performance or events may vary materially from those expressed or implied by the forward-looking statements contained in this MD&A. These factors should be considered carefully, and readers should not place undue reliance on the forward-looking statements. Forward-looking statements contained herein are made as of the date of this MD&A and the Company assumes no responsibility to update forward looking statements, whether as a result of new information or otherwise, other than as may be required by applicable securities laws.

Forward-Looking Statements	Assumptions	Risk Factors
The Company's (i) development of product candidates, (ii) demonstration of such product candidates' safety and efficacy in clinical trials, and (iii) obtaining regulatory approval to commercialize these product candidates.	Financing will be available for development of new product candidates and conducting clinical studies; the actual results of the clinical trials will be favourable; development costs will not exceed Diagnamed's expectations; the Company will be able to retain and attract skilled staff; the Company will be able to recruit suitable patients for clinical trials; all requisite regulatory and governmental approvals to commercialize the product candidates will be received on a timely basis upon terms acceptable to Diagnamed; applicable economic conditions are favourable to Diagnamed.	Availability of financing in the amount and time frame needed for the development and clinical trials may not be favourable; increases in costs; uncertainties of COVID-19 pandemic; the Company's ability to retain and attract skilled staff; the Company's ability to recruit suitable patients for clinical trials; timely and favourable regulatory and governmental compliance, acceptances, and approvals; interest rate and exchange rate fluctuations; changes in economic conditions.
The Company's ability to obtain the substantial capital it requires to fund research and operations.	Financing will be available for Diagnamed's research and operations and the results thereof will be favourable; debt and equity markets, exchange and interest rates and other applicable economic conditions are favourable to Diagnamed.	Changes in debt and equity markets; uncertainties of COVID-19 pandemic; timing and availability of external financing on acceptable terms; increases in cost of research and operations; interest rate and exchange rate fluctuations; adverse changes in economic conditions.
Factors affecting pre-clinical research, clinical trials and regulatory approval process of the Company's product candidates.	Actual costs of pre-clinical research, clinical and regulatory processes will be consistent with the Company's current expectations; the Company will be able to retain and attract skilled staff; the Company will be able to recruit suitable patients for clinical trials; the Company will be able to complete pre-clinical research and clinical studies on a timely basis with favourable results; all applicable regulatory and governmental approvals for product candidates will be received on a timely basis with terms acceptable to Diagnamed; debt and equity markets, exchange and interest rates, and other applicable economic and political conditions are favourable to Diagnamed; there will be a ready market for the product candidates.	Diagnamed's product candidates may require time-consuming and costly pre-clinical and clinical studies and testing and regulatory approvals before commercialization; the Company's ability to retain and attract skilled staff; uncertainties of COVID-19 pandemic; the Company's ability to recruit suitable patients for clinical trials; adverse changes in regulatory and governmental processes; interest rate and exchange rate fluctuations; changes in economic and political conditions; the Company will not be adversely affected by market competition.

Forward-Looking Statements	Assumptions	Risk Factors
The Company's ability to commercialize on its own or find and enter into agreements with potential partners to bring viable product candidates to commercialization.	Diagnamed will be able to commercialize on its own or to find a suitable partner and enter into agreements to bring product candidates to market within a reasonable time frame and on favourable terms; the costs of commercializing on its own or entering into a partnership will be consistent with Diagnamed's expectations; partners will provide necessary financing and expertise to bring product candidates to market successfully and profitably.	Diagnamed will not be able to commercialize on its own or find a partner and/or enter into agreements within a reasonable time frame; if the Company enters into agreements, these agreements may not be on favourable terms to Diagnamed; costs of entering into agreements may be excessive; uncertainties of COVID-19 pandemic; potential partners will not have the necessary financing or expertise to bring product candidates to market successfully or profitably.
The Company's ability to obtain and protect the Company's intellectual property rights and not infringe on the intellectual property rights of others.	Patents and other intellectual property rights will be obtained for viable product candidates; patents and other intellectual property rights obtained will not infringe on others.	Diagnamed will not be able to obtain appropriate patents and other intellectual property rights for viable product candidates; patents and other intellectual property rights obtained will be contested by third parties; no proof that acquiring a patent will make the product more competitive.
The Company's ability to source markets which have demand for its products and successfully supply those markets in order to generate sales.	The anticipated markets for the Company's potential products and technologies will continue to exist and expand; the Company's products will be commercially viable and it will successfully compete with other research teams who are also examining potential products.	The anticipated market for the Company's potential products and technologies will not continue to exist and expand for a variety of reasons, including competition from other products and the degree of commercial viability of the potential product.
Future actions with respect to and potential impacts of pending claims.	Diagnamed will be able to settle or otherwise obtain disposition of claims against it on favourable terms.	Diagnamed may will not be able to settle pending claims on favourable terms; claims may be adjudicated in a manner that is not favourable to Diagnamed.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company's ability to predict or control. Please also make reference to those risk factors referenced in the "Risk Factors" section below. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements, and that the assumptions underlying such statements may prove to be incorrect. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-

looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

BUSINESS OVERVIEW

The principal business carried on and intended to be carried on by the Company is developing a platform of software-based prescription digital therapeutic products ("**PDT Products**") with the potential to improve early detection of neurological disorders, overall patient health and lower healthcare costs.

The Company's PDT Products include:

- BrainYear™, an electroencephalogram-based ("**EEG**") machine-learning solution to detect an individual's brain age for use in clinic and at-home;
- BrainTremor™, a wearable device to detect tremors and brain activity for neurological disorders by EEG; and
- VR/AI Neuro, a novel virtual reality and artificial intelligence neurodiagnostic system for the evaluation, diagnosis and monitoring of neurodegenerative diseases, such as Parkinson's disease.

The Company is conducting research and development of digital therapeutics applications with the intent to commercialize its PDT Products in the United States and currently outsources its research and development in the U.S. and Canada.

The Company's goal is to complete the development of a prototype of BrainYear™, BrainTremor™, and VR/AI Neuro for clinical research, and ultimately commercialize these products initially in the United States.

BrainYear™

DiagnaMed is investigating technological applications that monitor, collect and use individual information to detect the brain age. In August 2021, DiagnaMed commenced the development of its brain detection software platform, BrainYear™. BrainYear™ is a highly accurate EEG-based machine-learning technique for assessing whether an individual's brain is aging more quickly or more slowly than is typical for healthy individuals. This method provides a window into general brain health by detecting the combined effects of physiological, pathological, genetic, environmental, and lifestyle factors that affect the rate at which a brain ages. Some people's brains function as if older than their chronological age; other people's brains function as if younger. The difference between one's chronological age and one's "brain age" is called the "brain-age gap" (BAG). The Company believes that understanding how brains age is important for understanding and diagnosing age-related neurological disorders so they can be detected and treated early. It is also an important resource for understanding how neurological disorders, injuries, and environmental insults may prematurely age a brain and how particular interventions and lifestyles may preserve or enhance it.

The Company's EEG brain-age estimation technique has a number of practical, commercially promising applications. It can be used as a screening tool to identify individuals whose brain-age gaps suggest underlying age-related pathology (e.g., Parkinson's disease or Alzheimer's disease) that can be followed up with specific neurological diagnostic tests. It raises the possibility of detecting and treating the earliest phases of age-related neurological disorders such as Alzheimer's disease rather than waiting for the emergence of overt symptomatology characteristic of advanced – and currently untreatable – pathology.

The Company's EEG-based brain-age estimation technique would be a useful tool for researchers who wish to test potential interventions for slowing or reversing neurological aging and age- related neurological diseases. Also, the Company is investigating the uses of inexpensive, consumer EEG systems that are increasing in accuracy to enable brain-age estimation at home. This would allow people to periodically test the effects of diet, exercise, meditation, and other lifestyle changes or their brain age.

The development of BrainYear™ constitutes a significant project that has not yet generated revenue. The Company is using both internal resources, research institutions and third party consultants to develop BrainYear™ and expects to commence proof of concept studies in the fourth quarter of 2022, complete proof of concept studies in late-2022, commence a pivotal study in Q1-2023, complete the pivotal study by mid-2023 to support a De Novo application to the FDA approval by end-2023, with the objective of a commercialization of BrainYear™ in 2024.

BrainTremor™

DiagnaMed is investigating technological applications that monitor, collect and use individual information to detect tremors, and measuring cognitive and brain activity in patients with neurological disorders. The Company is developing BrainTremor™, combining a smartwatch and an EEG device that will detect tremors, and measure cognitive and brain activity for Parkinson's disease.

Parkinson's disease is a neurodegenerative disease that is characterized by motor symptoms such as bradykinesia, rigidity (slowness of movement), postural instability, and resting tremors, but also by non-motor symptoms, such as depression, apathy, or cognitive decline. Among these symptoms, resting tremor is usually the most evident and clinically distinctive. Currently in the USA, there are approximately 1.5 million patients living with PD and 60,000 new cases reported each year. Medication therapy must be customized for each patient, with optimal quality of life being the most important goal. Under treatment with dopaminergic medications, many patients experience "wearing off" (a return of symptoms attributed to declining benefit from the previous dose and prior to the next dose) or delayed "on" (prolonged time to experience improvement in symptoms after a treatment dose). In addition, involuntary movements known as dyskinesias can occur when dopamine stimulation in the brain is relatively high. Patients work with their health-care provider to manage these motor complications by adjusting medication type, quantity, and timing to maintain continuous clinical benefit.

While evidence-based practices for adjusting medication do exist, managing fluctuations to maximize "on" times, while minimizing dyskinesias continues to be a daunting task. Optimization of medication places the patient in the middle of a complex system where drug types, dose levels, and dose timing interact to create patterns of motor symptoms and side effects fluctuating throughout the day. Clinical rating scales, most commonly the Unified Parkinson's Disease Rating Scale, are used by physicians to track disease progression during routine clinical management but they require time for observation and the presence of a clinician, which prohibits monitoring symptom fluctuation patterns throughout the day or outside the clinic. Obtaining only a snapshot of symptoms during a single clinical office visit does not provide enough time resolution to determine how to optimize symptomatic benefit. To supplement these clinical evaluations, patients are often asked to keep a diary of their symptoms throughout the day. Paper diaries; however, can be burdensome to complete, leading to poor compliance and inaccuracies. These limitations can make decisions about medication adjustments particularly challenging and require costly trial and error to determine what works best. Patients' understanding of their disease state and treatment options is a critical element of health-care engagement.

The movement disorders community has been looking into applications of novel technology for PD monitoring outside the clinic with the goals of tailoring symptomatic therapy and enhancing health outcomes.

Wearable technology, such as smartwatches are a well-established tool for continuous activity and fitness tracking, has shown great promise for providing an objective evidence base for clinical decision-making in PD. Smartphone-based systems have been used to collect and process motion data along with manually entered records of medications, nonmotor symptoms, and exercise, as well as perform additional recording tasks. With the advancement and availability of smartwatches, high fidelity wrist-worn sensor platforms can be easily obtained off the shelf at a cost reasonable to a patient and clinician.

For out-of-clinic symptom tracking, clinicians rely on patient recall of symptoms, which is often error-prone, particularly for medication-induced symptoms like dyskinesia. As such, clinicians are limited by infrequent, coarse patient evaluations that cannot capture subtle disease progression, or daily fluctuations from medication, exercise, diet, or stress.

The Company is developing BrainTremor™, an AI-based software program to detect tremors that will relegate movement disorders specialists to a secondary role in caring for patients with Parkinson's disease (PD). The use of artificial intelligence (AI) to help diagnose and manage disease is of increasing interest to researchers and clinicians. Volumes of health data are generated from smartphones and ubiquitous inexpensive sensors. By using these data, AI can offer otherwise unobtainable insights about disease burden and patient status in a free-living environment. Moreover, from clinical datasets AI can improve patient symptom monitoring and global epidemiologic efforts.

The development of BrainTremor™ has not yet generated revenue. The Company is using both internal resources, research institutions and third party consultants to develop BrainTremor™ and expects to commence a proof of concept study in the Q4-2022, complete the proof of concept study in Q1-2023, complete pivotal studies to support a De Novo application for FDA approval in 2023, with the objective of a commercialization of BrainTremor™ in 2024.

VR/AI Neuro

DiagnaMed is investigating a novel virtual reality and artificial intelligence neurodiagnostic system ("VR/AI Neuro") for the evaluation, diagnosis and monitoring of neurodegenerative diseases, such as Parkinson's disease. The VR/AI Neuro system complements and strengthens DiagnaMed's proposed full-spectrum digital diagnostics brain health solutions for mental health and neurological disorders. Early and accurate diagnosis is still difficult for neurodegenerative conditions like Parkinson's disease. Evaluations can be time-consuming, patients must often travel to metropolitan areas or different cities to see experts, and misdiagnosis can result in improper treatment. Only a handful of assistive or remote methods exist to help physicians evaluate patients with suspected neurological diseases conveniently and consistently. The VR/AI Neuro system aims to enable clinical and remote neurological diagnosis on a low-cost, portable virtual reality device that can visualize eye movements in videos and interface with the physician who is in a different location than the patient, which may result in more accurate diagnoses, less time spent on making a correct diagnosis for the physician, and lower transportation costs for patients.

The VR/AI Neuro system has been in research and co-development for some time by Kansas University Medical Center, Osaka University and Augusta University. It is designed to support the evaluation and diagnosis of neurodegenerative disease and test its use in a clinical setting. Using a commercially available VR display with an infrared camera integrated into the lens, researchers have constructed a 3D virtual environment designed to emulate common tasks used to evaluate patients, such as fixating on a point, conducting smooth pursuit of an object, or

executing saccades. These virtual tasks are designed to elicit eye movements commonly associated with neurodegenerative diseases, such as abnormal saccades, square wave jerks, and ocular tremors. Researchers then conducted experiments with 9 patients diagnosed with Parkinson's disease and 7 healthy controls to test the VR/AI Neuro system's potential to emulate tasks for clinical diagnosis. Researchers then applied eye-tracking algorithms and image enhancement to the eye recordings taken during the experiment and conducted a short follow-up study with two physicians for evaluation. Results showed that the VR/AI Neuro system interface could elicit five common types of movements usable for evaluation, physicians could confirm three out of four abnormalities, and visualizations were rated as potentially useful for diagnosis.

The development of VR/AI Neuro system has not yet generated revenue. The Company is evaluating a development plan that would leverage internal resources, research institutions and third party consultants to develop VR/AI Neuro system. The Company expects to commence development by mid-2023.

CORPORATE HIGHLIGHTS

On August 11, 2021, Wolf issued 73,250,085 common shares as consideration for acquisition of the 73,250,085 outstanding common shares in the capital of Diagnamed. The Acquisition was accounted for as a reverse takeover ("RTO") whereby Diagnamed was identified as the acquirer for accounting purposes and the resulting consolidated financial statements are presented as a continuance of Diagnamed. After the RTO, the combined entity of Wolf and Diagnamed is referred to also as "the Company" in these consolidated financial statements.

In November 2021, DiagnaMed, under the UHN Sponsored Research Agreement, completed a concept of BrainTremor™ which includes a software and hardware stack paired with a low-cost EEG device that delivers sessions to study subjects with the objective of measuring cognitive and brain activity status.

On December 8, 2021, DiagnaMed entered into the Regents of the University of Colorado Agreement for the worldwide rights to intellectual property relating to a Self-Healable, Recyclable, and Reconfigurable Wearable Electronics Device, which will be developed as a wearable medical device that detect tremors.

On January 4, 2022, the Board of Directors resolved to convert, effective as of January 4, 2022, and for no additional consideration and pursuant to the terms of the Special Warrants, all of 622,000 Special Warrants issued and outstanding into 622,000 Special Warrant Shares.

On January 4, 2022, the Company granted 2,000,000 stock options to officers and directors of the Company with each stock option exercisable at $0.10 per share until five years after the date of grant.

On January 5, 2022, DiagnaMed filed trademarks for BrainYear™ and BrainTremor™ with the Canadian Intellectual Property Office.

On February 4, 2022, DiagnaMed entered into the Regents of the University of Colorado Sponsored Research Agreement in order to develop a clinical-grade prototype of BrainTremor™.

On June 21, 2022, DiagnaMed entered into the licensing agreement with the KU Center for Technology Commercialization, Inc. for the development and commercialization of intellectual property of VR/AI Neuro, a novel virtual reality and artificial intelligence neurodiagnostic system for the evaluation, diagnosis and monitoring of neurodegenerative diseases, such as Parkinson's disease.

On July 21, 2022, DiagnaMed entered into the Drexel Sponsored Research Agreeemnt in order to develop a clinical-grade prototype of BrainYear™.

TRENDS AND ECONOMIC CONDITIONS

Management regularly monitors economic conditions and estimates their impact on the Company's operations and incorporates these estimates in both short-term operating and longer-term strategic decisions. Strong equity markets are favorable conditions for completing a public merger or acquisition transaction.

At the date of this MD&A, the Canadian government has not introduced measures which impede the activities of the Company. Management believes the business will continue and accordingly the current situation bears no impact on management's going concern assumption. However, it is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

(c) Apart from these and the risk factors noted under the heading "Risk Factors" and "Cautionary Note Regarding Forward-Looking Information", management is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company's business, financial condition or results of operations.

SELECTED ANNUAL INFORMATION

	Year ended September 30, 2022 $	Period from October 5, 2020 (date of incorporation) to September 30, 2021 $
Total assets	1,615,568	2,389,980
Total liabilities	369,512	150,243
Working capital	1,246,056	2,239,737
Expenses	1,132,434	1,947,816
Net (loss)	(1,132,434)	(1,947,816)
Net (loss) per share, basic and diluted	(0.01)	(0.03)

RESULTS OF OPERATIONS

The Company reported a net loss of $1,132,434 for the year ended June 30, 2022 which is comprised of $562,859 research expense which is comprised of $266,745 for BrainTremor™ and $296,114 for BrainYear™, $216,306 professional fees which is comprised of $10,105 accounting, $55,471 audit fees and $150,730 legal

fees, $175,000 consulting fees relating to management advisory, business development, technical and regulatory advisory and marketing, $138,753 stock-based compensation, $24,714 license fees, $18,061 office and general and foreign exchange gain of $3,259.

The Company reported a net loss of $304,821 for the three months ended September 30, 2022 which is comprised of $179,722 research expense which is comprised of $80,214 for BrainTremor™ and $99,508 for BrainYear™, $60,421 professional fees which is comprised of $2,404 accounting, $24,573 audit fees and $33,444 legal fees, $45,000 consulting fees relating to management advisory, business development, technical and regulatory advisory and marketing, $22,781 stock-based compensation, foreign exchange gain of $3,146 license fee of $11 and $32 office and general.

During the period from October 5, 2020 to September 30, 2021, the Company incurred $130,000 research expense on BrainTremor™ project. The $130,000 research expense was attributed to the research activities under the UHN Sponsored Research Agreement, specifically $115,000 invoiced and $15,000 accrued. The UHN Sponsored Research Agreement objective was to develop a beta-version of a software and hardware stack paired with a low-cost EEG device that delivers sessions to study subjects with the objective of measuring cognitive and brain activity status.

During the period from October 5, 2020 to September 30, 2021, the Company incurred $71,771 research expense on BrainYear™ project. The $71,771 research expense was attributed to the research activities under the Drexel University Sponsored Research Agreement with the objective to develop a prototype of BrainYear™.

RESEARCH ACTIVITIES

During the year ended September 30, 2022, the Company incurred $266,745 research expenses (period from October 5, 2020 to September 30, 2021 - $130,000) on BrainTremor™ project. The research expense was attributed to the research activities under the UHN Sponsored Research Agreement. The UHN Sponsored Research Agreement objective was to develop a beta-version of a software and hardware stack paired with a low-cost EEG device that delivers sessions to study subjects with the objective of measuring cognitive and brain activity status.

During the year ended September 30, 2022, the Company incurred $296,114 research expenses (period from October 5, 2020 to September 30, 2021 - $71,771) on BrainYear™ project. The research expense was attributed to the research activities under the Drexel University Sponsored Research Agreement with the objective to develop a prototype of BrainYear™.

COMMITMENTS

On June 24, 2021, the Company has entered into a licensing arrangement with the Drexel University relating to the BrainYear™ project, whereby US$2,500 will be paid each year and certain milestone payments and royalties are payable upon the achievement of certain events. The Company will record these amounts as the events occur.

On December 8, 2021, the Company entered into a licensing agreement with the University of Colorado relating to certain patents held by the University of Colorado for self-healable, recyclable, reconfigurable and wearable electronics devices. The Company is committed to pay to University of Colorado license fees of US$10,000 on December 8, 2021 (the "Effective Date") and license maintenance fees as follows: US$10,000 on the third anniversary of the Effective Date, US$15,000 on the fourth anniversary of the Effective Date, US$30,000 on the fifth anniversary of the Effective Date, US$50,000 on the sixth anniversary of the Effective Date and $US75,000 on the seventh and subsequent anniversaries of the Effective Date until the termination of the agreement.

On February 4, 2022, the Company signed a sponsored research agreement with the University of Colorado to sponsor a research project at the University relating to the subject of the license agreement signed on December 8, 2021. The term of the research agreement is from March 1, 2022 to February 28, 2023. The Company is committed to pay University of Colorado cost of the research project in the amount of US$183,800, 50% of which is payable after the execution of the agreement and invoice from the University, with the remainder paid in equal monthly amounts.

On June 21, 2022, the Company entered into a licensing agreement with the KU Center for Technology Commercialization, Inc. ("KCTC"), a non-profit corporation of the University of Kansas, for the development and commercialization of intellectual property of a novel virtual reality and artificial intelligence neurodiagnostic system ("VR/AI Neuro") for the evaluation, diagnosis and monitoring of neurodegenerative diseases, such as Parkinson's disease. The Company paid to KCTC a one-time license fee of US$6,000 and committed to pay license maintenance fees of US$2,000 on each anniversary of the Effective Date.

SELECTED QUARTERLY INFORMATION

A summary of selected information for each of the quarters presented below is as follows:

For the Period Ended	Net Loss		Total assets ($)
	Total ($)	Basic and diluted loss per share ($)	
September 30, 2022	304,821	(0.01)	1,615,568
June 30, 2022	328,683	0.00	1,875,810
March 31, 2022	326,480	0.00	2,011,478
December 31, 2021	172,450	0.00	2,177,836
September 30, 2021	1,467,712	(0.02)	2,389,980

June 30, 2021	341,521	(0.01)	2,382,275
March 31, 2021	138,583	0.00	1,650,470
December 31, 2020	Nil	0.00	nil

LIQUIDITY AND CAPITAL RESOURCES

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company's liquidity and operating results may be adversely affected if the Company's access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or as a result of conditions specific to the Company. The Company regularly evaluates its cash position to ensure preservation and security of capital as well as maintenance of liquidity. As the Company does not presently generate revenue to cover its costs, managing liquidity risk is dependent upon the ability to secure additional financing. The recoverability of the carrying value of the assets and the Company's continued existence is dependent upon the achievement of profitable operations, or the ability of the Company to raise alternative financing, as necessary. While management and the Board have been successful in raising the necessary capital, it cannot provide assurance that it will be able to execute on its business strategy or be successful in future financing activities.

As at September 30, 2022, the Company had a cash balance of $1,570,227 and accounts receivable of $45,341 which represent the HST to settle current liabilities of $369,512. This represents a working capital of $1,246,056 which is comprised of current assets less current liabilities. The Company has not yet realized profitable operations and has incurred losses to date resulting in a cumulative deficit of $3,080,250 as at September 30, 2022.

As at September 30, 2021, the Company had a cash balance of $2,357,807 and accounts receivable of $32,173 which represent the HST to settle current liabilities of $150,243. This represents a working capital of $2,239,737 which is comprised of current assets less current liabilities. The Company has not yet realized profitable operations and has incurred losses to date resulting in a cumulative deficit of $1,947,816 as at September 30, 2021.

REVERSE TAKEOVER

On August 11, 2021, Wolf entered into a Share Exchange Agreement ("SEA") with the shareholders of Diagnamed. Under the terms of the SEA, Diagnamed shareholders exchanged their 73,250,085 common shares for 73,250,085 of Wolf. The percentage of ownership Wolf shareholders had in the combined entity was 3% after the issue of 73,250,085 Wolf shares to the former Diagnamed Shareholders. The following table represents the share capital of each company prior to the RTO:

The share capital of each company prior to the RTO was as follows:

Wolf	Number of common shares	Amount ($)
Balance, prior to the RTO	2,350,000	12,444

Diagnamed	Number of common shares	Amount ($)
Balance, prior to the RTO	73,250,085	2,877,201

In accordance with IFRS 3, Business Combination, the substance of the transaction is a reverse takeover of a non-operating company. The transaction does not constitute a business combination as Wolf does not meet the definition of a business under the standard. As a result, the transaction is accounted for as a capital transaction with Diagnamed being identified as the acquirer and the equity consideration being measured at fair value. The resulting consolidated statement of financial position is presented as a continuance of Diagnamed.

IFRS 2, Share-based Payment, applies to transactions where an entity grants equity instruments and cannot identify specifically some or all of the goods or services received in return. Because Diagnamed would have issued shares with a value in excess of the net assets received, the difference is recognised in comprehensive loss as a RTO transaction cost. The amount assigned to the transaction cost of $1,264,148 is the difference between the fair value of the consideration and the net identifiable assets of Wolf acquired by Diagnamed and included in the consolidated statement of loss and comprehensive loss.

The fair value of the consideration in the RTO is equivalent to the fair value of the 622,000 special warrants to combined entity special warrant holders, 15,250,000 warrants to Diagnamed Holdings Corp. warrant holders and 2,350,000 combined entity common shares controlled by original Wolf shareholders. The fair value of the 2,350,000 shares controlled by the Diagnamed Holdings Corp. shareholders in combined entity was estimated to be $235,000 based on the fair market value of $0.10 per share in the private placement of Diagnamed in June 2021. The fair value of the special warrants was estimated to be $62,200 based on the fair market value of $0.10 per share private placement of Diagnamed in June 2021 as each special warrant entitled the holder thereof to automatically receive, without payment of additional consideration and without further action on the part of the holder, one common share of the Company upon conversion. The fair value of the warrants was estimated to be $1,001,017 using the Black-Scholes valuation model on the following assumptions: dividend yield of 0%; volatility of 100%; risk -free interest rate of 0.39%; stock price of $0.10 and expected life of 1.69 years.

On August 11, 2021, the RTO was completed. Based on the financial position of Wolf at the time of the RTO, the net assets at estimated fair value that were acquired by Diagnamed were $34,069 and the resulting transaction cost charged to the consolidated statement of loss and comprehensive loss is as follows:

Consideration	
Common shares	$235,000
Special warrants	62,200
Warrants	1,001,017
Total consideration	$1,298,217
Identifiable assets acquired	
Cash and cash equivalents	$34,069
Total identifiable assets acquired	34,069
Unidentifiable assets acquired	
Transaction cost	1,264,148
Total net identifiable assets and transaction cost	$1,298,217

RELATED PARTY TRANSACTIONS

Related parties include the Board of Directors, officers, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. The below noted transactions are in the normal course of business and are measured at the exchange amount, as agreed to by the parties, and approved by the Board of Directors in strict adherence to conflict of interest laws and regulations.

The Chief Financial Officer ("CFO") of the Company is an employee of Marrelli Support Services Inc. ("MSSI"). During the year ended September 30, 2022, the Company incurred professional fees of $10,105 (period from October 5, 2020 to September 30, 2021 - $12,954) to MSSI. These services were incurred in the normal course of operations for general accounting and financial reporting matters. As at September 30, 2022, MSSI was owed $5,906 (September 30, 2021 - $5,000), inclusive of HST with respect to services provided, and this amount was included in accounts payable and accrued liabilities.

During the year ended September 30, 2022, the Company incurred consulting fees of $175,000 (period from October 5, 2020 to September 30, 2021 - $63,500) to the Chief Executive Officer ("CEO") and companies controlled by the CEO. As at September 30, 2022, the CEO and companies controlled by the CEO were owed $nil. On May 11, 2021, Wolf issued 5,000,000 warrants to the CEO of the Company. At the time of the foregoing issuance, the CEO was not an officer or director of Wolf and as such was acting at arm's length to Wolf. The CEO became the CEO of the Company as a result of the RTO.

During the year ended September 30, 2022, the Company incurred consulting fees of $88,500 (period from October 5, 2020 to September 30, 2021 - $nil) to Larnic Inc., a company controlled by the spouse of the CEO for clinical and regulatory advisory services. These fees were included in the research expenses in the unaudited condensed interim consolidated statements of loss and comprehensive loss for the three and nine months ended June 30, 2022. As at September 30, 2022, Larnic Inc. was owed $nil.

There were no ongoing contractual or other commitments resulting from above transactions.

CAPITAL MANAGEMENT

The Company objectives when manages its capital is to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions and to maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis. The Company's ability to continue to carry out its planned activities is uncertain and dependent upon the continued financial support of its shareholders and securing additional financing.

The Company considers its capital to be equity, which comprises share capital, special warrants, warrants, contributed surplus and, accumulated deficit, which at September 30, 2022 totaled equity of $1,246,056.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

OFF-BALANCE SHEET ARRANGEMENTS

As of the date of this filing, the Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company including, without limitation, such considerations as liquidity and capital resources that have not previously been discussed.

CURRENT GLOBAL FINANCIAL CONDITIONS AND TRENDS

Management regularly monitors economic financial market conditions and estimates their impact on the Company's operations and incorporates these estimates in both short-term operating and longer-term strategic decisions.

Due to the worldwide COVID-19 pandemic, material uncertainties may arise that could influence management's going concern assumption. Management cannot accurately predict the future impact COVID-19 may have on:

- Research;
- The severity and the length of potential measures taken by governments to manage the spread of the virus, and their effect on labor availability and supply lines;
- Availability of government supplies, such as water and electricity;
- Purchasing power of the Canadian dollar; and
- Ability to obtain funding.

At the date of this MD&A, the Canadian federal government and the provincial government of Ontario have not introduced measures that have directly impeded the operational activities of the Company. Management believes the business will continue and, accordingly, the current situation has not impacted management's going concern assumption. However, it is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUTH SIGNIFICANT REVENUE

Expenses

	Year ended September 30, 2022 ($)	Period from October 5, 2020 to September 30, 2021 ($)
Office and general	18,061	1,323
Professional fees	216,306	35,519
Consulting fees	175,000	429,000
Research	562,859	201,771
Stock-based compensation	138,753	nil
License fees	24,714	16,055
Foreign exchange gain	(3,259)	nil
RTO transaction cost	nil	1,264,148
Total	**1,132,434**	**1,947,816**

Research

	Year ended September 30, 2022 ($)	Period from October 5, 2020 to September 30, 2021 ($)
BrainTremor™	266,745	130,000
BrainYear™	296,114	71,771
Total	**562,859**	**201,771**

RISK FACTORS

Limited Operating History

The Company has a limited operating history in its industry upon which its business and future prospects may be evaluated. The Company is subject to all of the business risks and uncertainties associated with a new business

enterprise, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources, lack of revenues and the risk that the Company will not achieve its operating goals. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of the Company's success must be considered in light of its early stage of operations.

Actual Financial Position and Results of Operations May Differ from Expectations of Management

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

Company's prescription digital therapeutics ability to achieve and maintain market acceptance and adoption by patients and physicians

The Company's current business strategy is highly dependent on our prescription digital therapeutics achieving and maintaining broad market acceptance by patients and physicians. Market acceptance and adoption of our PDTs depends on educating people with chronic conditions, as well as self-insured employers, commercial and government payors, health plans and physicians and other government entities, as to the distinct features, therapeutic benefits, cost savings, and other advantages of our PDTs as compared to competitive products or other currently available methodologies. If the Company are not successful in demonstrating to existing or potential patients and prescribers the benefits of our products, or if the Company are not able to achieve the support of patients, healthcare providers and payors for our products, our sales may decline or the Company may fail to increase our sales in line with our forecasts.

Achieving and maintaining market acceptance of our products could be negatively impacted by many factors, including:

- the failure of BrainYear™ and BrainTremor™ to achieve wide acceptance among people with neurodegenerative diseases, self-insured employers, commercial and government payors, health plans, physicians and other government entities, and key opinion leaders in the treatment community;
- lack of additional evidence or peer-reviewed publication of clinical or real world evidence supporting the effectiveness, safety, cost-savings or other advantages of the Company's products over competitive products or other currently available methodologies;
- perceived risks associated with the use of the Company's products or similar products or technologies generally;
- the Company's ability to secure and maintain U.S. Food and Drug Administration and other regulatory clearance, authorization or approval for the Company's products;
- the introduction of competitive products and the rate of acceptance of those products as compared to the Company's products; and
- results of clinical, real world and health economics and outcomes research studies relating to chronic condition products or similar competitive products.

In addition, the Company's products may be perceived by patients and healthcare providers to be more complicated or less effective than traditional approaches, and people may be unwilling to change their current

health regimens. Moreover, the Company believe that healthcare providers tend to be slow to change their medical treatment practices because of perceived liability risks arising from the use of new products and the uncertainty of third-party reimbursement. Accordingly, healthcare providers may not recommend the Company products until there is sufficient evidence to convince them to alter their current approach.

Rapidly evolving prescription digital therapeutics market

The market for the Company's PDTs is new and rapidly evolving, and it is uncertain whether it will achieve and sustain high levels of demand and market adoption. The Company's future financial performance will depend on growth in this market and on the Company's ability to adapt to emerging demands of the Company's customers. It is difficult to predict the future growth rate and size of the Company's target market. Negative publicity concerning the Company's products or the PDT market as a whole could limit market acceptance of the Company's products. If patients and healthcare providers do not perceive the benefits of PDTs, then the Company's market may not develop at all, or it may develop more slowly than the Company expect. The Company's success will depend to a substantial extent on the willingness of healthcare providers to prescribe the Company's products, the extent to which coverage and adequate reimbursement for these products and related treatments will be available from government health administration authorities, private health insurers and other organizations and the Company's ability to demonstrate the value of the Company's products to existing and potential patients and prescribers. Similarly, negative publicity regarding patient confidentiality and privacy in the context of technology-enabled healthcare or concerns experienced by our competitors could limit market acceptance of PDTs.

The healthcare industry in the United States is undergoing significant structural change and is rapidly evolving. The Company believe demand for the Company's products has been driven in large part by rapidly growing costs in the traditional healthcare system, the movement toward patient-centricity and personalized healthcare, and advances in technology. Widespread acceptance of personalized healthcare is critical to the Company's future growth and success. A reduction in the growth of personalized healthcare could reduce the demand for the Company's PDTs and result in a lower revenue growth rate or decreased revenue.

If the Company's assumptions regarding these uncertainties are incorrect or change in reaction to changes in the Company's markets, or if the Company's does not manage or address these risks successfully, the Company's results of operations could differ materially from the Company's expectations, and the Company's business could suffer.

Lack of Supporting Clinical Data

The clinical effectiveness and safety of any of the Company's developmental products is not yet supported by clinical data and the medical community has not yet developed a large body of peer reviewed literature that supports the safety and efficacy of the Company's products. If future studies call into question the safety or efficacy of the Company's products, the Company's business, financial condition, and results of operations could be adversely affected.

Research and Development Risk

A principal component of the Company's business strategy is to expand its product offering. As such, the Company's organic growth and long-term success is dependent in part on its ability to successfully develop new and current products and it will likely incur significant research and development expenditures to do so. The Company cannot be certain that any investment in research and development will yield technically feasible or commercially viable products. Furthermore, its ability to discover and develop products will depend on its ability to:

- retain key scientists as employees or partners;
- identify high quality therapeutic targets and unmet medical needs;
- identify potential drug candidates and medical devices;
- develop products internally and assist its partners with development;
- successfully complete laboratory testing and clinical trials on humans;
- obtain and maintain necessary intellectual property rights to the Company's products;
- obtain and maintain necessary U.S. and other regulatory approvals for its products;
- collaborate with third parties to assist in the development of its products; and
- enter into arrangements with third parties to co-develop, license, and commercialize its products.

The Company may not be successful in discovering and developing drug and medical device products. Failure to introduce and advance new and current products could materially and adversely affect the Company's operations and financial condition.

Clinical Development Risks

The Company must demonstrate the safety and efficacy of its products through, among other things, extensive clinical testing. The Company's drug research and development programs are at an early stage of development. Numerous unforeseen events during, or as a result of, the testing process could delay or prevent commercialization of any products the Company develops, including the following:

- the results of early clinical studies may be inconclusive, may demonstrate potentially unsafe drug characteristics, or may not be indicative of results that will be obtained in later human clinical trials;
- the safety and efficacy results attained in the early clinical studies may not be indicative of results that are obtained in later clinical trials; and
- after reviewing early clinical study results, the Company or its partners or collaborators may abandon projects that were previously thought to be promising.

Clinical studies are very expensive, can run into unexpected difficulties and the outcomes are uncertain. Clinical studies of the Company's products may not be completed on schedule or on budget. The Company's failure to complete any of its clinical studies on schedule or on budget, or its failure to adequately demonstrate the safety and efficacy of any of the products it develops, could delay or prevent regulatory approval of such products, which could adversely affect the Company's business, financial condition, and results of operations.

Research-stage digital therapeutics company with a limited operating history

The Company is a research-stage digital therapeutics company with a limited operating history. The Company was formed in 2020 and its operations to date have been limited. The Company has not yet demonstrated an ability to generate revenues, obtain regulatory approvals, manufacture any product on a commercial scale or

arrange for a third party to do so on the Company's behalf, or conduct sales and marketing activities necessary for successful product commercialization. The Company has no products approved for commercial sale and has not generated any revenue from product sales to date, nor does it expect to generate any revenue from product sales for the next few years, if ever. The Company will continue to incur significant research and development and other expenses related to its preclinical and clinical development and ongoing operations. As a result, The Company is not profitable and has incurred losses in each period since its inception. The Company expects to continue to incur significant losses for the foreseeable future, and it expects these losses to increase as the Company continues its research and development of, and seek regulatory approvals for, the Company's product candidates. The Company anticipates that its expenses will increase substantially if, and as, it:

- advances its lead product candidate BrainYear™ through clinical development;
- advances its BrainTremor™ candidates into clinical development;
- seeks to identify, acquire and develop additional product candidates, including through business development efforts to invest in or in-license other technologies or product candidates;
- hires additional clinical, quality control, medical, scientific and other technical personnel to support its clinical operations;
- expands its operational, financial and management systems and increases personnel to support its operations;
- meets the requirements and demands of being a public company;
- maintains, expands and protects its intellectual property portfolio;
- seeks regulatory approvals for any product candidates that successfully complete clinical trials; and
- undertakes any pre-commercialization activities to establish sales, marketing and distribution capabilities for any product candidates for which it may receive regulatory approval.

Regulatory Approval, Licenses and Permits

The Company may be required to obtain and maintain certain permits, licenses, and approvals in the jurisdictions where its products or technologies are being researched, developed, or commercialized. There can be no assurance that the Company will be able to obtain or maintain any necessary licenses, permits, or approvals. Any material delay or inability to receive these items is likely to delay and/or inhibit the Company's ability to conduct its business, and would have an adverse effect on its business, financial condition, and results of operations.

In particular, the Company will require approval from the FDA and equivalent organizations in other countries before any of its products can be marketed. There is no assurance that such approvals will be forthcoming. Furthermore, the exact nature of the studies these regulatory agencies will require is not known and can be changed at any time by the regulatory agencies, increasing the financing risk and potentially increasing the time to market the Company faces, which could adversely affect the Company's business, financial condition or results of operations.

In addition, the Company does not yet manufacture any products and currently relies, and intends to rely, on third parties to manufacture the products that the Company identifies as product candidates. The Company's research, development and commercialization of its product candidates could be stopped or delayed if any such third party fails to provide sufficient quantities of any products, fails to provide products at acceptable quality levels or prices or fails to achieve satisfactory regulatory compliance. If any of these events occurs, the Company may be forced to abandon its research, development and commercialization programs in respect of certain or all products, which would have a material adverse effect on its business and could potentially cause the Company to cease operations.

Ability to successfully complete clinical development, obtain regulatory approval for or commercialize PDT products

To date, the Company as an organization have not completed any clinical trials or development of any product candidates. The Company's future success and ability to generate revenue from its lead product candidates, is dependent on its ability to successfully develop, obtain regulatory approval for and commercialize BrainYear™ and BrainTremor™. The Company may not have the financial resources to continue development of its product candidates if they experience any issues that delay or prevent regulatory approval of, or its ability to commercialize, including:

- its inability to demonstrate to the satisfaction of the FDA or comparable foreign regulatory authorities that BrainYear™ and BrainTremor™ is safe and effective;
- insufficiency of its financial and other resources to complete the necessary clinical trials and preclinical studies;
- negative or inconclusive results from its clinical trials, preclinical studies or the clinical trials of others for product candidates similar to the Company's, leading to a decision or requirement to conduct additional clinical trials or preclinical studies or abandon a program;
- product-related adverse events experienced by subjects in its clinical trials, including unexpected results, or by individuals using products similar to BrainYear™ and BrainTremor™;
- delays in enrolling subjects in clinical trials;
- high drop-out rates of subjects from clinical trials;
- poor effectiveness of BrainYear™ and BrainTremor™ during clinical trials;
- greater than anticipated clinical trial or manufacturing costs;
- delays in submitting a de novo application, or comparable foreign applications or delays or failure in obtaining the necessary approvals from regulators to commence a clinical trial or a suspension or termination, or hold, of a clinical trial once commenced;
- conditions imposed by the FDA, or comparable foreign regulatory authorities regarding the scope or design of its clinical trials;
- delays and changes in regulatory requirements, policy and guidelines, including the imposition of additional regulatory oversight around clinical testing generally or with respect to its therapies in particular; or
- varying interpretations of data by the FDA or comparable foreign regulatory authorities.

Maintain market acceptance

The Company's current business strategy is highly dependent on the Company's products achieving and thereafter FDA approval and maintaining market acceptance. Market acceptance and adoption of BrainYear™ and BrainTremor™ depends on educating people with neurological conditions, as well as payers, health plans and government entities, as to the distinct features, clinical impact, cost savings, and other benefits of the Company's products. If the Company is not successful in demonstrating to physicians who treat potential patients the benefits of the Company's products, if approved, or if the Company are not able to achieve the support of insurance carriers for the Company's products, the Company's business, financial condition and results of operation would be materially and adversely affected.

In addition, the Company's products may be perceived by patients and healthcare providers to be more complicated or less effective than traditional approaches, and people may be unwilling to change their current health regimens. Moreover, the Company believes that healthcare providers tend to be slow to change their medical treatment practices because of perceived liability risks arising from the use of new products and the uncertainty of third-party reimbursement. Accordingly, healthcare providers may not recommend the Company's products until there is sufficient evidence to convince them to alter their current approach.

Competition

The clinical and commercial landscapes for diagnosing neurological diseases are highly competitive and subject to rapid and significant technological change. The Company faces competition with respect to its indications for the Company's product candidates from major digital therapeutics, pharmaceutical companies, specialty pharmaceutical companies, biotechnology companies, medical device companies and potentially other technology companies. Potential competitors also include academic institutions, government agencies and other public and private research organizations that conduct research, seek patent protection and establish collaborative arrangements for research, development, manufacturing and commercialization. In addition, technology companies are increasingly exploring digital product to manage and treat neurological diseases that could compete with the Company's product candidates, if approved.

The Company's competitors may have significantly greater financial resources, established presence in the market, expertise in research and development, manufacturing, preclinical and clinical testing, obtaining regulatory approvals and reimbursement and marketing approved products than the Company does. Accordingly, its competitors may be more successful than the Company may be in obtaining regulatory approval for therapies and achieving widespread market acceptance. The Company's competitors' products may be more effective, or more effectively marketed and sold, than any product candidate the Company may commercialize and may render its therapies obsolete or non-competitive before the Company can recover development and commercialization expenses. If any of the Company product candidates, including BrainYear™ and BrainTremor™, is approved, it could compete with a range of neurological diagnostics and treatments that are in development.

If the Company obtains approval for any of its product candidates, the Company may face competition based on many different factors, including the efficacy, safety and tolerability of its products, the ease with which its products can be administered, the timing and scope of regulatory approvals for these products, the availability and cost of manufacturing, marketing and sales capabilities, price, reimbursement coverage and patent position. Existing and future competing products could present superior treatment alternatives, including being more effective, safer, less expensive or marketed and sold more effectively than any product the Company may develop. Competitive products may make any product the Company develops obsolete or noncompetitive before it recovers the expense of developing and commercializing the Company's product candidates. Such competitors could also recruit its employees, which could negatively impact the Company's level of expertise and its ability to execute its business plan.

In addition, the Company's competitors may obtain patent protection or FDA approval and commercialize products more rapidly than the Company does, which may impact future approvals or sales of any of the Company's product candidates that receive regulatory approval. If the FDA approves the commercial sale of any of the Company's product candidates, the Company will also be competing with respect to marketing capabilities and manufacturing efficiency. The Company expects competition among products will be based on product efficacy and safety, the timing and scope of regulatory approvals, marketing and sales capabilities, product price, reimbursement coverage by government and private third-party payers, regulatory exclusivities and patent position. The Company's profitability and financial position will suffer if the Company's product candidates receive regulatory approval but cannot compete effectively in the marketplace.

Mergers and acquisitions in the pharmaceutical and biotechnology industries may result in even more resources being concentrated among a smaller number of its competitors. Smaller and other early-stage companies may also prove to be significant competitors, particularly as the develop disruptive therapies through collaborative arrangements with large and established companies. These third parties compete with the Company in recruiting and retaining qualified scientific and management personnel and establishing clinical trial sites, as well as in acquiring technologies complementary to, or necessary for, its programs.

No Assurance of Profits or Revenues

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

The Company as a Going Concern

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

Intellectual Property and Licenses

The Company's success is heavily dependent on the Company's intangible properties and technologies, and will depend in part on its ability to protect and maintain its intellectual property rights. No assurance can be given that the patents with respect to the Company's artificial intelligence technology the Company will not be challenged, invalidated, infringed or circumvented, nor that the patents will provide competitive advantages to the Company. Moreover, the Company could potentially incur substantial legal costs in defending legal actions which allege patent infringement or by instituting patent infringement suits against others. The Company's commercial success also depends on the Company not infringing patents or proprietary rights of others. There can be no assurance that the Company will be able to maintain such licenses that it may require to conduct its business or that such licences have been obtained at a reasonable cost. Furthermore, there can be no assurance that the Company will be able to remain in compliance with any such licenses. Consequently, there may be a risk that such licenses may be withdrawn with no compensation or penalties to the Company.

Product Liability

The risk of product liability is inherent in the research, development, marketing and use of pharmaceutical products. Product candidates and products that the Company may license or sell in the future may cause, or may appear to have caused, injury or dangerous drug reactions, and expose the Company to product liability claims. These claims might be made by patients who use the product, healthcare providers, pharmaceutical companies, corporate collaborators or others selling such products. Regardless of the merits or eventual outcome, product liability claims or other claims related to the Company's product candidates may result in:

- decreased demand for the Company's services or willingness to partner with the Company due to negative public perception;
- injury to the Company's reputation;

- initiation of investigations by regulators;
- costs to defend or settle related litigation;
- a diversion of management's time and resources;
- substantial monetary awards to patients;
- product recalls, withdrawals or labeling, marketing or promotional restrictions;
- loss of revenues from product sales; and
- the inability to license or sell any of the Company's identified product candidates.

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

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

Unproven Market for Products and Technologies

The Company believes that the anticipated market for its potential products and technologies will continue to exist and expand. These assumptions may prove to be incorrect for a variety of reasons, including competition from other products and technologies and the degree of commercial viability of the potential product candidates identified by the Company's artificial intelligence platform. Even when product candidates are successfully identified, the Company's ability to generate significant revenue depends on the acceptance of such identified product candidates by the Company's potential partners and pharmaceutical companies. The Company cannot be sure that its products and technologies or any identified product candidates will achieve the expected market acceptance and demand. Any factors preventing or limiting the market acceptance of the Company's products and technologies or any identified product candidates for licensing could have a material adverse effect on the Company's business, results of operations, and financial condition.

Changes to Patent Law

Important legal issues remain to be resolved as to the extent and scope of available patent protection for biopharmaceutical and technological processes in Canada and other important markets outside Canada, such as Europe or the United States. As such, litigation or administrative proceedings may be necessary to determine the validity, scope and ownership of certain of the Company's and others' proprietary rights. Any such litigation or proceeding may result in a significant commitment of resources in the future and could force the Company to do one or more of the following: cease using any of its future products that incorporate a challenged intellectual property, which would adversely affect its revenue; obtain a license or other rights from the holder of the intellectual property right alleged to have been infringed or otherwise violated, which license may not be available on reasonable terms,

if at all; and redesign its future products to avoid infringing or violating the intellectual property rights of third parties, which may be time-consuming or impossible to do. In addition, changes in patent laws in Canada and other countries may result in allowing others to use its discoveries or develop and commercialize the Company's products. The Company cannot provide assurance that the patents it obtains will afford it significant commercial protection.

Enforcement of Intellectual Property in Other Jurisdictions

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

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

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

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

Need for Additional Financing

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

Any additional equity financing may be dilutive to shareholders, and debt financing, if available, may involve restrictive covenants. If additional funds are raised through the issuance of equity securities, the percentage ownership of the shareholders of the Company will be reduced, shareholders may experience additional dilution in net book value per share, or such equity securities may have rights, preferences or privileges senior to those of the holders of the Common Shares. If adequate funds are not available on acceptable terms, the Company may be unable to develop or enhance its products and services, take advantage of future opportunities or respond to competitive pressures, any of which could have a material adverse effect on its business, financial condition and operating results, or the Company may be forced to cease operations.

Conflicts of Interest

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

In addition, the Company may become involved in other transactions which conflict with the interests of its directors and officers who may from time to time deal with persons, firms, institutions or companies with which the Company may be dealing, or which may be seeking investments similar to those desired by it. The interests of these persons could conflict with those of the Company. In addition, from time to time, these persons may be competing with the Company for available investment opportunities. Conflicts of interest, if any, will be subject to the procedures and remedies provided under applicable laws. In particular, if such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with applicable laws, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company.

Negative Operating Cash Flow

The Company's business has incurred losses since its inception. Although the Company expects to become profitable, there is no guarantee that will happen, and the Company may never become profitable. The Company currently has a negative operating cash flow and may continue to have a negative operating cash flow for the foreseeable future. To date, the Company has not generated any revenues and a large portion of the Company's expenses are fixed, including expenses related to facilities, equipment, contractual commitments and personnel. As a result, the Company expects

for its net losses from operations to improve. The Company's ability to generate additional revenues and potential to become profitable will depend largely on its ability to manufacture and market its products and services. There can be no assurance that any such events will occur or that the Company will ever become profitable. Even if the Company does achieve profitability, the Company cannot predict the level of such profitability. If the Company sustains losses over an extended period of time, the Company may be unable to continue its business.

Reputational Damage in Certain Circumstances

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

Internal Controls over Financial Reporting

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

Difficulties with Forecasts

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

Retention and Acquisition of Management and Skilled Personnel

The success of the Company is currently largely dependent on the performance of its directors and officers. The loss of the services of any of these persons could have a materially adverse effect on the Company's business and prospects. There is no assurance the Company can maintain the services of its directors, officers or other qualified personnel required to operate its business. In addition, an inability to hire, or the increased costs of new personnel, including members of executive management, could have a material adverse effect on the Company's business and operating results. At present and for the near future, the Company will depend upon a relatively small number of employees to develop, market, sell and support its products. The expansion of marketing and sales of its products will require the Company to find, hire and retain additional capable employees who can understand, explain, market and sell its products. There is intense competition for capable personnel in all of these areas and the Company may not be successful in attracting, training, integrating, motivating, or retaining new personnel, vendors, or subcontractors for these required functions. New employees often require significant training and, in many cases, take significant time before they achieve full productivity. As a result, the Company may incur significant costs to attract and retain employees, including significant expenditures related to salaries and benefits and compensation expenses related to equity awards, and may lose new employees to its competitors or other companies before it realizes the benefit of its investment in recruiting and training them.

Key Person Insurance

The Company does not maintain key person insurance on any of its directors or officers, and as result the Company would bear the full loss and expense of hiring and replacing any director or officer in the event the loss of any such persons by their resignation, retirement, incapacity, or death, as well as any loss of business opportunity or other costs suffered by the Company from such loss of any director or officer.

Public Health Crises

The Company may be adversely affected by public health crises and other events outside its control. Public health crises, such as epidemics and pandemics, acts of terrorism, war or other conflicts and other events outside of the Company's control, may adversely impact the activities of the Company as well as operating results. In addition to

the direct impact that such events could have on the Company's facilities and workforce, these types of events could negatively impact capital expenditures and overall economic activity in impacted regions or, depending on the severity of the event, globally, which could impact the demand for and prices of commodities, interest rates, credit ratings, credit risk and inflation.

On January 30, 2020, the World Health Organization declared the outbreak or COVID-19 a global health emergency, on March 12, 2020, the World Health Organization declared the outbreak a pandemic and on March 13, 2020 the United States declared that the COVID-19 outbreak in the United States constitutes a national emergency. To date, there have been a large number of temporary business closures, quarantines and a general reduction in consumer activity in Canada, the United States, Europe and China. The outbreak has caused companies and various international jurisdictions to impose travel, gathering and other public health restrictions. While these effects are expected to be temporary, the duration of the various disruptions to businesses locally and internationally and the related financial impact cannot be reasonably estimated at this time. Similarly, the Company cannot estimate whether or to what extent this outbreak and the potential financial impact may extend to countries outside of those currently impacted. The Company is actively assessing and responding where possible to the potential impact of the COVID-19 pandemic. The Company continues to operate its business at this time and to date has not been materially adversely impacted by the outbreak. However, a prolonged continuance of this public health crisis, an increase in its breadth or in its overall severity, could adversely affect the Company's workforce and ability to operate generally as well as cause significant investment decisions to be delayed or postponed. A prolonged continuance of this public health crisis could also have a material adverse effect on overall economic growth and impact the stability of the financial markets and availability of credit, as well as risks to employee health and safety, a slowdown or temporary suspension of operations impacted by an outbreak, increased labour and fuel costs, regulatory changes, political or economic instabilities or civil unrest. Any of these developments could have a material adverse effect on the Company's business, financial position, liquidity and results of operations.

Legal Proceedings

From time to time, the Company may be a party to legal and regulatory proceedings, including matters involving governmental agencies, entities with whom the Company does business and other proceedings arising in the ordinary course of business. The Company will evaluate its exposure to these legal and regulatory proceedings and establish reserves for the estimated liabilities in accordance with generally accepted accounting principles. Assessing and predicting the outcome of these matters involves substantial uncertainties. Unexpected outcomes in these legal proceedings, or changes in management's evaluations or predictions and accompanying changes in established reserves, could have an adverse impact on the Company's financial results.

Regulatory Compliance Risks

Achievement of the Company's business objectives is subject to compliance with regulatory requirements enacted by governmental authorities. The Company may incur costs and obligations related to regulatory compliance. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. The Company may be required to compensate those suffering loss or damage by reason of its operations and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations. In addition, changes in regulations or other unanticipated events could require extensive changes to the Company's operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Company.

In both domestic and foreign markets, the development, formulation, manufacturing, packaging, labeling, handling, distribution, import, export, licensing, sale and storage of pharmaceuticals and medical devices are affected by a body of laws, governmental regulations, administrative determinations, including those by the FDA, court decisions and similar constraints. Such laws, regulations and other constraints can exist at the federal, provincial or local levels in Canada and at all levels of government in foreign jurisdictions. There can be no assurance that the Company and the Company's partners are in compliance with all of these laws, regulations and other constraints. The Company and its partners may be required to incur significant costs to comply with such laws and regulations in the future, and such laws and regulations may have an adverse effect on the business. The failure of the Company or its partners to comply with current or future regulatory requirements could lead to the imposition of significant penalties or claims and may have a material adverse effect on the business. In addition, the adoption of new laws, regulations or other constraints or changes in the interpretations of such requirements might result in significant compliance costs or lead the Company and its partners to discontinue product development and could have an adverse effect on the business.
Risks Relating to the Common Shares

CSE Listing

The Company has applied to the Exchange to list the Common Shares. Listing is subject to the Exchange's conditional approval and to the Company's fulfillment of all of the requirements of the CSE. If listing occurs, the Company cannot predict the prices at which the Common Shares will trade. If an active and liquid trading market for the Common Shares does not develop or is not maintained, investors may have difficulties selling their Common Shares. There can be no assurance that there will be sufficient liquidity of the Common Shares on the trading market, or that the Company will continue to meet the listing requirements of the CSE or any other public listing exchange on which the Common Shares may subsequently be listed.

No Established Market, Market Price of Common Shares and Volatility

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

In recent years, the securities markets in Canada have 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 of the Common Shares will not occur. It may be anticipated that any quoted market for the Common Shares will be subject to market trends generally, notwithstanding any potential success of the Company in creating revenues, cash flows or earnings. If an active public market for the Common Shares does not develop, the liquidity of a shareholder's investment may be limited and the share price may decline below the initial purchase price.

Dividends

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

Additional Regulatory Burden from Listing

Prior to the Listing, the Company has not been subject to the continuous and timely disclosure requirements of Canadian securities laws or other rules, regulations and policies of the Exchange or any other stock exchange. The Company is working with its legal, accounting and financial advisors to identify those areas in which changes should be made to its financial management control systems to manage its obligations as a public company. These areas include corporate governance, corporate controls, disclosure controls and procedures and financial reporting and accounting systems. The Company has made, and will continue to make, changes in these and other areas, including its internal controls over financial reporting. However, the Company cannot assure purchasers of Common Shares that these and other measures that it might take will be sufficient to allow it to satisfy its obligations as a public company on a timely basis. In addition, compliance with reporting and other requirements applicable to public companies will create additional costs for the Company and will require the time and attention of management. The Company cannot predict the amount of the additional costs that it might incur, the timing of such costs or the impact that management's attention to these matters will have on its business.

Dilution

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

Sales of Substantial Amounts of the Common Shares

Sales of substantial amounts of the Common Shares, or the availability of such securities for sale, could adversely affect the prevailing market prices for the Common Shares. A decline in the market prices of the Common Shares could impair the Company's ability to raise additional capital through the sale of securities should it desire to do so.

Securities or Industry Analysts

The trading market for the Common Shares will depend in part on the research and reports that securities or industry analysts publish about the Company or its business. The Company does not currently have and may never obtain research coverage by securities and industry analysts. If no securities or industry analysts commence covering the Company, the trading price for the Common Shares may be negatively impacted. If the Company obtains securities or industry analyst coverage and if one or more of the analysts who cover the Company downgrade the Common Shares or publish inaccurate or unfavorable research about its business, the trading price of the Common Shares may decline. If one or more of these analysts cease coverage of the Company or fail to publish reports on us regularly, demand for the Common Shares could decrease, which could cause the trading price and volume of the Common Shares to decline.

Future Sales of Common Shares by Principal Shareholders, Officers and Directors

Subject to compliance with applicable securities laws and the terms of any arrangements described under "Escrowed Securities and Securities Subject to Contractual Restrictions on Transfer", the officers, directors, principal shareholders and their affiliates may sell some or all of the Common Shares held by such party in the future. No prediction can be made as to the effect, if any, such future sales of Common Shares will have on the market price of the Common Shares prevailing from time to time. However, the future sale of a substantial number of Common Shares by the Company's officers, directors, and any principal shareholders and their affiliates, or the perception that such sales could occur, could materially adversely affect prevailing market prices for the Common Shares.

Accordingly, if the Company's principal shareholders sell substantial amounts of securities in the public market, the market price of such securities could fall. Additional Common Shares issuable upon the exercise of stock options or the conversion of Common Shares may also be available for sale in the public market after the date of the listing of the Common Shares, which may also cause the market price of the Common Shares to fall.

Tax Issues

Income tax consequences in relation to the Common Shares will vary according to circumstances of each investor. Prospective investors should seek independent advice from their own tax and legal advisers prior to investing in Common Shares of the Company.

Discretion as to the Use of Available Funds

The Company's management will have broad discretion in how it uses the funds available to it. Management may use the available funds in ways that purchasers may not consider desirable. The results and the effectiveness of the application of the funds are uncertain. If the funds are not applied effectively, the results of the Company's operations may suffer. Management currently intends to allocate the available funds as described under "Use of Available Funds", however, management may elect to allocate the funds differently from that described under "Use of Available Funds" if it believes it would be in the Company's best interest to do so. Shareholders may not agree with the manner in which management chooses to allocate and spend the available funds.