A copy of this amended and restated preliminary prospectus has been filed with the securities regulatory authority in the province of British Columbia but has not yet become final. Information contained in this amended and restated preliminary prospectus may not be complete and may have to be amended.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This prospectus does not constitute a public offering of securities.

*The securities offered hereby have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or any state securities laws, and except pursuant to an exemption from registration under the U.S. Securities Act and applicable state securities laws, may not be offered or sold, directly or indirectly, within the United States or to, or for the account or benefit of, a U.S. Person (as that term is defined in Regulation S under the U.S. Securities Act). This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby within the United States or to, or for the account of benefit of, any U.S. Persons.*

Non-Offering Prospectus **May 12, 2023**

AMENDED AND RESTATED PRELIMINARY PROSPECTUS (AMENDING AND RESTATING THE PRELIMINARY PROSPECTUS DATED FEBRUARY 13, 2023)

LOPHOS

LOPHOS HOLDINGS INC.

This amended and restated preliminary prospectus (the "**Prospectus**") of Lophos Holdings Inc. (the "**Company**") is being filed with the British Columbia Securities Commission (the "**BCSC**") for the purposes of the Company becoming a reporting issuer pursuant to applicable securities

legislation in the Province of British Columbia. Upon the final receipt of this Prospectus by the BCSC, the Company will become a reporting issuer in British Columbia.

Since no securities are being offered pursuant to this Prospectus, no proceeds will be raised and all expenses in connection with the preparation and filing of this Prospectus will be paid by us from our general corporate funds.

The Company has applied to the Canadian Securities Exchange (the "**CSE**") to approve the listing (the "**Listing**") of the Company's Common Shares under the symbol "MESC". The Listing is subject to the Company fulfilling all of the listing requirements of the CSE and meeting all minimum requirements. The symbol "MESC" has been reserved for the Company. As at the date of this Prospectus, the Company does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, Aequitas Neo Exchange Inc., a United States marketplace, or a marketplace outside Canada and the United States of America.

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

This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities.

An investment in Common Shares of the Company is highly speculative due to various factors, including the nature and stage of development of the business of the Company. An investment in these securities should only be made by persons who can afford the total loss of their investment. See "*Risk Factors*".

Investors are advised to consult their own tax advisors regarding the application of Canadian federal income tax laws to their particular circumstances, as well as any other provincial, foreign and other tax consequences of acquiring, holding, or disposing of Common Shares, including the Canadian federal income tax consequences applicable to a foreign controlled Canadian corporation that acquires Common Shares.

Prospective investors should rely only on the information contained in this Prospectus. The Company has not authorized anyone to provide you with different information. Readers should assume that the information appearing in this Prospectus is accurate only as of its date, regardless of its time of delivery. The Company's business, financial condition, results of operations and prospects may have changed since that date.

In this Prospectus, "we", "us", "our", and the "Company" refers to Lophos Holdings Inc., a corporation existing pursuant to the *Business Corporations Act* (British Columbia).

The Company's registered office is located at 550 Burrard St #2900, Vancouver, BC V6C 0A3.

The Company's head office is located at 620 – 1111 Melville Street, Vancouver, BC V6E 3V6.

3,4,5 trimethoxyphenethylamine ("Mescaline") is currently a Schedule III drug under the *Controlled Drugs and Substances Act* (Canada) (the "CDSA") and it is a criminal offence to possess substances under the CDSA without a prescription or under the auspices of a Controlled Substances License. Currently, there are no approved therapeutic products containing Mescaline in Canada.

Mescaline is currently a Schedule I drug and a controlled substance under the *Controlled Substances Act* (the "CSA") in the United States and it is a criminal offence to possess substances under the CSA without a prescription. Mescaline is a drug with no currently accepted medical use in the United States.

The Company does not have any direct or indirect involvement with the illegal selling, production or distribution of substances in the jurisdictions in which it operates.

The Company does not advocate for the legalization of psychedelic substances and does not deal with psychedelic substances except within laboratory and clinical trial settings conducted within approved regulatory frameworks.

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GLOSSARY

The following is a glossary of certain terms used in this Prospectus. Terms and abbreviations used in the financial statements of the Company may be defined separately and the terms defined below may not be used therein.

"**Acquisition**" means the acquisition of all of the issued and outstanding securities of Lophos Pharmaceuticals Corp. by the Company pursuant to the Share Exchange Agreement as well as the acquisition of all of the issued and outstanding securities of Richmond Pharma by the Corporation pursuant to the HHL Purchase Agreement and the RP Purchase Agreement;

"**API**" means of Active Pharmaceutical Ingredients;

"**BCBCA**" means the *Business Corporations Act* (British Columbia), as amended, together with all regulations promulgated thereto;

"**BCSC**" means the British Columbia Securities Commission;

"**Board**" means the board of directors of the Company;

"**Broker Warrants**" means, collectively, (i) the 480,250 non-transferable common share purchase warrants issued to registered dealers in connection with the Q4 2021 Private Placement, (ii) the 533,333 non-transferable common share purchase warrants issued to registered dealers in connection with the Q1 2022 Private Placement, and (iii) the 80,000 non-transferable common share purchase warrants issued to registered dealers in connection with the Convertible Debenture. Each Broker Warrant entitles the holder thereof to acquire one Common Share, at an exercise price of $0.10 or $0.15, as the case may be, for a period of 24 months;

"**CEO**" means chief executive officer;

"**CFO**" means chief financial officer;

"**CMO**" means Contract Manufacturing Organization;

"**Common Shares**" means the common shares in the capital of the Company and "**Common Share**" means any one of them;

"**Company**" means Lophos Holdings Inc. and, where the context requires, the Company's wholly-owned subsidiaries Lophos Pharmaceuticals Corp. and Richmond Pharma Inc.;

"**Concurrent Private Placement**" means the proposed non-brokered private placement of the Company of up to 6,666,667 Units, at an issue price of $0.15 per Unit, for gross proceeds of up to $1,000,000. Each Unit is comprised of one Common Share and one Common Share purchase warrant entitling the holder thereof to acquire one additional Common Share, at an exercise price of $0.20, for a period of 24 months;

"Convertible Debenture" means the non-brokered private placement of the Company of a principal amount of $150,000 of unsecured convertible debenture for gross proceeds to the

Company of $150,000. The principal amount of the Convertible Debenture bears interest at a rate of 8% per annum, matures on August 31, 2024 and is convertible, at a conversion price of $0.15, into 1,000,000 Common Shares and 1,000,000 Warrants, with each Warrant entitling the holder thereof to acquire one additional Common Share, at an exercise price of $0.20, for a period of 24 months;

"**Crowdfunding Private Placement**" means the non-brokered private placement of the Company of 690,000 Special Warrants (490,000 Special Warrants issued to subscribers and 200,000 Special Warrants issued to Vested Technology Corp. as compensation), at a price per Special Warrant of $0.05, for gross proceeds to the Company of $24,500, which closed on October 22, 2020;

"**CSDL**" means Controlled Substances Dealer's License;

"**CSML**" means Controlled Substances Manufacturer's License;

"**DEL**" means Drug Establishment License;

"**Escrow Agreements**" means the NP 46-201 escrow agreement to be entered into on or before the Prospectus Receipt Date among the Company, the escrow agent and certain shareholders of the Company;

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

"**FDA**" means the United States Food and Drug Administration;

"**FDCA**" means the United States *Federal Food, Drug, and Cosmetic Act*;

"**GCP**" means Good Clinical Practices;

"**GLP**" means Good Laboratory Practices;

"**GMP**" means Good Manufacturing Practices;

"**HHL Purchase Agreement**" means share purchase agreement entered into on December 23, 2021 between the Company and Herman Holdings Limited with respect to the purchase of those certain shares in Richmond Pharma;

"**IND**" means the United States Investigational New Drug Application;

"**IRB**" means institutional review board;

"**Listing**" means the proposed listing of the Common Shares on the CSE for trading;

"**Listing Date**" means the date on which the Common Shares of the Company are listed for trading on the Exchange;

"**Lophos Pharma.**" means Lophos Pharmaceuticals Corp.;

"**MD&A**" means management's discussion and analysis of financial condition and operating results;

"**Mescaline**" means 3,4,5 trimethoxyphenethylamine;

"**Named Executive Officers**" or "**NEOs**" has the meaning set forth under "Executive Compensation";

"**NDA**" means the United States New Drug Application;

"**NDS**" means the Canadian New Drug Submission;

"**NI 41-101**" means National Instrument 41-101 *General Prospectus Requirements* of the Canadian Securities Administrators;

"**NI 52-110**" means National Instrument 52-110 *Audit Committees* of the Canadian Securities Administrators;

"**NI 58-101**" means National Instrument 58-101 *Disclosure of Corporate Governance Practices* of the Canadian Securities Administrators;

"**NOC**" means a notice of compliance;

"**NOC/c**" means a notice of compliance with conditions;

"**NON**" means a Notice of Non-Compliance;

"**NON-W**" means a Notice of Non-Compliance Withdrawal letter;

"**NP 46-201**" means National Policy 46-201 *Escrow for Initial Public Offerings* of the Canadian Securities Administrators;

"**NP 58-201**" means National Policy 58-201 *Corporate Governance Guidelines* of the Canadian Securities Administrators;

"**Options**" means options to purchase Common Shares issued pursuant to the Option Plan;

"**Option Plan**" means the Company's share option plan adopted on January 9, 2023 by the Board, and providing for the granting of incentive options to the Company's directors, officers, employees and consultants in accordance with the rules and policies of the Exchange;

"**Principal**" of an issuer means:

(a) a person or company who acted as a promoter of the Company within two years before the prospectus;

(b) a director or senior officer of the Company or any of its material operating subsidiaries at the time of the prospectus;

(c) a person or company that holds securities carrying more than 20% of the voting rights attached to the Company's outstanding securities immediately before and immediately after the Company's Listing Date; or

(d) a person or company that:

(i) holds securities carrying more than 10% of the voting rights attached to the Company's outstanding securities immediately before and immediately after the Company's Listing Date, and

(ii) has elected or appointed, or has the right to elect or appoint, one or more directors or senior officers of the Company or any of its material operating subsidiaries;

"**Prospectus**" means this amended and restated preliminary prospectus dated May 12, 2023;

"**Prospectus Receipt Date**" means the date that a receipt for a final prospectus is issued to the Company from the securities regulatory authority in British Columbia;

"**Q4 2021 Private Placement**" means the non-brokered private placement of the Company of 9,605,000 Special Warrants, at a price per Special Warrant of $0.10, for gross proceeds to the Company of $960,500, which closed on November 15, 2021. Each Special Warrant issued under the Q4 2021 Private Placement is convertible for one Common Share**;**

"**Q1 2022 Private Placement**" means the non-brokered private placement of the Company of 5,333,334 Special Warrants, at a price per Special Warrant of $0.15, for gross proceeds to the Company of $800,000.10, which closed on March 21, 2022**.** Each Special Warrant issued under the Q1 2022 Private Placement is convertible for one Common Share and one Common Share purchase warrant entitling the holder thereof to acquire one additional Common Share, at an exercise price of $0.20, for a period of 24 months;

"**Q4 2022 Private Placement**" means the non-brokered private placement of the Company of 333,333 Special Warrants, at a price per Special Warrant of $0.15, for gross proceeds to the Company of $50,000, which closed on November 30, 2022**.** Each Special Warrant issued under the Q4 2022 Private Placement is convertible for one Common Share and one Common Share purchase warrant entitling the holder thereof to acquire one additional Common Share, at an exercise price of $0.20, for a period of 24 months;

"**Richmond Pharma**" means Richmond Pharma Inc.;

"**RP Purchase Agreement**" means share purchase agreement entered into on December 23, 2021 between the Company and Eric Hancox, Vassil Staykov and Sandra Williams with respect to the purchase of those certain shares in Richmond Pharma;

"**Richmond Sub**" means 2515585 Ontario Inc.;

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval (www.sedar.com);

"**Share Exchange Agreement**" means the share exchange agreement entered into on December 23, 2021, between the Company and the securityholders of Lophos Pharmaceuticals Corp.;

"**Special Warrant Certificate**" means a certificate representing Special Warrants;

"**Special Warrants**" means the aggregate of 15,961,667 special warrants issued by the Company pursuant to the Crowdfunding Private Placement, the Q4 2021 Private Placement, the Q1 2022 Private Placement and the Q4 2022 Private Placement; and

"**Warrants**" means the aggregate of 6,666,667 Common Share purchase warrants issuable upon the conversion of the (i) 5,333,334 Special Warrants issued under the Q1 2022 Private Placement, (ii) 333,333 Special Warrants issued under the Q4 2022 Private Placement and (iii) Convertible Debenture in the principal amount of $150,000.

CURRENCY

In this Prospectus, unless otherwise indicated, all dollar amounts are expressed in Canadian dollars and references to $ are to Canadian dollars.

FORWARD-LOOKING INFORMATION

Except for statements of historical fact relating to the Company, certain statements in this Prospectus may constitute forward-looking information, future oriented financial information, or financial outlooks (collectively, "forward looking information") within the meaning of Canadian securities laws. Forward-looking information may relate to this Prospectus, the Company's future outlook and anticipated events or results and, in some cases, can be identified by terminology such as "may", "could", "should", "expect", "plan", "anticipate", "believe", "intend", "estimate", "projects", "predict", "potential", "targeted", "possible", "continue" or other similar expressions concerning matters that are not historical facts. The Company has based these forward-looking statements on its current expectations and projections about future events and financial trends that it believes might affect its financial condition, results of operations, business strategy and financial needs. These forward-looking statements include, among other things, statements relating to:

- the Company's intention to complete the Listing;
- the Company's expectations regarding its revenue, expenses and operations;
- the Company's anticipated cash needs and its needs for additional financing;
- the Company's intention to grow the business and its operations;
- the grant and impact of any license or supplemental license to conduct activities with psychopharmacological products or any amendments thereof;
- the Company's competitive position and the regulatory environment in which the Company expects to operate;

- the Company's expectation that available funds will be sufficient to cover its expenses over the next twelve months;
- the Company's expected business objectives and milestones, including costs of the foregoing, for the next twelve months;
- the Company's anticipated agreements with third parties, including, without limitation, the terms thereof, the timing of such agreements and the expected outcomes of such agreements;
- the costs associated with this Prospectus and the Listing;
- the Company's ability to obtain additional funds through the sale of equity or debt commitments;
- projections for development plans and progress of products and technologies, including with respect to timely and successful discovery and identification of psychedelic-derived pharmaceuticals suitable for repurposing;
- the Company's ability to attract partners in the development process;
- the Company's ability to license identified product candidates to pharmaceutical companies;
- future intellectual property, R&D, product formulations, and business lines;
- the compensation structure for executive officers and directors;
- expectations regarding acceptance of products and technologies by the market; and
- the intentions of the Board with respect to executive compensation plans and corporate governance plans described herein.

Certain of the forward-looking statements and other information contained in this Prospectus concerning the industry and the markets in which the Company operates, including the Company's general expectations and market position, market opportunities and market share, is based on estimates prepared by the Company using data from publicly available governmental sources, as well as from market research and industry analysis, and on assumptions based on data and knowledge of this industry which the Company believes to be reasonable. While the Company is not aware of any misstatement regarding any industry or government data presented herein, the psychopharmacological industry involves risks and uncertainties that are subject to change based on various factors and the Company has not independently verified such third-party information.

Forward-looking statements are based on certain assumptions and analyses made by the Company in light of the experience and perception of historical trends, current conditions and expected future developments and other factors it believes are appropriate and are subject to risks and uncertainties. In making the forward looking statements included in this Prospectus, the Company has made various material assumptions, including but not limited to: (i) obtaining the necessary regulatory

approvals ; (ii) that regulatory requirements will be maintained; (iii) general business, economic and political conditions; (iv) the Company's ability to successfully execute its plans and intentions, including, without limitation, obtaining a Receipt and listing the Common Shares on the Exchange; (v) the availability of financing on reasonable terms; (vi) the Company's ability to attract and retain skilled staff; (vii) market competition; (viii) the products and technology offered by the Company's competitors; (ix) that good relationships with service providers and other third parties will be established and maintained; (x) continued growth of the psychopharmacological industry; and (xi) positive public opinion with respect to the psychopharmacological industry. Although the Company believes that the assumptions underlying these statements are reasonable, they may prove to be incorrect, and the Company cannot assure that actual results will be consistent with these forward-looking statements. Whether actual results, performance or achievements will conform to the Company's expectations and predictions is subject to a number of known and unknown risks, uncertainties, assumptions and other factors, including those listed under "Risk Factors", which include:

- the Company is a development stage company with little operating history and the Company cannot assure profitability;
- uncertainty about the Company's ability to continue as a going concern;
- the Company's actual financial position and results of operations may differ materially from the expectations of the Company's management;
- the Company expects to incur significant ongoing costs and obligations relating to its investment in infrastructure, growth, research and development, regulatory compliance and operations;
- the Company may not be able to successfully discover and identify product candidates for repurposing, which could prevent it from ever becoming profitable;
- the Company does not manufacture any products and relies, and intends to rely, on third parties to manufacture its products;
- the Company's research, development and commercialization of its products could be stopped or delayed if any third party fails to provide sufficient quantities of products or fails to do so at acceptable quality levels or prices or fails to maintain or achieve satisfactory regulatory compliance;
- there is no assurance that the Company will turn a profit or generate immediate revenues;
- the Company may be unable to adequately protect its proprietary and intellectual property rights;
- the Company may be forced to litigate to defend its intellectual property rights, or to defend against claims by third parties against the Company relating to intellectual property rights;

- the Company may become subject to litigation, including for possible product liability claims, which may have a material adverse effect on the Company's reputation, business, results from operations and financial condition;
- the Company faces competition from other companies where it will conduct business and those companies may have a higher capitalization, more experienced management or may be more mature as a business;
- if the Company is unable to attract and retain key personnel, it may not be able to compete effectively in the psychopharmacological industry;
- the size of the Company's target market is difficult to quantify and investors will be reliant on their own estimates on the accuracy of market data;
- the Company expects to sell additional equity securities for cash to fund operations, capital expansion, mergers and acquisitions, which would have the effect of diluting the ownership positions of the Company's current shareholders;
- the Company will be reliant on information technology systems and may be subject to damaging cyber- attacks;
- the Company may be subject to breaches of security, or in respect of electronic documents and data storage, and may face risks related to theft and breaches of applicable privacy laws;
- the Company's officers and directors may be engaged in a range of business activities resulting in conflicts of interest;
- in certain circumstances, the Company's reputation could be damaged;
- regulatory scrutiny of the Company's industry may negatively impact its ability to raise additional capital;
- there is no assurance that a market will continue to develop or exist for the Common Shares and or what the market price of the Common Shares will be;
- the Company will be subject to additional regulatory burden resulting from its public listing on the Exchange;
- the market price for Common Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Company's control;
- the Company is subject to uncertainty regarding Canadian legal and regulatory status and changes;
- the Company does not anticipate paying cash dividends; and

- there is no guarantee on the use of available funds by the Company.

The factors identified above are not intended to represent a complete list of the risks and factors that could affect the Company. Some of the important risks and factors that could affect forward-looking statements are discussed in the section entitled "Risk Factors" in this Prospectus. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. While the Company considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect. Actual results may vary from such forward-looking information for a variety of reasons, including but not limited to risks and uncertainties disclosed in this Prospectus. See "*Risk Factors*". Forward-looking statements are based upon management's beliefs, estimates and opinions on the date the statements are made and, other than as required by law, the Company does not intend, and undertakes no obligation to update any forward-looking information to reflect, among other things, new information or future events.

Upon becoming a reporting issuer, the Company intends to discuss in its quarterly and annual reports referred to as the Company's MD&A documents, any events and circumstances that occurred during the period to which such document relates that are reasonably likely to cause actual events or circumstances to differ materially from those disclosed in the Prospectus. New factors emerge from time to time, and it is not possible for management to predict all of such factors and to assess in advance the impact of each such factor on the Company's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement.

Investors are cautioned against placing undue reliance on forward-looking statements.

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

PROSPECTUS SUMMARY

The following is a summary of the principal features of this distribution and should be read together with the more detailed information and financial data and statements contained elsewhere in this Prospectus. You should read this entire prospectus carefully, especially the "Risk Factors" section of this prospectus.

The Company:	Lophos Holdings Inc. is a corporation existing under the BCBCA. See "*Corporate Structure*".
Business of the Company:	The Company's principal business pertains to the cultivation and research of Lophophora williamsii ("peyote cactus"). Additionally, in the long-term, the Company is engaged in the research and development of compounds derived from peyote cactus. On December 23, 2021, the Company and the securityholders of Lophos Pharma entered into the Share Exchange Agreement, an arm's length transaction, pursuant to which the Company acquired all of the issued and outstanding common shares and warrants of Lophos Pharma in exchange for Common Shares. As a result of the Acquisition, Lophos Pharma became a wholly-owned subsidiary of the Company and the business of Lophos Pharma became the business of the Company. On December 23, 2021, the Company and the securityholders of Richmond Pharma entered into the HHL Purchase Agreement and the RP Purchase Agreement, both arm's length transactions, pursuant to which the Company acquired all of the issued and outstanding common shares and warrants of Richmond Pharma in consideration of certain notes payable and by exchange for Common Shares. As a result of the Acquisition, Richmond Pharma became a wholly-owned subsidiary of the Company.
Listing:	The Company has applied to the CSE to approve the Listing of the Company's Common Shares under the symbol "MESC". The Listing is subject to the Company fulfilling all of the listing requirements of the CSE and meeting all minimum requirements, including minimum public distribution requirements. The symbol "MESC" has been reserved. See "*Description of Securities*".

Available Funds and Principal Purposes:

The Company has available funds of approximately $313,540, based on the estimated consolidated working capital of $313,540 as at April 30, 2023. Assuming the closing of the Concurrent Private Placement in the amount of $1,000,000, it is anticipated that the Company will have available funds of approximately $1,313,540. Upon the Listing, the principal purposes for the foregoing available funds are anticipated to be as follows:

Principal Purposes	**($)**
General and administrative costs [(1)]	231,691
Production costs [(2)]	478,431
Estimated expenses for listing on the CSE	150,000
Research and development [(3)]	223,865
Total use of available funds	**1,083,987**
Unallocated funds	**229,553**
Estimated working capital	89,675
R&D invoices included in working capital	223,865
Proceeds from Concurrent Private Placement [(4)]	1,000,000
Total available funds	**1,313,540**

Notes:

(1) This figure is for a forecasted period of 12 months and is comprised of salaries and benefits in the amount of approximately $50,000 (the salary of the CEO, Jacqueline Claire Lupo), insurance in the amount of approximately $17,186, professionals' fees in the amount of approximately $58,000 (including the fees estimated to be paid to MSSI for general accounting and financial reporting matters, which includes the services of Remantra Sheopaul as CFO), financing fees in the amount of $100,000, and office and communication expenses in the amount of approximately $6,505.

(2) This figure is for a forecasted period of 12 months and is comprised of production costs including professionals' fees in the amount of $116,160 for QPIC services (paid to Canalytica, a company controlled by Mrs. Lupo, the CEO), $153,250 for building interest payments, $1,800 for building maintenance, $166,756 for HVAC upgrades and building occupancy, $26,243 for utilities, and $14,222 for property taxes.

(3) This figure is included in Accounts Payable and Accrued Liabilities and is comprised of costs of $223,865 for scientific research equipment and the invoice will remain outstanding until the equipment is delivered.

(4) Assuming closing of the Concurrent Private Placement prior to the final receipt for the Prospectus.

Management, Directors & Officers:

The Board of Directors of the Company consists of Solomon Elimimian, Jacqueline Claire Lupo, Elyssia Patterson, Evan Stawnyczy and Jeremy Pestun. The officers of the Company are Jacqueline Claire Lupo (CEO) and Remantra Sheopaul (CFO). See "Directors and Executive Officers".

Selected Consolidated Financial Information:

Selected Consolidated Financial Information of the Company

The following selected consolidated financial information has been derived from and is qualified in its entirety by the audited consolidated financial statements of the Company for the period from incorporation on September 13, 2021 to March 31, 2022, as well as the reviewed interim consolidated financial statements for the three and nine months ended December 31, 2022 included in Schedule "A" of this Prospectus, and should be read in conjunction with such financial statements and the related notes thereto included in this Prospectus. All financial statements of the Company are prepared in accordance with International Financial Reporting Standards.

All amounts referred to as being derived from the financial statements of the Company are denoted in Canadian Dollars.

	As at and for the period from incorporation on September 13, 2021 to March 31, 2022 (audited) ($)	As at and for the nine-month period ended December 31, 2022 (unaudited) ($)
Total Assets	4,564,081	4,141,225
Total Liabilities	2,338,968	2,539,036
Total Equity	2,225,113	1,602,189
Net Loss and Comprehensive Loss for the Period	(330,405) [(1)]	(694,173) [(2)]

Notes:

(1) The net loss for the period from September 13, 2021 (date of incorporation) to March 31, 2022 consisted primarily of: (i) salaries and benefits of $44,783; (ii) professional fees of $187,593; (iii) depreciation of $5,933; (iv) investor relations of $7,504; (v) shareholder information of $641; (vi) office and general expenses of $60,294; and (vii) interest expense of $43,657.

(2) The net loss for the nine-month period ended December 31, 2022 consisted primarily of: (i) salaries and benefits of $100,435; (ii) professional fees of $336,264; (iii) depreciation of $33,511; (iv) investor relations of $7,811; (v) shareholder information of $1,273; (vi) office and general expenses of $89,157; and (vii) interest expense of $125,722

See "*Selected Financial Information and Management's Discussion and Analysis*."

Risk Factors: Due to the nature of the Company's business and the present stage of development of its business, the Company is subject to significant risks. Readers should carefully consider all such risks. Risk factors include, but are not limited to, the market for repurposing psychedelic-derived drugs may not develop as expected, limited operating history, additional capital requirements, and competition. For a detailed description of these and other risks, please see "*Risk Factors*".

CORPORATE STRUCTURE

Name and Incorporation of the Company

The Company was incorporated under the *Business Corporations Act* (British Columbia) on October 14, 2020 under the name "Greenridez 2.0 Acquisitions Corp." and subsequently filed a notice of alteration of its articles in order to change its name to "Lophos Holdings Inc." on February 4, 2022. The fiscal year end of the Company is March 31.

The Company's registered office is located at 550 Burrard St #2900, Vancouver, BC V6C 0A3.

The Company's head office is located at 620 – 1111 Melville Street, Vancouver, BC V6E 3V6.

Name and Incorporation of Lophos Pharmaceuticals Corp.

Lophos Pharmaceuticals Corp. was incorporated under the *Business Corporations Act* (British Columbia) on September 13, 2021. The fiscal year end of Lophos Pharmaceuticals Corp. is March 31.

The registered office of Lophos Pharmaceuticals Corp. is located at 550 Burrard St #2900, Vancouver, BC V6C 0A3.

The head office of Lophos Pharmaceuticals Corp. is located at 620 – 1111 Melville Street, Vancouver, BC V6E 3V6.

Name and Incorporation of Richmond Pharma Inc.

Richmond Pharma Inc. was incorporated under the *Business Corporations Act* (Ontario) on January 15, 2018. The fiscal year end of Richmond Pharma Inc. is March 31, 2022.

The registered and head office of Richmond Pharma Inc. is located at 100 Circuit Rider Drive, Napanee, ON K7R 3L2.

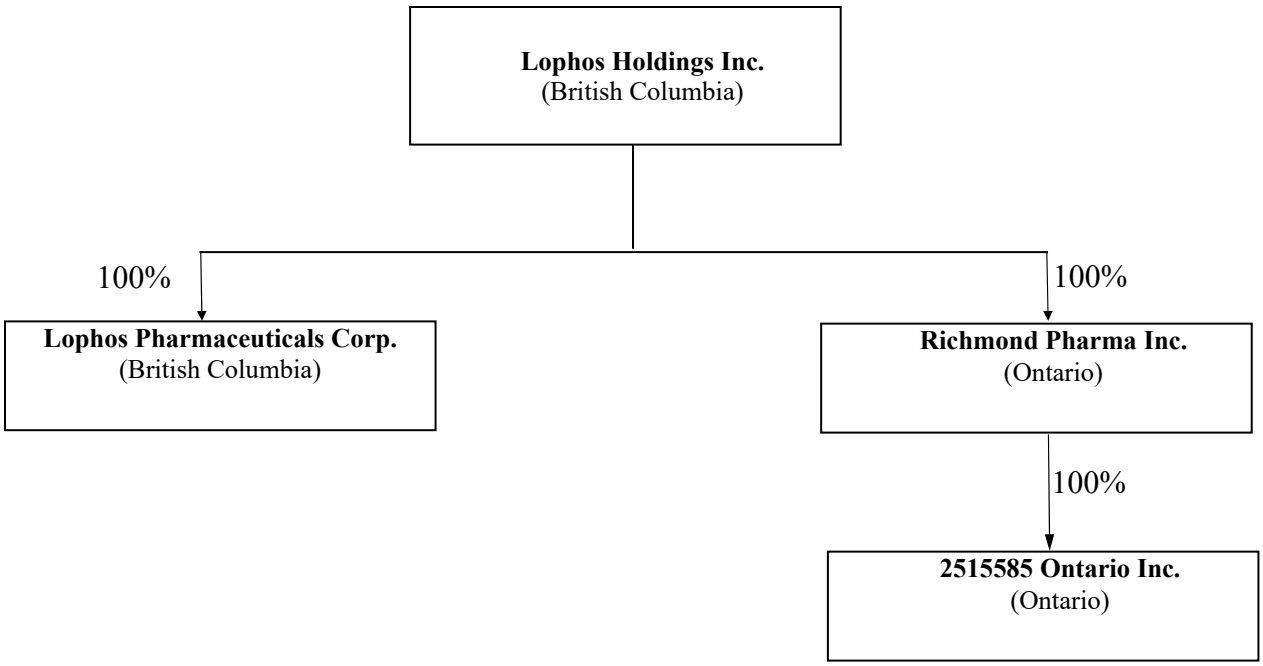
Name and Incorporation of 2515585 Ontario Inc.

2515585 Ontario Inc. was incorporated under the *Business Corporations Act* (Ontario) on April 26, 2016. The fiscal year end of 2515585 Ontario Inc. is March 31, 2022.

The registered and head office of 2515585 Ontario Inc. is located at 100 Circuit Rider Drive, Napanee, ON K7R 3L2.

Inter-corporate Relationships

Upon completion of the Acquisition, effective on December 23, 2021, Lophos Pharmaceuticals Corp. and Richmond Pharma Inc. became wholly-owned subsidiaries of the Company. 2515585 Ontario Inc. is a wholly-owned subsidiary of Richmond Pharma Inc.



DESCRIPTION OF THE BUSINESS

Overview

The Company's principal business pertains to the cultivation and research of Lophophora williamsii ("**peyote cactus**"). Additionally, in the long-term, the Company is engaged in the research and development of compounds derived from peyote cactus.

Prior to completion of the Acquisition, the Company had not conducted any material business since incorporation other than pursuing its interests under the Share Exchange Agreement.

The Company was incorporated on October 14, 2020, pursuant to the BCBCA and prior to the completion of the Acquisition had not conducted any material business since incorporation other than pursuing its interests under the Share Exchange Agreement. The sole business of the Company from the date of its incorporation until executing the Share Exchange Agreement was to identify and evaluate opportunities for the acquisition of an interest in suitable businesses and, once identified and evaluated, to negotiate an acquisition subject to applicable corporate and securities laws, so as to complete a transaction. Until the completion of the Acquisition, the Company did not have a business, business operations or any material assets other than cash.

Upon completion of the Acquisition, the business of Lophos Pharmaceuticals Corp. became the business of the Company.

The Company intends to conduct pre-clinical research and development in Canada with one or more third-party partners and currently performs cultivation research and development in Canada. Dependent on CSDL licensing, the Company could perform analytical research and development on controlled substances.

The Company's current business line includes the cultivation of peyote cactus for both direct sales and research and development purposes. Furthermore, the following additional business lines are dependent on CSDL licensing for Lophos Pharma's Napanee, Ontario facility: development of novel drug delivery mechanisms for Mescaline and other related compounds; development of Intellectual Property related to the custom formulation of Mescaline and related compounds; performing contracted research and laboratory analysis for psychedelic compounds; and manufacturing of Mescaline as a base substance under CSDL for purchase by licensed and qualified entities.

Current Business Line:

1) Cultivating peyote cactus for both direct sales and research and development purposes. (First Harvest Expected – Q1 2025)

Additional Business Lines Dependent on CSDL Licensing for Lophos Pharma's Napanee, Ontario Facility: (CSDL Expected – Q2 2023)

2) Research and development of novel drug delivery systems for Mescaline and other related molecules; (Laboratory Operational – Q4 2023)

3) Development of intellectual property related to the custom formulation of Mescaline and related compounds; (Laboratory Operational – Q4 2023)

4) Performing contracted research and laboratory analysis; and (Laboratory Operational – Q4 2023)

5) Production of Mescaline as an Active Pharmaceutical Ingredient (API) available for purchase by licensed and qualified entities. (CSDL Expected - Q2 2023)

A "novel drug delivery system" refers to a method or technology used to deliver medication to the body in a more effective and targeted manner than traditional drug delivery methods. These systems can enhance the pharmacokinetic and pharmacodynamic properties of drugs, improving their efficacy and safety. Examples of novel drug delivery systems include liposomes, nanoparticles, and implantable devices. These systems can improve drug solubility, absorption, bioavailability, and target specific tissues or cells, reducing side effects and increasing therapeutic outcomes. Any work relating to novel drug delivery systems as they relate to Mescaline will be conducted in association with appropriate third parties, such as PharmaTher Ltd.

Mescaline (3,4,5-trimethoxyphenethylamine) is a naturally occurring psychedelic alkaloid found in several species of cactus, most notably in the peyote cactus (Lophophora williamsii). The compound has a long history of use in traditional spiritual practices by indigenous people of Mexico, the United States and Canada, particularly in the form of peyote cactus ceremonies.

Under Canadian law, the possession, sale, and distribution of peyote cactus is legal through an exemption to the Controlled Drugs and Substances Act (CDSA). Mescaline (the primary psychoactive compound found in peyote cactus) may only be manufactured or sold by entities

possessing a Controlled Substances Manufacturer's License ("**CSML**") or Controlled Substances Dealer's License ("**CSDL**") as granted by Health Canada.

Through the Richmond Pharma acquisition, the Company acquired a cultivation and research facility in Napanee, Ontario, and as of February 2, 2022, has submitted a CSDL application for the production of base substance materials, sale, transport, laboratory analysis, research and development, distribution under Health Canada's Special Access Program ("**SAP**"), and import/export of Mescaline and Psilocybin. The production of pharmaceutical products would require an amendment to the CSDL, including a GMP inspection and certification by Health Canada. Should the Company move forward with a GMP certification, the expected timeline for initiation of the application would be Q4 2025.

The Company understands that Health Canada has accepted its CSDL application without revisions and anticipates that it could receive its CSDL in Q1 of 2023 following the March 07, 2023, onsite security inspection of the facility.

Once the CSDL has been granted, Lophos Pharma will cultivate and process peyote cactus at the Napanee site, as well as other Mescaline-producing cacti. The Company may then provide Mescaline to entities that are approved to receive controlled substances or to patients that have been granted an exemption under Section 56 of the Canada's Food and Drugs Act. Approved customers would include any entity that is legally qualified to receive and hold Mescaline, as determined by Health Canada and any local regulatory authorities in their country of residency.

To maintain and extend the Controlled Drugs and Substances License (CSDL), the Company must comply with Health Canada regulations, including submitting regular reports, maintaining accurate records, and adhering to security requirements for the handling, storage, and transportation of controlled substances. Additionally, the Company must renew its CSDL prior to its expiration date and ensure that its facility and personnel meet the requirements for the license renewal.

The Company plans to offer contracted research and development services to third-party entities, which will include laboratory testing, secure storage handling, and cultivation research for both Mescaline- and Psilocybin- based substances.

The Company also entered into a collaboration agreement dated February 3, 2022, with PharmaTher Ltd. pursuant to which Lophos Pharma will have the exclusive worldwide rights to license their proprietary transdermal microneedle patch (Hydrogel) drug delivery system for Mescaline. The Company plans to perform the research and development necessary to consider further studies under this agreement and the possibility of incorporating a novel drug delivery system developed by PharmaTher Ltd.

Stated Business Objectives and Competitive Conditions

The Company's primary business focus is on the cultivation and research of peyote cactus and Mescaline, as well as the formulation of novel compounds. In pursuit of this objective, the Company endeavors to cultivate and produce peyote cactus and Mescaline, and furthermore, the Company is dedicated to the development, validation, and commercialization of its innovative

drug formulations. Based upon significant market research conducted by the Company, management believes that there are currently no companies in North America selling GMP Mescaline to clinical trials. While initial customers for the Company's products will be made up largely of entities seeking to research Mescaline's therapeutic applications, there is a chance that such research activity will end.

The Company intends to use its available funds to conduct research and development of its product development programs, manufacture Mescaline and peyote cactus, and to develop its research and cultivation facility. See "*Use of Available Funds*".

The Company competes with other entities in the development and manufacture of Mescaline molecules. As a result of this competition, the majority of which is with companies with greater financial resources, the Company may be unable to successfully identify, manufacture and license suitable product candidates. The Company also competes for financing with other psychopharmacological and pharmaceutical manufacturing companies, many of whom have more advanced businesses. The Company's competitors include multinational pharmaceutical companies and specialized biotechnology companies, universities, and other research institutions. The Company will face the challenge of competing with companies of varying sizes and at varying stages of licensing and levels of development of related products in the pharmaceutical industry. Other companies may develop products with similar profiles to those developed by the company, and such competing products may be superior to the Company's potential products. More established companies may have a competitive advantage over the Company due to their greater size, capital resources, cash flows, and institutional experience. Compared to the Company, many of its competitors may have significantly greater financial, technical, and human resources at their disposal. Due to these factors, competitors may have an advantage in marketing their approved products and may obtain regulatory approval of their product candidates before the Company can, which may limit the Company's ability to develop or commercialize its product candidates. Competitors may also develop drugs that are safer, more effective, more widely used, and less expensive, and may also be more successful in manufacturing and marketing their products. These advantages could materially impact the Company's ability to develop and commercialize its products. Mergers and acquisitions in the pharmaceutical and biotechnology industries may result in even more resources being concentrated among a smaller number of the Company's competitors. Smaller and other early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. These third parties also compete with the Company in recruiting and retaining qualified personnel, establishing clinical trial sites and subject registration for clinical trials, as well as in acquiring technologies complementary to, or necessary for, the Company's programs. There is no assurance that additional capital or other types of financing will be available to the Company if needed or that, if available, the terms of such financing will be favourable to the Company. See "*Risk Factors*".

Regulatory Overview

The Company's primary focus is on the cultivation and research of peyote cactus, as well as the development, manufacturing, and commercialization of Mescaline-based therapies. Additionally, the Company is dedicated to the creation of novel formulations that may be subject to approval by

Health Canada, the FDA, the European Medicines Agency (the "**EMA**"), and the Pharmaceuticals and Medical Devices Agency (the "**PMDA**").

The Company is focused on developing, manufacturing and commercializing Mescaline and Mescaline analogues. It is also focused on developing novel formulations which would be subject to Health Canada, FDA, EMA and PMDA-approval. Sales of Mescaline and other controlled substances in this class would be permissible in Canada should the Company be successful in receiving regulatory approval for proposed CSML and CSDL, or should the Company partner with an existing CSML and/or CSDL holder. All potential customers would have to be legally able to purchase and hold controlled substances within their jurisdiction of residence, whether through a license such as a Health Canada controlled substances license, a Ministerial or Regulatory Exemption, or under the auspices of a clinical trial registered with relevant local authorities.

With respect to regulatory process, the Company is and intends to continue following the same process applicable to other biotechnology companies. In order to develop regulated medicines, the Company's work must be conducted in strict compliance with the regulations of Health Canada, the FDA and other federal, provincial, state, local and regulatory agencies in the United States and Canada, and in strict compliance with the regulations of the equivalent regulatory agencies in the other jurisdictions in which the Company outsources research and development activities. These regulatory authorities regulate, among other things, the research, manufacture, promotion, and distribution of drugs in specific jurisdictions under applicable law and regulations. However, provided that the Company complies with applicable site requirements and maintains applicable establishment permits, including its CSDL and/or CSML in Canada, it must be noted that the Company does not require a product-specific marketing authorization to sell its product as a base substance material or as an investigational drug products sold to clinical researchers.

In order to market a Mescalin-based finished drug product, the Company would be required to undertake clinical trials and based on the success of such clinical trials, the Company plans to engage in licensing, partnership and/or acquisition discussions with life sciences companies that have the resources to complete the development and commercialization of the Company's products.

However, Mescaline becoming an approved therapeutic drug by competent regulatory authorities in a jurisdiction could offer an accelerated pathway in certain countries. For instance, if a Mescaline-based drug is approved in the United States, a novel formulations of Mescaline developed by the Company could potentially be granted status in the United States under a "505(b)(2)" process, if the Company should prove that its formulations are therapeutically equivalent to the already approved product. A "505(b)(2)" process would not require phased clinical trials, however they would require that Mescaline be approved as a therapeutic drug by the FDA prior to filing of the application.

In Canada, Health Canada regulates drugs and medical devices under the Food and Drugs Act ("**F&D Act**"), and the Controlled Drug's and Substances Act ("**CDSA**") and their respective implementing regulations. Drugs and devices may also be subject to other federal, provincial, and municipal statutes and regulations. In the United States, the FDA regulates drugs and medical devices under the *Federal Food, Drug, and Cosmetic Act* (the "**FDCA**") and its implementing

regulations. Drugs and devices are also subject to other federal, state and local statutes and regulations.

The Company plans to investigate its products through the clinical trial authorization ("**CTA**") framework in Canada and the investigational new drug application ("**IND**") framework in the United States. It can seek approval of a new drug through the new drug submission process ("**NDS**") in Canada and the new drug application ("**NDA**") pathway in the United States. The process required by regulatory authorities such as Health Canada and the U.S. FDA before the Company's product candidates may be marketed generally involves the following:

- completion of extensive nonclinical laboratory tests, animal studies and formulation studies, all performed in accordance with Good Laboratory Practice ("**GLP**") standards;

- submission of a CTA or IND depending on the jurisdiction, prior to beginning any new study involving human subjects;

- performance of adequate and well-controlled human clinical trials in accordance with the local regulations, including Good Clinical Practices ("**GCPs**"), to establish the safety and efficacy of the product candidate for each proposed indication;

- submission to Health Canada of a NDS and submission to the FDA of an NDA;

- a pre-screening of the regulatory application where the regulatory authority may solicit more information in the form of clarification requests;

- where applicable, satisfactory completion of a pre-approval inspection of the manufacturing facilities at which the API and finished drug product are produced and tested to assess compliance with GMP regulations; and

- a complete scientific review and approval of the NDS or NDA leading to the issuance of a marketing authorization prior to any commercial advertising, sale or distribution of the new drug.

Clinical trials involve the administration of the investigational drug to human subjects under the supervision of qualified investigators in accordance with GCPs, which include the requirement that all research subjects provide their informed consent for their participation in any clinical trial. Clinical trials are conducted under protocols detailing, among other things, the objectives of the study, the parameters to be used in monitoring safety, and the efficacy criteria to be evaluated.

In Canada, a CTA is an authorization to import or sell a drug for the purposes of a clinical trial. In the US, an IND is a request for authorization to administer an investigational drug product to humans. The central focus of the applicable submission in either country is on the general investigational plan and the protocol(s) for human studies. The submission also includes results of animal studies or other human studies, as appropriate, as well as manufacturing information, analytical data and any available clinical data or literature to support the use of the investigational new drug. In Canada, if the application is deemed safe and scientifically sound, a "No Objection Letter" will normally be issued within 30 days of receipt of the application. A "not satisfactory notice" may also be issued if significant deficiencies are identified during review, in which case

the sponsor may submit a new CTA. In the U.S., an IND will automatically become effective 30 days after receipt by the FDA. In either country, the regulator may raise concerns or questions related to the proposed clinical trial. In such a case, the application may be placed on clinical hold and the sponsor and the regulatory must resolve any outstanding concerns or questions before clinical trials can begin. Accordingly, submission of a CTA or an IND may or may not result in the regulator allowing clinical trials to commence.

A protocol for each clinical trial and any subsequent protocol amendments must be submitted to Health Canada or the FDA, as applicable.

Additionally, approval must also be obtained from each clinical trial site's research ethics board ("**REB**" in Canada) or institutional review board ("**IRB**" in the U.S.) before the trials may be initiated, and the REB or IRB must monitor the study until completed. There are also requirements governing the reporting of ongoing clinical trials and clinical trial results to public registries.

The clinical investigation of a drug is generally divided into three phases. Although the phases are usually conducted sequentially, they may overlap or be combined. The three phases of a pre-market investigation are as follows:

- **Phase 1.** Phase 1 includes the initial introduction of an investigational new drug into humans. Phase 1 clinical trials are typically closely monitored and may be conducted in patients with the target disease or condition or in healthy volunteers. These studies are designed to evaluate the safety, dosage tolerance, metabolism, and pharmacologic actions of the investigational drug in humans, the side effects associated with increasing doses, and if possible, to gain early evidence on effectiveness. During Phase 1 clinical trials, sufficient information about the investigational drug's pharmacokinetics and pharmacological effects may be obtained to permit the design of well-controlled and scientifically valid Phase 2 clinical trials. The total number of participants included in Phase 1 clinical trials varies but is generally in the range of 20 to 80.

- **Phase 2.** Phase 2 includes controlled clinical trials conducted to evaluate the effectiveness of the investigational drug preliminarily or further for a particular indication(s) in patients with the disease or condition under study, to determine dosage tolerance and optimal dosage, and to identify possible adverse side effects and safety risks associated with the drug. Phase 2 clinical trials are typically well-controlled, closely monitored, and conducted in a limited patient population, usually involving no more than several hundred participants.

- **Phase 3.** Phase 3 clinical trials are generally controlled clinical trials conducted in an expanded patient population generally at geographically dispersed clinical trial sites. They are performed after preliminary evidence suggesting effectiveness of the drug has been obtained, and are intended to further evaluate dosage, clinical effectiveness and safety, to establish the overall benefit-risk relationship of the investigational drug product, and to provide an adequate basis for product approval. Phase 3 clinical trials usually involve several hundred to several thousand participants.

A pivotal study is a clinical study which adequately meets regulatory agency requirements for the evaluation of a drug candidate's efficacy and safety such that it can be used to justify the approval of the product. Generally, pivotal studies are also Phase 3 studies but may be Phase 2 studies if the

trial design provides a well-controlled and reliable assessment of clinical benefit, particularly in situations where there is an unmet medical need.

Health Canada, the FDA, the REB/IRB or the clinical trial sponsor may suspend or terminate a clinical trial at any time on various grounds, including a finding that the research subjects are being exposed to an unacceptable health risk. Additionally, some clinical trials are overseen by an independent group of qualified experts organized by the clinical trial sponsor, known as a data safety monitoring board or committee. This group provides authorization for whether or not a trial may move forward at designated check points based on access to certain data from the study. This may be the case where, for example, the clinical trial is high-risk, or where it becomes clear that one of the treatments used in a trial is more effective and the other and it is no longer ethical to continue. The Company may also suspend or terminate a clinical trial based on evolving business objectives and/or competitive climate.

Assuming successful completion of all required testing in accordance with all applicable regulatory requirements, detailed investigational drug product information is submitted to Health Canada and/or the FDA in the form of an NDS (Canada) or NDA (U.S.) requesting approval to market the product for one or more indications. The application includes all relevant data available from pertinent preclinical and clinical trials, including negative or ambiguous results as well as positive findings, together with detailed information relating to the product's chemistry, manufacturing, controls, and proposed labeling, among other things. Data can come from company-sponsored clinical trials intended to test the safety and effectiveness of a use of a product, or from a number of alternative sources, including studies initiated by investigators. To support marketing approval, the data submitted must be sufficient in quality and quantity to establish the safety and effectiveness of the investigational drug product to the satisfaction of Health Canada and/or the FDA.

Once a submission for a new molecular entity has been accepted for filing, Health Canada has a target review of 300 calendar days, where as the FDA's goal is to review applications within ten months of the filing date. If the application relates to a serious or life-threatening indication and demonstrates the potential to provide a significant improvement in safety or effectiveness over currently marketed therapies, both Health Canada and the FDA have an expedited review of six months from the filing date. The review process is however often significantly extended by requests from the regulator for additional information or clarification. The application may also be referred to an advisory committee for review, evaluation, and recommendation as to whether the application should be approved, notably where necessary for the scientific review. The regulators are not bound by the recommendation of an advisory committee, but typically follow such recommendations.

After Health Canada completes its review of the NDS and a decision has been made, one of the following will be issued:

In the event of a positive finding that the product is safe and effective and otherwise complies with the F&DA, Health Canada issues a Drug Identification Number, in the form of a Drug Notification Form and a Notice of Compliance.

Where there is insufficient but promising evidence of clinical effectiveness throughout the clinical trial phases, Health Canada may issue a Notice of Compliance with Conditions ("**NOC/c**"). Market authorization through a NOC/c allows Health Canada to provide earlier market access to potentially life-saving drugs but requires that the manufacturer undertakes additional studies before a full NOC can be issued. This undertaking allows Health Canada to facilitate access based on promising evidence of clinical significance while monitoring the drug through enhanced post-market surveillance

If the scientific review of a submission has been completed and is found to be incomplete or non-compliant with the requirements outlined in the F&DA, a Notice of Non-Compliance ("**NON**") will be sent to the sponsor. The NON will specify the issues from all of the scientific review streams that render the submission as non-compliant. A Response to a NON may be submitted to Health Canada

Finally, a Notice of Non-Compliance Withdrawal letter ("**NON-W**") may be sent to the sponsor if it is determined that the submission remains non-compliant.

After the FDA evaluates the NDA, it may issue an approval letter or a complete response letter. An approval letter authorizes commercial marketing of the drug with specific prescribing information for specific indications. A complete response letter indicates that the review cycle of the application is complete, and the application is not ready for approval. A complete response letter may require additional clinical data and/or an additional pivotal Phase 3 clinical trial(s), and/or other significant, expensive, and time-consuming requirements related to clinical trials, preclinical studies or manufacturing. Even if such additional information is submitted, the FDA may ultimately decide that the NDA does not satisfy the criteria for approval. The FDA could also approve the NDA with a risk evaluation and mitigation strategy to mitigate risks, which could include medication guides, physician communication plans, or elements to assure safe use, such as restricted distribution methods, patient registries and other risk minimization tools. The FDA also may condition approval on, among other things, changes to proposed labeling, development of adequate controls and specifications, or a commitment to conduct one or more post-market studies or clinical trials. Such post-market testing may include Phase 4 clinical trials and surveillance to further assess and monitor the product's safety and effectiveness after commercialization. Regulatory approval of oncology products often requires that patients in clinical trials be followed for long periods to determine the overall survival benefit of the drug.

The regulatory process in the other jurisdictions in which the Company operates are substantively similar to the processes described above for Canada and the United States.

Expedited Development & Review

Health Canada and the FDA both maintain several programs intended to facilitate and expedite development and/or review of new drugs to address unmet medical needs in the treatment of serious or life-threatening diseases or conditions. These purpose of these programs is to either expedite the development or review of important new drugs to get them to patients more quickly than standard review timelines typically permit.

In Canada, drug applications may generally be fast-tracked under one of two pathways: the Priority Review pathway or the ("**NOC/c**") pathway. Most new drugs have a review target of 300 days; however, the Priority Review pathway allows for the quickest review target of 180 calendar days; whereas the NOC/c pathway allows for an expedited 200-day target.

In both cases, the pathways are available to manufacturers if the drug is intended for the treatment, prevention or diagnosis of serious, life-threatening or severely debilitating diseases or conditions for which: (i) there is no alternative therapy available on the Canadian market or, (ii) where the new product represents a significant improvement in the benefit/risk profile over existing products.

However, the Priority Review pathway applies to drugs that show substantial evidence of clinical effectiveness, i.e., at least two adequate and well controlled clinical studies, each convincing on its own to establish effectiveness of the drug involved.

In contrast, the NOC/c pathway applies to drugs with promising evidence of clinical effectiveness throughout the clinical trial phases. For example, the data to support authorization under the NOC/c policy is often:

- limited due to a small number of patients eligible for clinical trial participation;
- based on surrogate marker data predictive of clinical benefit; or
- based on larger trials in which final outcomes of morbidity and mortality are lacking.

The data required for a NOC/c submission is therefore unlikely to meet the evidentiary requirements of the Priority Review Pathway.

In the U.S., a drug is eligible for Fast Track designation if it is intended to treat a serious or life-threatening disease or condition and demonstrates the potential to address unmet medical needs for such disease or condition. Fast Track designation provides increased opportunities for sponsor interactions with the FDA during preclinical and clinical development, in addition to the potential for rolling review once a marketing application is filed. Rolling review means that the agency may review portions of the marketing application before the sponsor submits the complete application. In addition, a drug may be eligible for Breakthrough Therapy designation if it is intended to treat a serious or life- threatening disease or condition and preliminary clinical evidence indicates that the drug may demonstrate substantial improvement over existing therapies on one or more clinically significant endpoints, such as substantial treatment effects observed early in clinical development. Breakthrough Therapy designation provides all the features of Fast Track designation in addition to intensive guidance on an efficient drug development program, and FDA organizational commitment to expedited development, including involvement of senior managers and experienced review staff in a cross-disciplinary review, where appropriate.

Any product submitted to the FDA for approval, including a product with Fast Track or Breakthrough Therapy designation, may also be eligible for additional FDA programs intended to expedite the review and approval process, including Priority Review designation and Accelerated Approval. A product is eligible for Priority Review designation, once an NDA or biologics license application is submitted, if the drug that is the subject of the marketing application has the potential to provide a significant improvement in safety or effectiveness in the treatment, diagnosis or

prevention of a serious disease or condition. Under priority review, the FDA's goal date to take action on the marketing application is six months compared to ten months for a standard review. Products are eligible for Accelerated Approval if they can be shown to have an effect on a surrogate endpoint that is reasonably likely to predict clinical benefit, or an effect on an intermediate clinical endpoint that can be measured earlier than an effect on irreversible morbidity or mortality, which is reasonably likely to predict an effect on irreversible morbidity or mortality or other clinical benefit, taking into account the severity, rarity, or prevalence of the condition and the availability or lack of alternative treatments.

The Company has not received legal advice with respect to its Canadian or United States regulatory obligations to comply with the applicable drug development and approval processes as a precondition of marketing Mescaline within Canada or the United States. Once the Company has validated its processes and completed its preclinical research in Canada and has filed the necessary patent applications to protect its inventions, the Company will seek legal advice and conduct due diligence prior to conducting any clinical studies in either country. While the Company is conducting drug discovery, research and development on Mescaline, it does not have any direct or indirect involvement with the illegal selling, production or distribution of any substances in the jurisdictions in which it operates. The Company is a drug development company and does not advocate for the legalization of any psychedelic substances and does not deal with psychedelic substances except within approved laboratory clinical trial settings conducted within approved regulatory frameworks. The Company's products will not be commercialized prior to applicable regulatory approval, which will only be granted if clinical evidence of safety and efficacy for the intended uses is successfully developed. Furthermore, because the Company will only deal with controlled substances within approved laboratory clinical trial settings within approved regulatory frameworks, in the Company's view, there are minimal risks associated with third-party services providers that relate to the treatment of psychedelic substances under applicable laws. The Company also feels that it has minimized other risks associated with third-party service providers through standard contractual obligations.

HISTORY

Financings

On October 14, 2020, the Company completed a founder private placement by issuing 1,000,000 Common Shares at a price of $0.001 per Common Share for aggregate gross proceeds of $1,000.

On October 15, 2020, the Company completed a seed round private placement by issuing 250,000 Common Shares at a price of $0.01 per Common Share for aggregate gross proceeds of $2,500.

On October 22, 2020, the Company completed the Crowdfunding Private Placement pursuant to which it issued 690,000 Special Warrants (490,000 Special Warrants issued to subscribers and 200,000 Special Warrants issued to Vested Technology Corp. as compensation), at a price per Special Warrant of $0.05, for gross proceeds to the Company of $24,500. In addition, The Company issued 200,000 common share purchase warrants (the "**Vested Warrants**") to Vested Technology Corp. as compensation in connection with the Crowdfunding Private Placement. Each Vested Warrant entitles the holder thereof to acquire one Common Share, at an exercise price of $0.10, for a period of 24 months from a listing of the Common Shares on a stock exchange.

On November 15, 2021, the Company completed the Q4 2021 Private Placement pursuant to which it issued 9,605,000 Special Warrants, at a price per Special Warrant of $0.10, for gross proceeds to the Company of $960,500. Each Special Warrant issued under the Q4 2021 Private Placement is convertible for one Common Share. The Company also issued 480,250 Broker Warrants to registered dealers in connection with the Q4 2021 Private Placement. Each Broker Warrant entitles the holder thereof to acquire one Common Share, at an exercise price of $0.10, for a period of 24 months.

On November 1, 2021 the Company issued 5,000,000 common share purchase warrants (the "**Consulting Warrants**") exercisable to acquire 5,000,000 Common Shares, at an exercise price of $0.10, for a period of 24 months to five arm's length advisors.

On March 21, 2022, the Company completed Q1 2022 Private Placement pursuant to which it issued 5,333,334 Special Warrants, at a price per Special Warrant of $0.15, for gross proceeds to the Company of $800,000.10. Each Special Warrant issued under the Q1 2022 Private Placement is convertible for one Common Share and one Warrant entitling the holder thereof to acquire one additional Common Share, at an exercise price of $0.20, for a period of 24 months. The Company also issued 533,333 Broker Warrants to registered dealers in connection with the Q1 2022 Private Placement. Each Broker Warrant entitles the holder thereof to acquire one Common Share, at an exercise price of $0.15, for a period of 24 months.

On August 31, 2022, the Company issued the Convertible Debenture for gross proceeds to the Company of $150,000. The principal amount of the Convertible Debenture bears interest at a rate of 8% per annum, matures on August 31, 2024 and is convertible, at a conversion price of $0.15, into 1,000,000 Common Shares and 1,000,000 Warrants, with each Warrant entitling the holder thereof to acquire one additional Common Share, at an exercise price of $0.20, for a period of 24 months. The Company also issued 80,000 Broker Warrants to a registered dealer in connection with the Convertible Debenture. Each Broker Warrant entitles the holder thereof to acquire one Common Share, at an exercise price of $0.20, for a period of 24 months.

On November 30, 2022, the Company completed Q4 2022 Private Placement pursuant to which it issued 333,333 Special Warrants, at a price per Special Warrant of $0.15, for gross proceeds to the Company of $50,000. Each Special Warrant issued under the Q4 2022 Private Placement is convertible for one Common Share and Warrant entitling the holder thereof to acquire one additional Common Share, at an exercise price of $0.20, for a period of 24 months.

On January 31, 2023, the Board of Directors resolved to convert, effective as of January 31, 2023, and for no additional consideration and pursuant to the terms of the Special Warrants, all of 15,961,667 Special Warrants issued and outstanding into 15,961,667 Common Shares. The holders of the Common Shares issued upon the conversion of the Special Warrants are entitled to the same rights as holders of Common Shares, namely to vote at all meetings of the holders of Common Shares and, subject to the rights of holders of any shares ranking in priority to or on a parity with the Common Shares, to participate rateably in any distribution of the Company's property or assets upon liquidation or winding-up.

On May 5, 2023, the Company completed the closing of a first tranche of the Concurrent Private Placement pursuant to which it issued 1,500,001 Units, at a price per Unit of $0.15, for gross

proceeds to the Company of $225,000.15. Each Unit issued under the closing of the first tranche of the Concurrent Private Placement is comprised of one Common Share and one Common Share purchase warrant entitling the holder thereof to acquire one additional Common Share, at an exercise price of $0.20, for a period of 24 months. The Company also issued 75,000 Broker Warrants to a registered dealer. Each Broker Warrant entitles the holder thereof to acquire one Common Share, at an exercise price of $0.20, for a period of 24 months. The Company also issued 75,000 Common Shares as compensation, at a deemed issue price of $0.15, to the same registered dealer. Finally, the Company paid cash compensations of $22,200.02 and $300 to two registered dealers.

Acquisition of Lophos Pharmaceuticals Corp.

On December 23, 2021, the Company entered into the Share Exchange Agreement, an arm's length transaction, with the shareholders of Lophos Pharmaceuticals Corp., pursuant to which the Company agreed to acquire all issued and outstanding securities of Lophos Pharmaceuticals Corp. in consideration for the issuance of a total of 44,500,000 Common Shares to shareholders of Lophos Pharmaceuticals Corp. in proportion to their respective interest in Lophos Pharmaceuticals Corp.

Pursuant to the Share Exchange Agreement, each shareholder of Lophos Pharmaceuticals Corp. received four Common Shares for each common share of Lophos Pharmaceuticals Corp. held at a deemed value of $0.10 per Common Share. The acquisition closed on December 23, 2021.

Acquisition of Richmond Pharma

On December 23, 2021, the Company entered into the RP Purchase Agreement, an arm's length transaction, pursuant to which the Company agreed to acquire all of the issued and outstanding common shares of Richmond Pharma held by Eric Hancox, Vassil Staykov and Sandra Williams in consideration of $1,985,400.

On December 23, 2021, the Company entered into the HHL Purchase Agreement, an arm's length transaction, pursuant to which the Company agreed to acquire all of the issued and outstanding common shares of Richmond Pharma held by Herman Holdings Limited in consideration for the issuance of a total of 17,500,000 Common Shares to Herman Holdings Limited at a deemed value of $0.10 per Common Share. Subsequent to the closing of the Acquisition, the Company entered into a debt settlement agreement with Herman Holdings Limited pursuant to which the Company issued 400,000 Common Shares at a deemed value of $0.10 per Common Share in order to settle an amount of $40,000 owing to Herman Holdings Limited.

MSSI Consulting Agreement

On January 6, 2022, the Company entered into a consulting agreement with MSSI which provides for the several services to be rendered by MSSI, including the services of Mr. Remantra Sheopaul as CFO of the Company. The agreement is for an indeterminate period of time, however it may be terminated by either party with 30 days' written notice. The consulting agreement with MSSI was renewed and re-signed on February 7, 2023.

Consulting Agreement Canalytica Corp.

On December 17, 2021, the Company entered into a consulting agreement with Canalytica Corp., a company controlled by Jacqueline Claire Lupo (CEO of the Company) to provide QPIC services and regulatory consultation services. The agreement may be terminated at any time.

Employees, Specialized Skill and Knowledge

As at the date of this Prospectus, the Company has 1 employee located in Canada and 4 independent contractors.

Our business requires specialized knowledge and technical skill around Mescaline, clinical sciences, product formulations, product testing, clinical testing, quality assurance, GMP standards and ingredient sourcing. The required skills and knowledge are available to us through our current employees and management.

USE OF AVAILABLE FUNDS

Available Funds and Principal Purposes

The Company has available funds of approximately $313,540, based on the estimated consolidated working capital of $313,540 as at April 30, 2023. Assuming the closing of the Concurrent Private Placement in the amount of $1,000,000, it is anticipated that the Company will have available funds of approximately $1,313,540. Upon the Listing, the principal purposes for the foregoing available funds are anticipated to be as follows:

Principal Purposes	**($)**
General and administrative costs [(1)]	231,691
Production costs [(2)]	478,431
Estimated expenses for listing on the CSE	150,000
Research and development [(3)]	223,865
Total use of available funds	**1,083,987**
Unallocated funds	229,553
Estimated working capital	89,675
R&D invoices included in working capital	223,865
Proceeds from Concurrent Private Placement [(4)]	1,000,000
Total available funds	**1,313,540**

Notes:

(1) This figure is for a forecasted period of 12 months and is comprised of salaries and benefits in the amount of approximately $50,000 (the salary of the CEO, Jacqueline Claire Lupo), insurance in the amount of

approximately $17,186, professionals' fees in the amount of approximately $58,000 (including the fees estimated to be paid to MSSI for general accounting and financial reporting matters, which includes the services of Remantra Sheopaul as CFO), financing fees in the amount of $100,000, and office and communication expenses in the amount of approximately $6,505.

(2) This figure is for a forecasted period of 12 months and is comprised of production costs including professionals' fees in the amount of $116,160 for QPIC services (paid to Canalytica, a company controlled by Mrs. Lupo, the CEO), $153,250 for building interest payments, $1,800 for building maintenance, $166,756 for HVAC upgrades and building occupancy, $26,243 for utilities, and $14,222 for property taxes.

(3) This figure is included in Accounts Payable and Accrued Liabilities and is comprised of costs of $223,865 for scientific research equipment and the invoice will remain outstanding until the equipment is delivered.

(4) Assuming closing of the Concurrent Private Placement prior to the final receipt for the Prospectus.

The Company intends to spend the funds available to it as stated in this Prospectus. Other than as disclosed in Note 1 for certain general and administrative costs, the Company does not intend to make any payments to related parties. It is anticipated that the Company will have sufficient cash available upon Listing to execute its business plan and to pay its operating and administrative costs for at least twelve months after the completion of the Listing. Unallocated funds will be deposited in the Company's bank account and added to the working capital of the Company. The CFO of the Company will be responsible for the supervision of all financial assets of the Company. Based on the Company's cash flow requirements, management will determine the appropriate level of liquidity required for operations and will draw down such funds as necessary. There may be circumstances, where for business reasons, a reallocation of funds may be necessary in order for the Company to achieve its stated business objectives. To date, the COVID-19 pandemic has not had an impact on the Company's available funds or the anticipated use of such funds.

The Company had negative cash flow from operating activities since incorporation. The Company cannot guarantee it will have a cash flow positive status from operating activities in future periods. As a result, the Company continues to rely on the issuance of securities or other sources of financing to generate sufficient funds to fund its working capital requirements and for corporate expenditures. The Company may continue to have negative cash flow from operating activities until sufficient levels of sales are achieved. To the extent that the Company has negative cash flow from operating activities in future periods, the Company may need to use a portion of proceeds from any offering to fund such negative cash flow. See "*Risk Factors –Negative Operating Cash Flow*".

Business Objectives and Milestones

The Company's current business line includes the cultivation of peyote cactus for both direct sales and research and development purposes. Furthermore, the following additional business lines are dependent on CSDL licensing for Lophos Pharma's Napanee, Ontario facility: development of novel drug delivery mechanisms for Mescaline and other related compounds; development of Intellectual Property related to the custom formulation of Mescaline and related compounds; performing contracted research and laboratory analysis for psychedelic compounds; and manufacturing of Mescaline as a base substance under CSDL for purchase by licensed and qualified entities.

<u>Current Business Line:</u>

1) Cultivating peyote cactus for both direct sales and research and development purposes. (First Harvest Expected – Q1 2025)

Additional Business Lines Dependent on CSDL Licensing for Lophos Pharma's Napanee, Ontario Facility: (CSDL Expected – Q2 2023)

2) Research and development of novel drug delivery systems for Mescaline and other related molecules; (Laboratory Operational – Q4 2023)

3) Development of intellectual property related to the custom formulation of Mescaline and related compounds; (Laboratory Operational – Q4 2023)

4) Performing contracted research and laboratory analysis; and (Laboratory Operational – Q4 2023)

5) Manufacturing of Mescaline as a base substance under CSDL for purchase by licensed and qualified entities (CSDL Expected - Q2 2023)

The following table outlines the key milestones for the Company's peyote cactus cultivation business, contract research and laboratory business and the base substance production business.

The Company estimates that the business objectives associated with such milestones, as well as the general research and development costs, will cost approximately $933,987 in the aggregate. The funds for these milestones are expected to come from the general and administrative costs, production costs, and research and development line items in the Available Funds table above. See "*Use of Available Funds*".

Business Objective	Current Status	Milestones	Budget
Cultivation of peyote cactus for direct sale and research.	• Purchased building in Napanee, ON • Filed for Health Canada CSDL approval for Napanee, ON facility • Peyote cactus in growth stage = 200 • Peyote cactus in seed stage = 600	• Establish facility compliance and receive licensing under Controlled Substance Dealers License (CSDL) regulations for peyote cactus research purposes by the end of Q1 2023. • Acquire remaining plant quantities by Q3 2023 with a target of 1000 plants. • Have the first peyote crop available for sale by the end of Q1 2025.	$553,053

Development of intellectual property related to manufacturing of custom formulations of Mescaline and related compounds, and the development of novel drug delivery mechanisms for Mescaline and other related molecules.	• Purchased scientific laboratory equipment • Purchased building in Napanee, ON • Filed for Health Canada CSDL approval for Napanee, ON facility	• IQ/OQ/PQ validation for LCMS 8045[(1)] is completed by Q4 2023. • Initiate a comprehensive study on the chemical composition of peyote cactus by the end of Q4 2023.	$126,978
Contract Research and Laboratory Business	• Purchased scientific laboratory equipment	• Complete method validation on scientific equipment for mescaline and psilocybin by Q3 2023[(2)] • Begin offering research services to clients by Q1 2024.	$126,978
Manufacturing of Mescaline as a base substance under CSDL for purchase by licensed and qualified entities	• Purchased building in Napanee, ON • Filed for Health Canada CSDL approval for Napanee, ON facility • Purchased scientific laboratory equipment	• Establish facility compliance and receive licensing under Controlled Substance Dealers License (CSDL) regulations by the end of Q1 2023 with Health Canada for production of Mescaline as a base substance material. • Amend CSDL and file application with Health Canada for pharmaceutical production approval by the end of Q4 2025.	$126,978

Notes:

(1) Shimadzu LCMS 8045 is the main workhorse for the laboratory. Small laboratory equipment may be purchased down the line (autoclave, centrifuge, HPLC) although additional equipment is not needed for the Company's current business objectives.

(2) Method Validation is a critical process used to ensure that the analytical method being used to detect a particular analyte is reliable, accurate, and precise. The first step involves defining the scope of the validation and developing a validation plan. Test samples that are representative of the matrix and analytes of interest are selected, and LCMS parameters are optimized to ensure optimal separation and detection of the analytes. A calibration curve is conducted to determine the method's linearity, accuracy, precision, and limit of detection and quantification. Intermediate precision testing, selectivity testing, and stability testing are also conducted to evaluate the method's performance under different conditions. Finally, a validation report is prepared, summarizing the testing methodology, results, and any deviations from the acceptance criteria. This report includes a conclusion regarding the suitability of the method for its intended use.

To date, the COVID-19 pandemic has not had any impact on the Company's business plans and milestones. However, since March 2020, several measures have been implemented in Canada and the rest of the world in response to the increased impact from the COVID-19 pandemic. While the

Company continues to operate its business in the normal course at this time and the impact of the COVID-19 pandemic is expected to be temporary, the current circumstances are dynamic and the impacts of the COVID-19 pandemic on the Company's operations cannot be reasonably estimated at this time. The Company anticipates the COVID-19 pandemic could have an adverse impact on its business, results of operations, financial position and cash flows in fiscal 2023.

DIVIDENDS OR DISTRIBUTIONS

Dividends

The Company has neither declared nor paid any dividends on its Common Shares. The Company currently intends to retain any future earnings to fund the development and growth of its business and does not currently anticipate paying dividends on the Common Shares. Any determination to pay dividends in the future will be at the discretion of the Board and will depend on many factors, including, among others, the Company's financial condition, current and anticipated cash requirements, contractual restrictions and financing agreement covenants, solvency tests imposed by applicable corporate law and other factors that the Board may deem relevant.

SELECTED FINANCIAL INFORMATION AND MANAGEMENT'S DISCUSSION AND ANALYSIS

Selected Consolidated Financial Information

The following selected consolidated financial information has been derived from and is qualified in its entirety by the audited consolidated financial statements of the Company for the period from incorporation on September 13, 2021 to March 31, 2022, as well as the reviewed interim consolidated financial statements for the three and nine months ended December 31, 2022 included in Schedule "A" of this Prospectus, and should be read in conjunction with such financial statements and the related notes thereto included in this Prospectus. All financial statements of the Company are prepared in accordance with International Financial Reporting Standards.

All amounts referred to as being derived from the financial statements of the Company are denoted in Canadian Dollars.

	As at and for the period from incorporation on September 13, 2021 to March 31, 2022 (audited) ($)	As at and for the nine-month period ended December 31, 2022 (unaudited) ($)
Total Assets	4,564,081	4,141,225
Total Liabilities	2,338,968	2,539,036
Total Equity	2,225,113	1,602,189
Net Loss and Comprehensive Loss for the Period	(330,405) [(1)]	(694,173) [(2)]

Notes:

(1) The net loss for the period from September 13, 2021 (date of incorporation) to March 31, 2022 consisted primarily of: (i) salaries and benefits of $44,783; (ii) professional fees of $187,593; (iii) depreciation of $5,933; (iv) investor relations of $7,504; (v) shareholder information of $641; (vi) office and general expenses of $60,294; and (vii) interest expense of $43,657.

(2) The net loss for the nine-month period ended December 31, 2022 consisted primarily of: (i) salaries and benefits of $100,435; (ii) professional fees of $336,264; (iii) depreciation of $33,511; (iv) investor relations of $7,811; (v) shareholder information of $1,273; (vi) office and general expenses of $89,157; and (vii) interest expense of $125,722.

Management's Discussion and Analysis

The consolidated MD&A of the Company from the date of incorporation on September 13, 2021 to March 31, 2022, as well as for the three and nine months ended December 31, 2022 are attached to this Prospectus as Schedule "B".

The consolidated MD&A of the Company should be read in conjunction with the financial statements and the accompanying notes thereto included in this Prospectus as Schedule "A". Certain information contained in the MD&A constitutes forward-looking statements. These statements relate to future events or to the Company's future financial performance and involve known and unknown risks, uncertainties and other factors that may cause the actual results, levels of activity, performance or achievements of the Company to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward looking statements. See "*Forward-Looking Information*" and "*Risk Factors*".

DESCRIPTION OF SECURITIES

Common Shares

The Company's authorized capital consists of an unlimited number of Common Shares, of which 81,186,668 Common Shares are issued and outstanding as at the date of this Prospectus as fully paid and non-assessable. Holders of the Common Shares are entitled to vote at all meetings of the holders of the Common Shares, to receive any dividend declared by the Company and, subject to the rights of holders of any shares ranking in priority to or on a parity with the Common Shares,

to participate rateably in any distribution of the Company's property or assets upon liquidation or wind-up. There are no pre-emptive, redemption or conversion rights attached to the Common Shares. All Common Shares, when issued, are and will be issued as fully paid and non-assessable Common Shares without liability for further calls or assessment.

The Board is authorized to issue additional Common Shares on such terms and conditions and for such consideration as the Board may deem appropriate without further security holder action.

The Company intends to list its Common Shares on the Exchange. Listing will be subject to the Company fulfilling all the listing requirements of the Exchange.

The Company is not currently a reporting issuer in any province or territory of Canada.

Warrants

On October 22, 2020, the Company issued 200,000 Vested Warrants to Vested Technology Corp. as compensation in connection with the Crowdfunding Private Placement. Each Vested Warrant entitles the holder thereof to acquire one Common Share, at an exercise price of $0.10, for a period of 24 months from a listing of the Common Shares on a stock exchange. There are no vesting conditions or other restrictions affecting the ability of the holder to exercise their Vested Warrants.

On November 1, 2021, 5,000,000 Consulting Warrants of the Company were issued to several arm's length advisors. Each Consulting Warrant entitles the holder thereof to acquire one Common Share, at an exercise price of $0.10, for a period of 24 months. There are no vesting conditions or other restrictions affecting the ability of the holder to exercise their Consulting Warrants.

On November 15, 2021, the Company issued 480,250 Broker Warrants to registered dealers in connection with the Q4 2021 Private Placement. Each Broker Warrant entitles the holder thereof to acquire one Common Share, at an exercise price of $0.10, for a period of 24 months. There are no vesting conditions or other restrictions affecting the ability of the holder to exercise their Broker Warrants.

On March 21, 2022, the Company completed Q1 2022 Private Placement pursuant to which it issued 5,333,334 Special Warrants, at a price per Special Warrant of $0.15, for gross proceeds to the Company of $800,000.10. Each Special Warrant issued under the Q1 2022 Private Placement is convertible for one Common Share and one Warrant entitling the holder thereof to acquire one additional Common Share, at an exercise price of $0.20, for a period of 24 months. The Company also issued 533,333 Broker Warrants to registered dealers in connection with the Q1 2022 Private Placement. Each Broker Warrant entitles the holder thereof to acquire one Common Share, at an exercise price of $0.15, for a period of 24 months. There are no vesting conditions or other restrictions affecting the ability of the holder to exercise their Warrants or Broker Warrants, as the case may be.

On August 31, 2022, the Company issued the Convertible Debenture for gross proceeds to the Company of $150,000. The principal amount of the Convertible Debenture bears interest at a rate of 8% per annum, matures on August 31, 2024 and is convertible, at a conversion price of $0.15, into 1,000,000 Common Shares and 1,000,000 Warrants, with each Warrant entitling the holder thereof to acquire one additional Common Share, at an exercise price of $0.20, for a period of 24

months. The Company also issued 80,000 Broker Warrants to a registered dealer in connection with the Convertible Debenture. Each Broker Warrant entitles the holder thereof to acquire one Common Share, at an exercise price of $0.20, for a period of 24 months. There are no vesting conditions or other restrictions affecting the ability of the holder to exercise their Warrants or Broker Warrants, as the case may be.

On November 30, 2022, the Company completed Q4 2022 Private Placement pursuant to which it issued 333,333 Special Warrants, at a price per Special Warrant of $0.15, for gross proceeds to the Company of $50,000. Each Special Warrant issued under the Q4 2022 Private Placement is convertible for one Common Share and Warrant entitling the holder thereof to acquire one additional Common Share, at an exercise price of $0.20, for a period of 24 months. There are no vesting conditions or other restrictions affecting the ability of the holder to exercise their Warrants.

On May 5, 2023, the Company completed the closing of a first tranche of the Concurrent Private Placement pursuant to which it issued 1,500,001 Units, at a price per Unit of $0.15, for gross proceeds to the Company of $225,000.15. Each Unit issued under the closing of the first tranche of the Concurrent Private Placement is comprised of one Common Share and one Common Share purchase warrant entitling the holder thereof to acquire one additional Common Share, at an exercise price of $0.20, for a period of 24 months. The Company also issued 75,000 Broker Warrants to a registered dealer. Each Broker Warrant entitles the holder thereof to acquire one Common Share, at an exercise price of $0.20, for a period of 24 months.

Options

The Board has approved an Option Plan, designed for selected employees, officers, directors, consultants and contractors, to incentivize such individuals to contribute toward the Company's long-term goals, and to encourage such individuals to acquire Common Shares as long-term investments. The Option Plan is administered by the Board. There are currently 4,325,000 Options outstanding, with 4,325,000 Options convertible each into a Common Share of the Company at a price of $0.15 per Common Share until January 31, 2028. The terms of any award are determined by the Board, provided that no options may be granted with an exercise price lower than the greater of the closing market prices of the Common Shares on (a) the trading day prior to the date of grant of the stock options, and (b) the date of grant of the stock options. See "*Options to Purchase Securities*".

On January 31, 2023, the Company granted an aggregate of 4,325,000 Options to officers, directors, consultants and employees of the Company. Each of the 4,325,000 Options are convertible into a Common Share of the Company at a price of $0.15 per Common Share until January 31, 2028.

CONSOLIDATED CAPITALIZATION

The following table sets out the share and loan capital, on a consolidated basis, of the Company as at the dates specified below.

Description	Authorized	Outstanding as at December 31, 2022[1][2]	Outstanding as at the date of this Prospectus[1][2]
Common Shares	Unlimited	63,650,000	81,186,668
Special Warrants	Unlimited	15,961,667	-
Vested Warrants	Unlimited	200,000	200,000
Consulting Warrants	Unlimited	5,000,000	5,000,000
Broker Warrants	Unlimited	1,093,583	1,168,583
Warrants	Unlimited	-	7,166,668
Options	Unlimited	-	4,325,000
Convertible Debenture [3]	Unlimited	150 [3] ($150,000 principal amount)	150 [3] ($150,000 principal amount)

Notes:

(1) See "*Prior Sales*".
(2) On an undiluted basis.
(3) Convertible into 1,000,000 Common Shares and 1,000,000 Warrants.

Fully Diluted Share Capitalization

Common Shares	Amount of Securities	Percentage of Total
Issued and outstanding as at the date of this Prospectus	81,186,668	80.35%
Common Shares reserved for issuance upon exercise of Vested Warrants	200,000	0.20%
Common Shares reserved for issuance upon exercise of Consulting Warrants	5,000,000	4.95%
Common Shares reserved for issuance upon exercise of Broker Warrants	1,168,583	1.16%
Common Shares reserved for issuance upon exercise of Warrants	7,166,668	7.09%
Common Shares reserved for issuance upon exercise of Options	4,325,000	4.28%
Common Shares reserved for issuance upon exercise of the Convertible Debenture	1,000,000	0.99%
Common Shares reserved for issuance upon exercise of the Warrants underlying the Convertible Debenture	1,000,000	0.99%
Total Fully Diluted Share Capitalization after the Listing	**101,046,919 (1)**	**100%**

Notes:

(1) Following the closing of the first tranche of the Concurrent Private Placement of an aggregate of 1,500,001 Common Shares and 1,500,000 Warrants, but prior to the issuance of up to an aggregate of 5,166,666 Common Shares and 5,166,666 Warrants still issuable pursuant to the Concurrent Private Placement.

WARRANTS AND OPTIONS TO PURCHASE SECURITIES

Outstanding Options

The following table sets out information about the Warrants and Options issued and outstanding as of the date hereof:

Name of Optionee	Designation of Securities under Option	Number of Common Shares under Option	Exercise Price	Expiry Date
Consultants of the Company as a group (9 persons)	Common Shares	1,850,000	$0.15	January 31, 2028 (12 months quarterly vesting (i.e. 25% every three months))

Name of Optionee	Designation of Securities under Option	Number of Common Shares under Option	Exercise Price	Expiry Date
All current officers and directors of the Company as a group (5 persons)	Common Shares	2,475,000	$0.15	January 31, 2028 (12 months quarterly vesting (i.e. 25% every three months))

Name of Warrant holder	Designation of Securities under Warrants	Number of Common Shares under Warrants	Exercise Price	Expiry Date
Consultants[(1)] of the Company as a group (5 persons)	Common Shares	5,000,000	$0.10	November 1, 2023

(1) These are only the Consulting Warrants and do not take into account the Vested Warrants, Broker Warrants and the Warrants issued pursuant to private placements of the Company.

Option Plan

The Option Plan was adopted by the Board on January 31, 2023. The purpose of the Option Plan is to advance the interests of the Company and its shareholders by attracting, retaining, and motivating the performance of selected directors, officers, employees or consultants of the Company of high caliber and potential and to encourage and enable such persons to acquire and retain a proprietary interest in the Company by ownership of its Common Shares. The Option Plan provides that, subject to the requirements of the Exchange, the aggregate number of securities reserved for issuance, set aside and made available for issuance under the Option Plan may not exceed 10% of the number of Common Shares of the Company issued and outstanding from time to time.

The Option Plan will be administered by the Board or a committee of the Board, either of which will have full and final authority with respect to the granting of all Options thereunder. Options may be granted under the Option Plan to such directors, officers, employees or consultants of the Company, as the Board may from time to time designate.

The exercise price of any Options granted under the Option Plan shall be determined by the Board, but may not have an exercise price lower than the greater of the closing market prices of the underlying securities on (a) the trading day prior to the date of grant of the Options; and (b) the date of grant of the Options. The term of any Options granted under the Option Plan shall be determined by the Board at the time of grant but, subject to earlier termination in the event of termination or in the event of death, the term of any Options granted under the Option Plan may not exceed ten years. Options granted under the Option Plan are not to be transferable or assignable. Subject to certain exceptions, in the event that a director or officer ceases to hold office, options granted to such director or officer under the Option Plan will expire 30 days after such director or officer ceases to hold office. Subject to certain exceptions, in the event that an employee, or consultant ceases to act in that capacity in relation to the Company, Options granted to such employee, consultant or management company employee under the Option Plan will expire 30 days after such individual or entity ceases to act in that capacity in relation to the Company.

PRIOR SALES

No securities are being distributed under this Prospectus.

The following table summarizes the details of the issuance of securities of the Company in the 12 months prior to the date of this Prospectus:

Date of Issue	Type of Security	Number of Securities Issued	Issue Price per Security
May 5, 2023	Units	1,500,001	$0.20
January 31, 2023	Options	4,325,000	$0.15 (exercise price)
November 30, 2022	Special Warrants (1)	333,333	$0.15
August 31, 2022	Convertible Debenture (2)	150 ($150,000 principal amount)	$1,000

Notes:

(1) Each Unit is comprised of one Common Share and one Common Share purchase warrant entitling the holder thereof to acquire one additional Common Share, at an exercise price of $0.20, for a period of 24 months.

(2) Each Special Warrant is convertible for one Common Share and one Warrant entitling the holder thereof to acquire one additional Common Share, at an exercise price of $0.20, for a period of 24 months.

(3) The $150,000 principal amount of the Convertible Debenture is convertible into (i) 1,000,000 Common Shares and (ii) 1,000,000 Warrants entitling the holder thereof to acquire one additional Common Share, at an exercise price of $0.20, for a period of 24 months.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

As at the date of this Prospectus, the securities subject to contractual restriction and escrow are as shown in the following table:

Name	Designation of class	Number of securities held in escrow or that are subject to a contractual restriction on transfer [(1)]	Percentage of class
Canalytica Corp. [(2)]	Common Shares	8,000,000	7.91%
Jacqueline Clare Lupo	Common Shares	3,000,000	2.97%
Solomon Elimimian	Common Shares	1,000,000	0.99%
Elyssia Patterson	Common Shares	25,000	0.02%
Herman Holdings Limited [(3)]	Common Shares	17,900,000	17.71%

Notes:

(1) These securities are held under the Escrow Agreement in accordance with NP 46-201. The escrow agent is Marrelli Trust Company Limited.

(2) Canalytica Corp. is an entity controlled by Jacqueline Claire Lupo, the CEO of the Company.

(3) Herman Holdings Limited is an entity controlled by Narineh Abboud in her capacity as sole director. Mrs. Abboud is not a director or officer of the Company.

Escrowed Securities

NP 46-201 provides that all shares of an issuer owned or controlled by its Principals will be escrowed at the time of the issuer's initial public offering. At the time of its initial public offering, an issuer will be classified for the purposes of escrow as either an "exempt issuer", an "established issuer" or an "emerging issuer" as those terms are defined in NP 46-201.

Uniform terms of automatic timed-release escrow apply to Principals of exchange listed issuers, differing only according to the classification of the issuer. As the Company anticipates that its Common Shares will be listed on the Exchange, it will be classified as an "emerging issuer". As such, the following automatic timed releases will apply to the securities held by its Principals:

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

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

The automatic timed-release provisions under NP 46-201 pertaining to "established issuers" provide that 25% of each Principal's and shareholder's escrowed securities are released on the Listing Date, with an additional 25% being released in equal tranches at six month intervals over eighteen months. If, within eighteen months of the Listing Date, the Company meets the "established issuer" criteria as set out in NP 46-201, the escrowed securities will be eligible for accelerated release available for established issuers. In such a scenario, that number of escrowed securities that would have been eligible for release from escrow if the Company had been an "established issuer" on the Listing Date will be immediately released from escrow. The remaining escrowed securities would be released in accordance with the timed release provisions for established issuers, with all escrowed securities being released eighteen months from the Listing Date. The Company does not expect to become an established issuer within 18 months of the Listing Date.

Pursuant to the terms of the Escrow Agreement, 29,925,000 Common Shares will be held in escrow on the Listing Date.

PRINCIPAL SECURITYHOLDERS

To the knowledge of the directors and officers of the Company, no person directly or indirectly beneficially owns, or exercises control or direction over, Common Shares carrying more than 10% of the voting rights attaching to all the outstanding Common Shares as at the date of this Prospectus, other than Jacqueline Claire Lupo and HHL who directly or indirectly beneficially own, or exercise control or direction over, an aggregate of 11,000,000 Common Shares and 17,900,000 Common Shares, respectively.

DIRECTORS AND EXECUTIVE OFFICERS

Name, Occupation and Security Holdings

The following table provides the names, municipalities of residence, position, principal occupations and the number of voting securities of the Company that each of the directors and executive officers beneficially owns, directly or indirectly, or exercises control over, as of the date hereof:

Name and Municipality of Residence and Position with the Company	Director/Officer Since	Principal Occupations Held During the Last 5 Years	Number and Percentage of Common Shares Beneficially Owned or Controlled, Directly or Indirectly[(1)]
Solomon Elimimian Age 36 Surrey, British Columbia Director	October 14, 2020	Entrepreneur and Dealing Representative with EMD Financial Inc.	1,000,000 [(1)] 0.99%

Name and Municipality of Residence and Position with the Company	Director/Officer Since	Principal Occupations Held During the Last 5 Years	Number and Percentage of Common Shares Beneficially Owned or Controlled, Directly or Indirectly[1]
		President of the Canadian Football League Players' Association Former Professional football player	
Jacqueline Claire Lupo Age: 37 Brampton, Ontario Director and Chief Executive Officer	December 23, 2021	CEO, Lophos Holdings Inc. Principal Consultant, Canalytica Corp. QA Manager, Northern Green Canada QAP, CannTrust	11,000,000 [2] 10.88%
Remantra Sheopaul Age 36 Toronto, Ontario, Chief Financial Officer	January 6, 2022	Senior Financial Analyst at Marrelli Support Services Inc. Audit manager at RSM Canada LLP	Nil [3]
Elyssia Patterson Age: 36 Vancouver, British Columbia Director	December 23, 2021	CEO, Lycan Capital Corp. CFO, Quebec Innovative Materials Corp. CEO, Urbane Capital Corp. Associate, Vested Technology Corp.	25,000 [4] 0.02%
Jeremy Pestun Age: 44 Vancouver, British Columbia Director	November 1, 2022	Territory Sales Manager. Harting Inc. Global Sales and Business Development Executive, Portable Electronic Ltd. Strategic Partnerships Executive, Abbott Laboratories	Nil [5]
Stawnyczy, Evan Age: 46 Brampton, Ontario Director	November 1, 2022	Application Security Manager, goeasy Ltd. Application Security Consultant, Ethoca Corp.	Nil [6]

Notes:

(1) Mr. Elimimian also holds 250,000 options, at an exercise price of $0.15 per share, expiring on January 31, 2028.

(2) 8,000,000 Common Shares are held by Canalytica Corp., a company controlled by Mrs. Lupo, and 3,000,000 Common Shares are held personally. Mrs. Lupo also holds 1,475,000 options, at an exercise price of $0.15 per share, expiring on January 31, 2028.

(3) Mr. Sheopaul also holds 200,000 options, at an exercise price of $0.15 per share, expiring on January 31, 2028.

(4) Ms. Patterson also holds 250,000 options, at an exercise price of $0.15 per share, expiring on January 31, 2028

(5) Mr. Pestun also holds 250,000 options, at an exercise price of $0.15 per share, expiring on January 31, 2028.

(6) Mr. Stawnyczy also holds 250,000 options, at an exercise price of $0.15 per share, expiring on January 31, 2028.

The term of office of the directors expires annually at the time of the Company's next annual general meeting. As at the date of this Prospectus, the directors and executive officers of the Company as a group beneficially own, directly or indirectly, or exercised control or discretion over an aggregate of 12,025,000 Common Shares of the Company, which is equal to 11.90% of the Common Shares issued and outstanding as at the date hereof on a fully-diluted basis.

Background

The following is a brief description of each of the directors and executive officers of the Company, including their names, positions and responsibilities with the Company, relevant educational background, principal occupations or employment during the five years preceding the date hereof, experience in the Company's industry and the amount of time intended to be devoted to the affairs of the Company:

Solomon Elimimian – Director

Mr. Elimimian is an entrepreneur, investor and, currently, a registered dealing representative of EMD Financial Inc. He was the founder of 56 Acquisitions Inc. (now Snowy Owl Gold Corp., listed on the CSE under "SNOW"), and remains a director of Snowy Owl Gold Corp. He was also a founder of Pharmala Biotech Holdings Inc. (listed on the CSE under "MDMA"). Mr. Elimimian is a Canadian Football League (CFL) veteran and current president of the CFL Players' Association. He also holds a bachelor's degree in English from the University of Hawaii.

Mr. Elimimian anticipates devoting approximately 5% of his working time for the benefit of the Company.

Jacqueline Claire Lupo – Chief Executive Officer and Director

Claire is the CEO of Lophos Holdings Inc. and Lophos Pharmaceuticals Corp., a biosciences company focused on exploring peyote cactus derivatives, and has a strong scientific and regulatory background.

She studied Cell & Molecular Biology and Industrial Biotechnology, then gained substantial experience working in large-scale cell culture fermentation, protein purification, and pharmaceutical manufacturing.

Claire is also a co-founder of Canalytica Corp., a cannabis industry business management and regulatory consulting firm. From her experience working in the cannabis industry, Claire has supported over 20 licensed producers, leading cannabis process validation for EU-GMP, Health Canada licensing from initial application submissions to audit response, and regulated product development. She provides QPIC services and regulatory consultation services to the Company through Canalytica Corp.

Mrs. Lupo anticipates devoting 90% of her working time for the benefit of the Company. Mrs. Lupo is an employee of the Company and is subject to non-competition or nondisclosure obligations through her agreements with the Company.

Remantra Sheopaul – Chief Financial Officer and Corporate Secretary

Mr. Sheopaul presently works with Marrelli Support Services Inc. ("**MSSI**"). which provides chief financial officer, accounting, regulatory, compliance and management advisory services to numerous issuers on the Toronto Stock Exchange, TSX Venture Exchange and other Canadian and U.S. exchanges. Mr. Sheopaul has a focus on building strong relationships with clients to understand and anticipate their needs.

In his role with MSSI, Mr. Sheopaul has been regularly involved in initial public offerings, analysis of complex accounting transactions, and assisting non-public and public clients regarding IFRS disclosure and compliance matters. Prior to his tenure with MSSI, he was employed with a public accounting firm based in Toronto for the past several years, three of which were spent managing audits for medium sized TSX Venture clients ranging from junior mining companies to real estate investments trusts based in Canada and the United States.

Mr. Sheopaul has been retained as an independent contractor by the Company, through MSSI, and is expected to devote 15% of his time to the Company or such greater amount of time as is necessary for recurring issuer compliance obligations and on an a on-call basis for financial and non-financial services requested from the Chief Executive Officer of the Company and the Board.

Elyssia Patterson – Director

Elyssia Patterson founded Urbane Capital Corp. Currently, she occupies the position of Chief Executive Officer at Lycan Capital Corp. and Chief Financial Officer at Quebec Innovative Materials Corp. (CSE:QIMC). She is also on the board of RAYL Innovations, Inc., DiagnaMed Holdings Corp. (CSE:DMED), and Starmet Ventures Inc. (CSE:STAR).

In her past career Ms. Patterson was Chief Executive Officer at Urbane Capital Corp., Manager, Client Services at Vested Technology Corp. and Manager-Investor Relations for Ynvisible Interactive, Inc.

Elyssia Patterson received an undergraduate degree from Simon Fraser University and an MBA

from The University of Queensland.

Ms. Patterson anticipates devoting approximately 5% of her working time for the benefit of the Company.

Evan Stawnyczy – Director

Evan Stawnyczy is a Software and IT Engineer with over a decade of experience in technology and financial companies.

He is the co-founder of Canalytica Corp. a private consulting firm and serves as the Chairman of the Board. Evan also served as Head of Development and was a Board Member of DX Storm (CSE:DXX, 1999). He has been retained as an independent contractor by the Company through Canalytica Corp.

Evan specializes in security technologies and regularly attends conferences and seminars to showcase new engineering and security trends, such as application security, artificial intelligence apps, and analytics tools. He is a strong advocate for nature-based medicine and contributes to technologies in his spare time.

Mr. Stawnyczy anticipates devoting approximately 5% of his working time for the benefit of the Company.

Jeremy Pestun – Director

Mr. Pestun is a global business leader, entrepreneur and investor with experience in startup businesses to Fortune 500 companies across various industries including laboratory information management systems, renewable energy and environmental resources. Mr. Pestun holds a Bachelor of Management degree from The University of Lethbridge.

Mr. Pestun anticipates devoting approximately 5% of his working time for the benefit of the Company.

Corporate Cease Trade Orders or Bankruptcies

To the Company's knowledge, no director or executive officer or promoter of the Company is, as at the date of this Prospectus, or was within ten years before the date hereof, a director, CEO or CFO of any company, including the Company, that:

(a) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period for more than 30 consecutive days, that was issued while the director or executive officer was acting in the capacity as director, CEO or CFO; or

(b) was subject to a cease trade order, an order similar to cease trade order or an order that denied the relevant company access to any exemption under securities

legislation, that was in effect for a period for more than 30 consecutive days, that was issued after the director or executive officer ceased to be a director, CEO or CFO and which resulted from an event that occurred while that person was acting in the capacity as director, CEO or CFO.

Penalties or Sanctions

To the Company's knowledge, no director or executive officer or promoter of the Company or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, has been subject to:

(a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement with a regulatory authority; or

(b) any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor in making an investment decision.

Bankruptcies

To the Company's knowledge, no director or executive officer or promoter of the Company or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company:

a) is, as at the date of this Prospectus, or has been within the ten years before the date hereof, a director or executive officer of any company, including the Company, that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

b) has, within the ten years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Conflicts of Interest

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

To the best of the Company's knowledge, there are no known existing or potential conflicts of interest among the Company, its promoters, directors and officers or other members of

management of the Company or of any proposed promoter, director, officer or other member of management as a result of their outside business interests except that certain of the directors and officers serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to the Company and their duties as a director or officer of such other companies.

The directors and officers of the Company will not be devoting all of their time to the affairs of the Company. Some of the directors and officers of the Company are directors and officers of other companies, some of which are in the same business as the Company. A Code of Conduct, including strict conflict-of-interest provisions, has been reviewed and signed by all members of the Board of Directors. The directors and officers of the Company are required by law to act in the best interests of the Company. They have the same obligations to the other companies in respect of which they act as directors and officers. Discharge by the directors and officers of their obligations to the Company may result in a breach of their obligations to the other companies, and in certain circumstances this could expose the Company to liability to those companies. Similarly, discharge by the directors and officers of their obligations to the other companies could result in a breach of their obligations to act in the best interests of the Company. Such conflicting legal obligations may expose the Company to liability to others and impair its ability to achieve its business objectives.

EXECUTIVE COMPENSATION

The Company was not a reporting issuer at any time from its incorporation until the date of this prospectus. Accordingly, and in accordance with Form 51-102F6 Statement of Executive Compensation ("**Form 51-102F6**"), the following is a discussion of all significant elements of compensation to be awarded to, earned by, paid to or payable to Named Executive Officers of the Company, once the Company becomes a reporting issuer, to the extent this compensation has been determined.

For the purposes hereof, the term Named Executive Officer, or NEO, means the CEO, the CFO and each of the Company's three most highly compensated executive officers, other than the CEO and the CFO, who were serving as executive officers from its incorporation until the end of the fiscal period ending March 31, 2022 and whose total salary and bonus exceeds $150,000 and any additional individuals for whom disclosure would have been provided except that the individual was not serving as an officer of the Company during the foregoing period.

Compensation Discussion and Analysis

At its present stage of development, the Company does not have any formal objectives, criteria and analysis for determining the compensation of its Named Executive Officers and primarily relies on the discussions and determinations of the Board. With a view to minimizing its cash expenditures not directed at further developing the Company's platform and advancing the Company's progress on identifying product candidates, the emphasis in compensating the Named Executive Officers shall be the grant of incentive Options under the Option Plan set forth below. The type and amount of future compensation to be paid to NEOs and directors has not been determined and the Board has not considered the implications of the risks associated with the compensation policies and practices. The Company has not considered the implications of the risks associated with the Company's compensation policies and practices. Neither NEOs nor directors

are permitted to purchase financial instruments that are designed to hedge or offset a decrease in the market value of equity securities offered as compensation.

As of the date of this Prospectus, the Board has not established any benchmark or performance goals to be achieved or met by Named Executive Officers; however, such Named Executive Officers are expected to carry out their duties in an effective and efficient manner so as to advance the business objectives of the Issuer. The satisfactory discharge of such duties is subject to ongoing monitoring by the Company's directors.

The Company did not, and does not intend to pay, any cash compensation to any of its NEOs or directors since incorporation until the end of the fiscal period ending March 31, 2022, other than as follows:

(i) Jacqueline Claire Lupo, the CEO and a director of the Company, receives an annual base salary of $80,000 and is entitled to receive an annual bonus as determined by the board of directors of the Company. Mrs. Lupo is also entitled to receive options pursuant to the Company's Option Plan. Finally, Canalytica Corp., a company controlled by Mrs. Lupo, provides certain regulatory consulting services to the Company. The amount of such services for the fiscal period ended March 31, 2022 was $43,681. The Company expects to continue to pay Canalytica Corp. for the services until the end of the current fiscal year ending March 31, 2023, until such time as a either an internal resource is appointed by the Board of Directors or the contract with Canalytica Corp. is terminated.

(ii) Mr. Sheopaul, the CFO, is a Financial Analyst with MSSI. During the period from incorporation to March 31, 2022, the Company incurred professional fees of $7,953 to MSSI. These services were incurred in the normal course of operations for general accounting and financial reporting matters. Mr. Sheopaul does not receive any personal or direct compensation from the Company, other than incentive stock options. The Company expects to continue to pay MSSI for general accounting and financial reporting matters, including the services of Mr. Sheopaul as CFO, until the end of the current fiscal year ending March 31, 2023, until such time as a either a new CFO is appointed by the Board of Directors or the contract with MSSI is terminated.

Option Based Awards and Other Compensation Securities

On January 31, 2023, the Company implemented the Option Plan in order to provide effective incentives to directors, officers and employees of the Company and to enable the Company to attract and retain experienced and qualified individuals in those positions by permitting such individuals to directly participate in an increase in per share value created for the Company's shareholders. The Company has no equity incentive plans other than the Option Plan. The size of Option grants is dependent on each officer's level of responsibility, authority and importance to the Company and the degree to which such officer's long-term contribution to the Company will be key to its long-term success.

Defined Benefit Plans

The Company does not have any defined benefit or actuarial plan.

Termination and Change of Control Benefits

The Company does not have any contracts, agreements, plans or arrangements in place with any NEOs that provides for payment following or in connection with any termination (whether voluntary, involuntary or constructive) resignation, retirement, a change of control of the Company or a change in a NEO's responsibilities.

Director Compensation

The Company does not have any arrangements, standard or otherwise, pursuant to which directors are compensated by the Company for their services in their capacity as directors, or for committee participation, involvement in special assignments or for services as consultants or experts. As with the Named Executive Officers, the Board intends to compensate directors primarily through the grant of Options and reimbursement of expenses incurred by such persons acting as directors of the Company.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As of the date of this Prospectus, no director or executive officer of the Company or any associate thereof, is indebted to the Company or its subsidiary, or has been at any time during the preceding financial year. None of the Company's directors, executive officers, employees, former directors, former executive officers or former employees, or of its subsidiary, and none of their respective associates, is or has within 30 days before the date of this Prospectus or at any time since the beginning of the most recently completed financial year been indebted to the Company or its subsidiary or another entity whose indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar agreement or understanding provided by the Company or its subsidiary.

AUDIT COMMITTEE

Audit Committee

The Audit Committee's role is to act in an objective, independent capacity as a liaison between the auditors, management and the Board and to ensure the auditors have a facility to consider and discuss governance and audit issues with parties not directly responsible for operations. NI 52-110, NI 41-101 and Form 52-110F2 require the Company, as an IPO venture issuer, to disclose certain information relating to the Company's audit committee and its relationship with the Company's independent auditors. Jeremy Pestun is the chair of the audit committee.

Audit Committee Charter

The text of the Audit Committee's charter is attached as Schedule "C" to this Prospectus.

Composition of Audit Committee

The members of the Company's Audit Committee are: Jeremy Pestun (Chair), Evan Stawnyczy and Elyssia Patterson.

Director	Independent[(1)]	Financially literate[(2)]
Jeremy Pestun	Yes	Yes
Evan Stawnyczy	No	Yes
Elyssia Patterson	Yes	Yes

Notes:

(1) A member of an audit committee is independent if the member has no direct or indirect material relationship with the Company, which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment.

(2) An individual is financially literate if he has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

Relevant Education and Experience

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

(a) an understanding of the accounting principles used by the Company to prepare its financial statements and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;

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

(c) an understanding of internal controls and procedures for financial reporting. See "*Directors and Executive Officers*" for further details.

For a summary of the experience and education of the Audit Committee members see "*Directors and Executive Officers*".

Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

Pre-Approval Policies and Procedures

The Audit Committee is authorized by the Board to review the performance of the Company's external auditors and approve in advance provision of services other than auditing and to consider the independence of the external auditors, including a review of the range of services provided in the context of all consulting services bought by the Company. The Audit Committee is authorized to approve in writing any non-audit services or additional work which the Chairman of the Audit

Committee deems is necessary, and the Chairman will notify the other members of the Audit Committee of such non-audit or additional work and the reasons for such non-audit work for the Committee's consideration, and if thought fit, approval in writing.

External Auditor Service Fees

For the period from incorporation to March 31, 2022, the Company did not incur any audit or other fees from the Company's external auditor, Clearhouse LLP. The Company incurred the following fees by the Company's external auditor, Clearhouse LLP, in connection with the audit of the annual consolidated financial statements for the fiscal year ended March 31, 2022 and the review engagement for the interim consolidated financial statements for the nine months ended December 31, 2022.

	Fiscal 2022 ($)	**Nine months ended December 31, 2022 ($)**
Audit fees[(1)]	47,162	12,500
Audit related fees[(2)]	-	-
Tax filing fees	2,100	-
All other fees[(3)]	-	-
Total fees paid	**49,262**	**12,500**

Notes:

(1) Fees for audit service on an accrued basis.
(2) Fees for assurance and related services not included in audit service above.
(3) All other fees not included above.

Exemption

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in Section 2.4 of NI 52-110 (De Minimis Non-audit Services).

The Company has relied upon the exemption provided by section 6.1 of NI 52-110, which states that the Company, as an IPO Venture Issuer, is not required to comply with Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations).

CORPORATE GOVERNANCE

General

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members

of management who are appointed by the Board of Directors and will be charged with the day-to-day management of the Company. The Board is committed to sound corporate governance practices, which are both in the interest of its shareholders and contribute to effective and efficient decision-making.

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

Board of Directors

Under NI 58-101, a director is considered to be independent if he or she is independent within the meaning of NI 52-110. Pursuant to NI 52-110, an independent director is a director who is free from any direct or indirect relationship which could, in the view of the Board, be reasonably expected to interfere with a director's independent judgment. Based on information provided by each director concerning his or her background, employment and affiliations, the Board has determined that of the five directors on the Board, three will not be considered independent as a result of their relationship with the Company. The Board has not adopted a director interlock policy, but is keeping informed of other public directorships held by its members.

The Board facilitates its exercise of independent supervision over the Company's management through frequent meetings of the Board. The Board is comprised of five (5) directors: Solomon Elimimian, Jacqueline Claire Lupo, Elyssia Patterson, Evan Stawnyczy and Jeremy Pestun. As the size of the Board is small, the Board has no formal procedures designed to facilitate the exercise of independent supervision over management, relying instead on the integrity of the individual members of its management team to act in the best interests of the Company.

The Company considers each of Elyssia Patterson and Jeremy Pestun to be independent. Jacqueline Claire Lupo is not independent as she is the CEO of the Company. Evan Stawnyczy is not independent as he is the spouse of the CEO of the Company, and Solomon Elimimian is not independent as he is a former executive officer of the Company.

Directorships

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

Solomon Elimimian – Director, Snowy Owl Gold Corp. (CSE:SNOW)
Elyssia Patterson – Director, Snowy Owl Gold Corp. (CSE:SNOW)
Director, Diagnamed Holdings Corp. (CSE:DMED)
Director, Starmet Ventures Inc. (CSE:STAR)

Orientation and Continuing Education

The CEO and/or the CFO are responsible for providing an orientation for new directors. Director orientation and ongoing training includes presentations by senior management to familiarize directors with the Company's strategic plans, its significant financial, accounting and risk

management issues, its compliance programs, its principal officers and its internal and independent auditors. On occasions where it is considered advisable, the Board provides individual directors with information regarding topics of general interest, such as fiduciary duties and continuous disclosure obligations. The Board ensures that each director is up to date with current information regarding the business of the Company, the role the director is expected to fulfill and basic procedures and operations of the Board. The Board members are given access to management and other employees and advisors, who can answer any questions that may arise. Regular technical presentations are made to the directors to keep them informed of the Company's operations.

Ethical Business Conduct

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

Nomination of Directors

The Board does not have a nominating committee. The Board will consider its size each year when it passes a resolution determining the number of directors to be appointed at each annual general meeting of shareholders. The Board determined that the configuration of five (5) directors is the appropriate number of directors, taking into account the number required to carry out duties effectively while maintaining a diversity of views and experience. The Board will evaluate new nominees to the Board, although a formal process has not been adopted. The nominees will generally be the result of recruitment efforts by the Board, including both formal and informal discussions among Board members, the Chairman of the Board and CEO. The Board monitors but will not formally assess the performance of individual Board members or committee members or their contributions.

Compensation

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

Other Board Committees

Other than the Audit Committee, the Company has no other standing committees. Following the Listing, the Board will consider addition of other committees as appropriate.

Assessments

Due to the minimal size of the Board, no formal policy has been established to monitor the effectiveness of the directors, the Board and its committees. The Board anticipates that it will not conduct any formal evaluation of the performance and effectiveness of the members of the Board. The Board as a whole or any committee of the Board, however, will consider the effectiveness and contribution of the Board, its members and the Audit Committee on an ongoing basis. The proposed directors and the independent directors of the Company will be free to discuss specific

situations from time to time among themselves and/or with the CEO and, if need be, steps are taken to remedy the situation, which steps may include a request for resignation. Furthermore, the management and directors of the Company will communicate with shareholders on an ongoing basis, and shareholders will be regularly consulted on the effectiveness of Board members and the Board as a whole.

RISK FACTORS

An investment in the Common Shares involves a high degree of risk and should be considered highly speculative due to the nature of the Company's business and its present stage of development. An investment in the Company's securities is suitable only for those knowledgeable and sophisticated investors who are willing to risk loss of their entire investment. Prospective investors should consult with their professional advisors to assess an investment in the Company's securities. In evaluating the Company and its business, investors should carefully consider, in addition to the other information contained in this Prospectus, the following risk factors. These risk factors are not a definitive list of all risk factors associated with an investment in the Company or in connection with the Company's operations.

Risks Relating to the Company's Business

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.

Psychedelics Regulatory Risk

The psychedelic therapy and psychopharmalogical industries are new and emerging industries with substantial existing regulations and uncertainty as to future regulations. There can be no guarantee related to the future legal status of psychedelic compounds in Canada, the United States or other jurisdictions. The jurisdictional treatment of the substances would have a significant impact on the

ability of the Company to continue operating or expand its business. The Company's prospects and reputation may also be impacted by developments of these laws.

Violations of Laws and Regulations Could Result in Repercussions

In the United States, certain psychedelic drugs, including Mescaline, are classified as Schedule I drugs under the CSA and the Controlled Substances Import and Export Act (the "**CSIEA**") and as such, medical and recreational use currently is illegal under the United States federal laws. In Canada, under the CDSA, Mescaline is currently a Schedule III drug and as such, medical and recreational use currently is illegal under the Canadian federal laws. Certain other jurisdictions have similarly regulated certain psychedelic drugs. The Company's programs involving Schedule III drugs are conducted in strict compliance with the laws and regulations regarding the production, storage and use of Schedule III drugs. As such, all facilities engaged with such substances by or on behalf of the Company do so under current licenses, permits, approvals and exemptions issued by appropriate federal, provincial, state and local governmental agencies. While the Company is conducting research and development of Mescaline, the Company does not have any direct or indirect involvement with the illegal selling, production or distribution of any substances in the jurisdictions in which it operates and does not intend to have any such involvement. However, a violation of any Canadian or United States federal laws and regulations, such as the CDSA, the CSA or the CSIEA, or of similar legislation in the jurisdictions in which it operates, could result in significant fines, penalties, administrative sanctions, convictions or settlements arising from civil proceedings initiated by either government entities in the jurisdictions in which the Company operates, or private citizens or criminal charges. Any such violations or the loss of the necessary licenses, permits, approvals or exemptions for Schedule III drugs could have an adverse effect on the Company's operations.

The Company's regulatory risk is decreased if:

(a) It elects not to build its own manufacturing laboratory, and instead works through competent licensed third parties. These parties complete manufacturing operations under their own CSDL and as such can indemnify the Company from any legal risk arising from the physical ownership of these products rather than the beneficial access to them.

(b) The Company establishes multiple partnerships with organizations with competency in the manufacture, research, sale, and distribution of controlled substances.

(c) The Company never takes physical possession of any controlled substances.

The Issuer has accessed legal information regarding limitations set out in the CSA in the United States and the CDSA in Canada and continues to monitor legislative developments.

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.

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 Health Canada, 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.

Inability to Identify, Discover or License Product Candidates

The success of the Company's business depends on its ability to develop psychedelic-derived pharmaceuticals and license such pharmaceuticals. The Company's research programs may fail to yield product candidates and the Company may fail to license identified product candidates for a number of reasons, including but not limited to the following:

- the Company's research process may be unsuccessful in identifying new uses for the psychedelic-derived drugs evaluated and product candidates suitable for repurposing;

- the Company may not be able or willing to assemble sufficient resources to identify or discover additional product candidates;

- the Company may not succeed in partnering with third parties to advance identified product candidates to the experimental research stage of drug repurposing;

- the Company's identified product candidates may not succeed in pre-clinical or clinical testing;
- pharmaceutical companies may develop alternatives that render the Company's identified product candidates obsolete or less attractive;
- the market for an identified product candidate may change during the Company's program so that such a product candidate may not be attractive to pharmaceutical companies;
- an identified product candidate may not be capable of being produced in commercial quantities at an acceptable cost, or at all; and
- an identified product candidate may not be accepted as safe and effective by patients, the medical community or third-party payors.

If any of these events occurs, the Company may be forced to abandon its efforts to identify, discover or license product candidates, which would have a material adverse effect on its business and could potentially cause the Company to cease operations. Research programs to identify new product candidates require substantial technical, financial and human resources. The Company may focus its efforts and resources on potential programs or product candidates that ultimately prove to be unsuccessful.

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 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 intellectual property of the Company will not be challenged, invalidated, infringed or circumvented. Moreover, the Company could potentially incur substantial legal costs in defending legal actions which allege intellectual property infringement or by instituting intellectual property infringement suits against others. The Company's commercial success also depends on the Company not infringing 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. 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.

Because the psychedelics industry is in a nascent stage with uncertain boundaries, there is a lack of information about comparable companies available for potential investors to review in deciding about whether to invest in the Company and, few, if any, established companies whose business model the Company can follow or upon whose success the Company can build. Accordingly, investors will have to rely on their own estimates in deciding about whether to invest in the Company. There can be no assurance that the Company's estimates are accurate or that the market size is sufficiently large for its business to grow as projected, which may negatively impact its financial results.

Publicity or Consumer Perception

The Company believes psychedelic pharmaceuticals industry is highly dependent upon consumer perception regarding the safety, efficacy and quality of psychedelic compounds. There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favourable to Mescaline and psychedelic pharmaceutical markets or any particular product, or consistent with earlier publicity. Future research reports, findings, regulatory proceedings, litigation, media attention or other publicity that are perceived as less favourable than, or that question, earlier research reports, findings or publicity could have a material adverse effect on the demand for the Company's services. The Company's dependence upon consumer perceptions means that adverse scientific research reports, findings, regulatory proceedings, litigation, media attention or other publicity, whether or not accurate or with merit, could have a material adverse effect on the Company and the demand for the Company's services. Further, adverse publicity reports or other media attention regarding the safety, efficacy and quality of Mescaline or other psychedelic compounds in general, or other

negative effects or events related to medications and other psychedelic compounds, could have such a material adverse effect.

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 intellectual property protection. This could make it difficult to stop the infringement or other misappropriation of the Company's intellectual property rights.

Proceedings to enforce intellectual property 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 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 psychedelic-derived pharmaceuticals 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.

Since December 31, 2019, governments worldwide have been enacting emergency measures to combat the spread of COVID-19, which was declared a pandemic by the World Health Organization in March 2020. These measures, which include the implementation of travel bans, self-imposed quarantine periods, and physical distancing, have caused material disruption to business globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. While the roll out of several vaccines is ongoing in many countries, and other promising vaccines are in development, COVID 19-variants continue to cause concern, and an end to the COVID-19 pandemic is believed to be some way off. Until the pandemic ends, it remains possible the COVID-19 virus could have a material adverse effect on our business, financial condition, and results of operation. 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.

PROMOTER

Jacqueline Claire Lupo, the CEO and a director of the Company, may be considered to be a Promoter of the Company in that she took the initiative in founding and organizing the current business of the Company. Mrs. Lupo owns 3,000,000 Common Shares and exercises control or direction over an additional 8,000,000 Common Shares through Canalytica Corp., an entity controlled by Mrs. Lupo, which is equal to 11,000,000 Common Shares representing 10.88% of the Common Shares issued and outstanding as at the date hereof.

LEGAL PROCEEDINGS

Legal Proceedings

The Company is not currently a party to any legal proceedings, nor is the Company currently contemplating any legal proceedings, which are material to its business. Management of the Company is not currently aware of any legal proceedings contemplated against the Company.

Regulatory Actions

From incorporation to the date of this Prospectus, management knows of no:

(a) penalties or sanctions imposed against the Company by a court relating to provincial and territorial securities legislation or by a securities regulatory authority;

(b) other penalties or sanctions imposed by a court or regulatory body against the Company necessary for the Prospectus to contain full, true and plain disclosure of all material facts relating to the securities being distributed; and

(c) settlement agreements the Company entered into before a court relating to provincial and territorial securities legislation or with a securities regulatory authority.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

From incorporation to the date of this Prospectus, none of the following persons or companies has had any material interest, direct or indirect, in any transaction which has materially affected or is reasonably expected to materially affect the Company: (a) any director or executive officer of the Company; (b) any person or company that is the direct or indirect beneficial owner of, or who exercises control or direction over, more than 10% of any class or series of the Company's outstanding voting securities; and (c) any associate or affiliate of any of the persons or companies referred to in paragraphs (a) or (b).

AUDITORS

The auditors of the Company are Clearhouse LLP, having an address at 2560 Matheson Blvd., E527, Mississauga, Ontario, L4W 4Y9. Such firm is independent of the Company within the meaning of the Code of Professional Conduct of the Chartered Professional Accountants of British Columbia.

REGISTRAR AND TRANSFER AGENT

The registrar and transfer agent of the Company is Marrelli Trust Company Limited at its principal office at 620-1111 Melville Street, Vancouver, British Columbia, V6E 3V6.

MATERIAL CONTRACTS

Except for contracts made in the ordinary course of business, the following are the only material contracts entered into by the Company from its incorporation to the date of this Prospectus:

- Share Exchange Agreement;
- HHL Purchase Agreement;
- RP Purchase Agreement;
- Consulting Agreement with Canalytica; and
- Consulting Agreement with MSSI.

EXPERTS

The following are persons or companies whose profession or business gives authority to a statement made in this Prospectus as having prepared or certified a part of that document or report described in the Prospectus:

- Clearhouse LLP is the external auditor of the Company and reported on the Company's audited consolidated financial statements for the period from incorporation on September 13, 2021 to March 31, 2022, attached as Schedule "A".

To the knowledge of management of the Company, as of the date hereof, no expert, nor any associate or affiliate of such person has any beneficial interest, direct or indirect, in the property of the Company or of an associate or affiliate of the Company, and, as of the date hereof, each expert, or any associate or affiliate of such person, as a group, beneficially owns, directly or indirectly, less than 1% of the outstanding securities of the Company and no such person is or is expected to be elected, appointed or employed as a director, officer or employee of the Company or of an associate or affiliate of the Company.

OTHER MATERIAL FACTS

There are no material facts about the Company that are not otherwise disclosed in this Prospectus.

FINANCIAL STATEMENTS

The audited consolidated financial statements of the Company for the period from incorporation on September 13, 2021 to March 31, 2022 and the reviewed interim consolidated financial statements for the three and nine months ended December 31, 2022 are included in this Prospectus as Schedule "A".

SCHEDULE A
CONSOLIDATED FINANCIAL STATEMENTS OF LOPHOS HOLDINGS INC.

See attached.

LOPHOS HOLDINGS INC.

CONSOLIDATED FINANCIAL STATEMENTS

PERIOD FROM SEPTEMBER 13, 2021 (DATE OF INCORPORATION) TO MARCH 31, 2022

(EXPRESSED IN CANADIAN DOLLARS)

Lophos Holdings Inc.

Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

As at		March 31, 2022
ASSETS		
Current assets		
Cash	$	1,001,060
Amounts receivable		84,019
Inventory		9,714
Prepaid expense		8,372
Total current assets		1,103,165
Non-current assets		
Fixed assets (note 4)		3,460,916
Total assets	$	4,564,081
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (note 15(a))	$	326,094
Due to related parties (note 15(a)(iii)(iv))		21,440
		347,534
Non-current liabilities		
Loan payable (note 6)		40,000
Promissory notes (note 5)		1,951,434
Total liabilities		2,338,968
Equity		
Share capital (note 7)		1,022,322
Warrants and special warrants (notes 10 and 11)		1,200,106
Contributed surplus (note 8)		333,090
Deficit		(330,405)
Total equity		2,225,113
Total liabilities and equity	$	4,564,081

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

Business of the Company and going concern (note 1)
Subsequent event (note 17)

On Behalf of the Board:

"Solomon Elimminian"
Director

"Jeremy Petsun"
Director

Lophos Holdings Inc.

Consolidated Statements of loss and Comprehensive loss
(Expressed in Canadian Dollars)

	Period from September 13 2021 (Date of incorporation) to March 31, 2022
Expenses	
Salaries and benefits (note 15)	$ 44,783
Professional fees (note 15(a))	187,593
Depreciation (note 4)	5,933
Investor relations	7,504
Shareholder information	641
Office and general	60,294
Interest expense (note 5)	43,657
Net loss and comprehensive loss before below item	(350,405)
Income from forgiveness of loan payable (note 6)	20,000
Net loss and comprehensive loss for the period	$ (330,405)
Basic and diluted net loss for the period (note 14)	$ (0.02)
Weighted average number of common shares outstanding - basic and diluted	21,475,000

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

Lophos Holdings Inc.

Consolidated Statements of Changes in Equity
For the Period Ended March 31, 2022
(Expressed in Canadian Dollars)

	Share Capital					
	Number of shares	Amount	Warrants and special warrants	Contributed surplus	Deficit	Total
Balance, September 13, 2021 (date of incorporation)	**-**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Issuance of shares for seed capital (note 7(b)(i))	11,125,001	222,510	-	-	-	222,510
Elimination of Lophos Pharma shares (note 7)	(11,125,001)	-	-	-	-	-
Conversion of Lophos Pharma shares (note 7)	44,500,000	-	-	-	-	-
Conversion of Lophos Holdings shares and consideration for RTO (note 7)	1,250,000	50,654	482,803	333,090	-	866,547
Shares issued for acquisition of Richmond Pharma (note 7 and 9)	17,500,000	709,158	-	-	-	709,158
Special warrants issued in private placement (note 10)	-	-	757,583	-	-	757,583
Fair value of broker warrants issued in private placement (note 11)	-	-	42,417	-	-	42,417
Issuance costs in private placement	-	-	(82,697)	-	-	(82,697)
Common shares issued for settlement of due to related parties (note 7)	400,000	40,000	-	-	-	40,000
Net income for the period	-	-	-	-	(330,405)	(330,405)
Balance, March 31, 2022	**63,650,000**	**$ 1,022,322**	**$ 1,200,106**	**$ 333,090**	**$ (330,405)**	**$ 2,225,113**

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

Lophos Holdings Inc.
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

	Period from September 13 2021 (Date of incorporation) to March 31, 2022
Operating activities	
Net loss for the period	$ (330,405)
Adjustments for:	
Forgiveness of loan payable	(20,000)
Depreciation	5,933
Interest expenses	43,657
Non-cash working capital items:	
Amounts receivable	(71,016)
Accounts payable and accrued liabilities	290,140
Net cash (used in) operating activities	(81,691)
Investing activities	
Cash obtained from RTO	890,314
Purchase of equipment	(434,629)
Cash obtained from acquisition of Richmond Pharma	11,020
Payment for acquisition of Richmond Pharma	(75,000)
Net cash provided by investing activities	391,705
Financing activities	
Shares issued for seed capital	222,510
Proceeds from private placements, net of costs	693,536
Repayment of due to related parties	(225,000)
Net cash provided by financing activities	691,046
Net change in cash	1,001,060
Cash, beginning of period	-
Cash, end of period	$ 1,001,060

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

1. Business of the Company and going concern

Lophos Pharmaceuticals Corp. ("Lophos Pharma") was incorporated under the *Business Corporations Act* (British Columbia) on September 13, 2021. The registered and head office of Lophos Pharma is located at 550 Burrard St #2900, Vancouver, BC V6C 0A3.

The Company's principal business pertains to the cultivation and research of Lophophora williamsii (“peyote cactus”). Additionally, in the long-term, the Company is engaged in the research and development of compounds derived from peyote cactus.

Lophos Holdings Inc. ("Lophos Holdings" or "the Company") was incorporated under the *Business Corporations Act* (British Columbia) on October 14, 2020 under the name “Greenridez 2.0 Acquisitions Corp.” and subsequently filed a notice of alteration of its articles in order to change its name to “Lophos Holdings Inc.” on February 4, 2022. The registered and head office of the Company is located at 550 Burrard St #2900, Vancouver, BC V6C 0A3.

On December 23, 2021, the Company entered into a Share Exchange Agreement with the shareholders of Lophos Pharma, pursuant to which the Company agreed to acquire all of the issued and outstanding common shares of Lophos Pharma in consideration for the issuance of a total of 44,500,000 Common Shares to shareholders of Lophos Pharma in proportion with their respective interest in Lophos Pharma. The acquisition was accounted for as a reverse takeover ("RTO") whereby Lophos Pharma was identified as the acquirer for accounting purpose and accordingly the resulting consolidated financial statements are presented as a continuance of Lophos Pharma. After the RTO, the combined entity of Lophos Holdings and Lophos Pharma is referred to also as " the Company" in these consolidated financial statements.

On December 23, 2021, immediately following the closing of the share Exchange Agreement with the shareholders of Lophos Pharma, the Company entered into the a Share Purchase Agreement with certain shareholders of Richmond Pharma Inc. ("Richmond Pharma"), pursuant to which the Company agreed to acquire all of the issued and outstanding common shares of Richmond Pharma held by Eric Hancox, Vassil Staykov and Sandra Williams.

On December 23, 2021, immediately following the closing of the share Exchange Agreement with the shareholders of Lophos Pharma, the Company entered into a Share Purchase Agreements with certain shareholders of Richmond Pharma, pursuant to which the Company agreed to acquire all of the issued and outstanding common shares of Richmond Pharma held by Herman Holdings Limited ("HHL") in consideration for the issuance of a total of 17,500,000 Common Shares to Herman Holdings Limited. Subsequent to the closing of the acquisition, the Company entered into a debt settlement agreement with Herman Holdings Limited pursuant to which the Company issued 400,000 Common Shares at a deemed value of $0.10 per Common Share in order to settle an amount of $40,000 owing to Herman Holdings Limited.

These consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due. For the period for incorporation to March 31, 2022, the Company reported a net loss of $330,405. The Company has cash balance of $1,001,060, however the Company's ability to continue as a going concern is dependent upon its ability to develop and maintain profitable operations or to obtain additional financing. However, there is no assurance that the outcome of these matters will be successful and, as a result, there are material uncertainties that might cause significant doubt regarding the going concern assumption.

These consolidated financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying consolidated financial statements. Such adjustments could be material.

1. Business of the Company and going concern (continued)

The Company's ability to continue as a going concern is dependent upon raising additional capital to meet its present and future commitments. If additional financing is arranged through the issuance of shares, control of the Company may change and shareholders may suffer significant dilution. In addition, the Company has not generated any revenue to date. These circumstances indicate that material uncertainties exist that may cast significant doubt about the Company's ability to continue as a going concern and, accordingly, the ultimate use of accounting principles applicable to a going concern.

Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

2. Basis of Presentation

Statement of compliance

These consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These consolidated financial statements were authorized for issuance by the Board of Directors of the Company on **XXX**, 2022.

Basis of Presentation

These financial statements have been prepared on a going concern basis, under the historical cost convention except for certain financial assets and liabilities that are presented at fair value. These financial statements have been prepared using the accrual basis of accounting except for cash flow information.

Functional and presentation currency

The functional currency of the Company is Canadian Dollar. The presentation currency of the consolidated financial statements is the Canadian Dollar.

Basis of consolidation

Subsidiaries are entities controlled by the Company. Control exists when the Company has power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, Lophos Holdings and Richmond Pharma. The financial statements of the Company's wholly owned subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

All inter-company balances and transactions between entities in the Company, including any unrealized profits or losses, have been eliminated on consolidation.

3. Significant Accounting Policies

Use of Management Estimates, Judgments and Measurement Uncertainty

The preparation of these consolidated financial statements requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Such estimates primarily relate to unsettled transactions and events as at the date of the financial statements. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenues, and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions. Significant estimates and judgments made by management in the preparation of these financial statements are outlined below:

Fair value measurement of non-current assets acquired in share based payment transactions

Management is required to make a number of estimates and apply judgments when measuring the value of the building, land and machinery and equipment acquired from Richmond Pharma. Management used the direct comparison approach supported by income approach in the valuation. The judgment includes the comparability of other transactions of similar assets in the market and the estimates used include future income and expenses of the Company and the capitalization rate.

Warrants

Management is required to make a number of estimates when measuring the value of the warrants including the volatility rate and expected life of the instruments.

Income taxes

The calculation of income taxes requires judgment in interpreting tax rules and regulations. There are transactions and calculations for which the ultimate tax determination is uncertain. The Company's tax filings also are subject to audits, the outcome of which could change the amount of current and deferred tax assets and liabilities. Management believes that it has sufficient amounts accrued for outstanding tax matters based on information that currently is available.

Management judgment is used to determine the amounts of deferred tax assets and liabilities and future tax liabilities to be recognized. In particular, judgment is required when assessing the timing of the reversal of temporary differences to which future income tax rates are applied.

Going concern

Management assessment of going concern and uncertainties of Lophos Holdings' ability to raise additional capital and/or obtain financing to meet its commitments.

Useful lives and impairment of long-lived assets

Long-lived assets are defined as property, plant, and equipment and intangible assets with finite lives. Depreciation and amortization are dependent upon estimates of useful lives and impairment is dependent upon estimates of recoverable amounts. These are determined through the exercise of judgment and are dependent upon estimates that consider factors such as economic and market conditions, frequency of use, anticipated changes in laws, and technological improvements.

3. Significant Accounting Policies (continued)

Income Taxes

Income tax expense consists of current and deferred tax expense. Current and deferred tax are recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive loss.

Current tax is recognized and measured at the amount expected to be recovered from or payable to the taxation authorities based on the income tax rates enacted or substantively enacted at the end of the reporting period and includes any adjustment to taxes payable in respect of previous years.

Deferred tax is recognized on any temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable earnings. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized and the liability is settled. The effect of a change in the enacted or substantively enacted tax rates is recognized in net earnings and comprehensive income or in equity depending on the item to which the adjustment relates.

Deferred tax assets are recognized to the extent future recovery is probable. At each reporting period end, deferred tax assets are reduced to the extent that it is no longer probable that sufficient taxable earnings will be available to allow all or part of the asset to be recovered.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pretax rate that reflects current market assessments of the time value of money and the risk specific to the obligation.

Loss Per Share

Loss per common share have been determined by dividing net loss attributable to common shareholders by the weighted average number of common shares outstanding during the period, excluding shares securing employee share purchase loans and shares in escrow, if any. The Company follows the “treasury stock” method in the calculation of diluted earnings per share. Under this method, the calculation of diluted earnings per share assumes that outstanding options and warrants that are dilutive to earnings per share are exercised and the proceeds are used to repurchase shares of the Company at the average market price of the shares for the period. The treasury stock method is not used to calculate diluted loss per share because the result would be anti- dilutive. Loss per share per share (diluted) are equivalent measures and calculated on a non-dilutive basis.

Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

3. Significant Accounting Policies (continued)

Fixed assets

Fixed assets are initially recorded at cost less accumulated depreciation and accumulated impairment loses. Fixed assets are amortized on a declining basis with the following rates per annum:

Building	5%
Furniture and fixtures	20%
Machinery equipment	30%
Scientific equipment	10%
Computer hardware	30%
Land	No depreciation

Fixed assets acquired during the period are amortized at 50% of the annual rate. Gains and losses on disposals of property and equipment are included as part of other income on the statement of loss and comprehensive loss. Depreciation of the Company's fixed assets commences when they are available for intended use.

Repairs and maintenance costs are expensed as incurred. However, expenditures on major maintenance rebuilds or overhauls are capitalized when it is probable that the expenditures will extend the productive capacity or useful life of an asset. Any remaining costs of previous overhauls relating to the same asset are derecognized. All other expenditures are expensed as incurred.

Impairment of long-lived assets

Long-lived assets are reviewed for impairment at each reporting period or whenever events or changes in circumstances indicate that the carrying amount of an asset exceeds its recoverable amount. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the cash-generating unit, or "CGU"). The recoverable amount of an asset or a CGU is the higher of its fair value, less costs to sell, and its value in use. If the carrying amount of an asset exceeds its recoverable amount, an impairment charge is recognized immediately in profit or loss equal to the amount by which the carrying amount exceeds the recoverable amount. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the lesser of the revised estimate of recoverable amount, and the carrying amount that would have been recorded had no impairment loss been recognized previously.

The estimated useful lives, residual values, and amortization methods are reviewed at each year end or more frequently if events or changes in circumstances indicate potential impairment, and any changes in estimates are accounted for prospectively.

3. Significant Accounting Policies (continued)

Financial Instruments

Recognition

The Company recognizes a financial asset or financial liability on the statement of financial position when it becomes party to the contractual provisions of the financial instrument. Financial assets are initially measured at fair value, and are derecognized either when the Company has transferred substantially all the risks and rewards of ownership of the financial asset, or when cash flows expire. Financial liabilities are initially measured at fair value and are derecognized when the obligation specified in the contract is discharged, cancelled or expired.

A write-off of a financial asset (or a portion thereof) constitutes a derecognition event. Write-off occurs when the Company has no reasonable expectations of recovering the contractual cash flows on a financial asset.

Classification and Measurement

The Company determines the classification of its financial instruments at initial recognition. Financial assets and financial liabilities are classified according to the following measurement categories:

- those to be measured subsequently at fair value, either through profit or loss (“FVTPL”) or through other comprehensive income (“FVTOCI”); and,
- those to be measured subsequently at amortized cost.

The classification and measurement of financial assets after initial recognition at fair value depends on the business model for managing the financial asset and the contractual terms of the cash flows. Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding, are generally measured at amortized cost at each subsequent reporting date. All other financial assets are measured at their fair values at each subsequent reporting date, with any changes recorded through profit or loss or through other comprehensive income (which designation is made as an irrevocable election at the time of recognition).

After initial recognition at fair value, financial liabilities are classified and measured at either:

- amortized cost;
- FVTPL, if the Company has made an irrevocable election at the time of recognition, or when required (for items such as instruments held for trading or derivatives); or,
- FVTOCI, when the change in fair value is attributable to changes in the Company’s credit risk.

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial liabilities are not reclassified. The Company's financial assets consist of cash which is classified and measured at FVTPL and amounts receivable which is classified and measured at amortized cost.

Transaction costs that are directly attributable to the acquisition or issuance of a financial asset or financial liability classified as subsequently measured at amortized cost or FVTOCI are included in the fair value of the instrument on initial recognition. Transaction costs for financial assets and financial liabilities classified at FVTPL are expensed in profit or loss.

The Company’s financial liabilities consist of accounts payable and accrued liabilities, due to related party, loan payable and promissory notes, which are classified and measured at amortized cost using the effective interest method.

3. Significant Accounting Policies (continued)

Financial Instruments (continued)

Impairment

The Company assesses all information available, including on a forward-looking basis the expected credit losses associated with any financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition based on all information available, and reasonable and supportive forward-looking information.

Valuation of warrants and broker warrants

The fair value of warrants and broker warrants is measured at the issuance date. The fair value of the warrants and broker warrants is measured using the Black-Scholes pricing model, taking into account the terms and conditions upon which the warrants and broker warrants were issued including exercise price, remaining life in years until expiry, risk-free interest rate, dividend yield and volatility of stock price of the Company's share.

Accounting pronouncements not yet adopted

IAS 16, Property plant and equipment ("IAS 16")
The IASB has issued an amendment to IAS 16 to prohibit the deducting from property plant and equipment amounts received from selling items produced while preparing an asset for its intended use. Instead, sales proceeds and its related costs must be recognized in profit or loss. The amendment will require companies to distinguish between costs associated with producing and selling items before the item of property plant and equipment is available for use and costs associated with the making of the item of property plant and equipment available for items intended use.

This amendment is effective for annual periods beginning on or after January 1, 2022. Earlier application is permitted. The extent of the impact of adoption of this amendment has not yet been determined.

Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)
The IASB has published Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) which clarifies the guidance on whether a liability should be classified as either current or non-current. The amendments:

a. clarify that the classification of liabilities as current or non-current should only be based on rights that are in place "at the end of the reporting period"
b. clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability
c. make clear that settlement includes transfers to the counterparty of cash, equity instruments, other assets or services that result in extinguishment of the liability.

This amendment is effective for annual periods beginning on or after January 1, 2023. Earlier application is permitted. The extent of the impact of adoption of this amendment has not yet been determined.

(Expressed in Canadian Dollars)

4. Fixed assets

Cost	Building	Computer	Machinery & equipment	Scientific equipment	Furniture & fixture	Land	Total
Balance, September 13, 2021	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Acquired from Richmond Pharma	2,521,250	5,631	127,528	-	-	378,750	3,033,159
Additions	-	-	-	431,620	3,009	-	434,629
Balance, March 31, 2022	$2,521,250	$ 5,631	$ 127,528	$ 431,620	$ 3,009	$ 378,750	$3,467,788

Accumulated depreciation	Building	Computer	Machinery & equipment	Scientific equipment	Furniture & fixture	Land	Total
Balance, September 13, 2021	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Acquired from Richmond Pharma	-	939	-	-	-	-	939
Depreciation	-	463	-	5,395	75	-	5,933
Balance, March 31, 2022	$ -	$ 1,402	$ -	$ 5,395	$ 75	$ -	$ 6,872

Net book value	Building	Computer	Machinery & equipment	Scientific equipment	Furniture & fixture	Land	Total
Balance, September 13, 2021	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Balance, March 31, 2022	$2,521,250	$ 4,229	$ 127,528	$ 426,225	$ 2,934	$ 378,750	$3,460,916

5. Promissory notes

The continuity of the promissory notes are as follows:

	As at March 31, 2022
Balance, as at September 13, 2021 (date of incorporation)	$ -
Issued as part of the consideration for acquisition of Richmond Pharma (note 9)	1,910,400
Interest accrued	41,034
Balance, March 31, 2022	$ 1,951,434

The promissory notes are unsecured, bear an annual interest rate of 8% and matures on December 23, 2024.

6. Loan payable

During the calendar year ended December 31, 2020, the Company's subsidiary, Richmond Pharma, applied for the COVID-19 Relief Line of Credit as part of the Government-sponsored Canada Emergency Business Account (CEBA). The credit limit of $60,000 has an interest rate of 0% until December 31, 2020. On January 1, 2021, the operating line of credit will be converted to a 2-year 0% interest term loan, to be repaid by December 31, 2023 of which $20,000 of the loan will beforgiven if $40,000 is repaid in full on or before December 31, 2023. If on December 31, 2023, the loan is not repaid, the Company can exercise the option for a 3-year term extension at an interest rate of 5% on the balance over the term extension period. The Company recorded an income from forgiveness of loan payable of $20,000 during the period and subsequent to March 31, 2022, the Company repaid the remaining loan payable of $40,000.

(Expressed in Canadian Dollars)

7. Share capital

a) Authorized share capital

Authorized unlimited common shares and unlimited number of preferred shares

b) Common shares issued

	Number of Common Shares	Amount ($)
Balance, as at September 13, 2021 (date of incorporation)	-	$ -
Issuance of shares for seed capital (i)	11,125,001	222,510
Elimination of Lophos Pharma shares (note 8)	(11,125,001)	-
Conversion of Lophos Pharma shares	44,500,000	-
Issuance of Lophos Holdings shares and consideration for RTO (note 8)	1,250,000	50,654
Shares issued for acquisition of Richmond Pharma (note 9)	17,500,000	709,158
Common shares issued for settlement of due to related party (ii)	400,000	40,000
Balance, March 31, 2022	**63,650,000**	**1,022,322**

(i) On September 13, 2021, Lophos Pharma issued 11,125,001 common shares for proceeds of $222,510.

(ii) On December 23, 2021, the Company issued 400,000 common shares at at a deemed value of $0.10 per common share in order to settle an amount of $40,000 owing to one of the shareholders of the Company.

8. Reverse takeover

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

Lophos Holdings Inc.	Number of Common Shares	Amount ($)
Balance, December 23, 2021 prior to the RTO	**1,250,000**	**12,500**

Lophos Pharma	Number of Common Shares	Amount ($)
Balance, December 23, 2021 prior to the RTO	**11,125,001**	**222,510**

On December 23, 2021, the Company entered into a Share Exchange Agreement with the shareholders of Lophos Pharma, pursuant to which the Company agreed to acquire all of the issued and outstanding common shares of Lophos Pharma in consideration for the issuance of a total of 44,500,000 Common Shares to shareholders of Lophos Pharma in proportion with their respective interest in Lophos Pharma. The acquisition closed on December 23, 2021.

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 Lophos Holdings Inc. does not meet the definition of a business under the standard. As a result, the transaction is accounted for as a capital transaction with Lophos Pharma being identified as the acquirer and the equity consideration being measured at fair value. The resulting consolidated financial statements are presented as a continuance of Lophos Pharma.

(Expressed in Canadian Dollars)

8. Reverse takeover (continued)

The fair value of the consideration is determined based on the percentage of ownership the legal parent's shareholders have in the combined entity after the transaction. This represents the fair value of the shares that Lophos Pharma would have had to issue for the ratio of ownership interest in the combined entity to be the same, if the transaction had taken the legal form of Lophos Pharma acquiring 100% of the shares in Lophos Holdings Inc. The percentage of ownership Lophos Holdings Inc. shareholders had in the combined entity is 3% after the issue of 44,500,000 Lophos Holdings Inc. shares. The fair value of the consideration in the RTO is equivalent to the fair value of the 1,250,000 Lophos Holdings Inc. shares controlled by original Lophos Holdings Inc. shareholders, 10,295,000 special warrants to Lophos Holdings Inc. special warrants holders, 5,200,000 warrants to Lophos Holdings Inc. warrant holders and 480,250 broker warrants to Lophos Holdings Inc. broker warrant holders. The fair value of the shares controlled by original Lophos Holdings Inc. shareholders was estimated to be $50,654 based on the fair market value of $0.04 per share. The fair value of the warrants and broker warrants was estimated to be $65,615 using the Black-Scholes valuation model on the following assumptions: dividend yield 0%; volatility 100%; risk-free interest rate 0.76% and 0.98%; and an expected life of 0.83 years to 1.90 years. The fair value of the special warrants was estimated to be $417,188 based on the fair market value of $0.04 per share as each special warrant entitled the holder thereof to automatically receive a common share of the Company, without payment of additional consideration and without further action on the part of the holder.

Based on the statement of financial position of Lophos Holdings Inc. at the time of the RTO, the net assets at estimated fair value that were acquired from Lophos Holdings Inc. were $866,547 and the resulting difference between consideration and net assets acquired was charged to the contributed surplus as follows:

Consideration		
Common shares	$	50,654
Warrants and broker warrants		65,615
Special warrants		417,188
Total consideration	**$**	**533,457**
Identifiable assets acquired		
Cash	$	890,314
Accounts payable and accrued liabilities		(23,767)
Total identifiable assets acquired		866,547
Unidentifiable assets acquired		
Contribution to contributed surplus		(333,090)
Total net identifiable assets and transaction cost	**$**	**533,457**

(Expressed in Canadian Dollars)

9. Acquisition of Richmond Pharma

On December 23, 2021, immediately following the closing of the Share Exchange Agreement with the shareholders of Lophos Pharma, the Company entered into the a Share Purchase Agreement with Richmond Pharma, pursuant to which the Company agreed to acquire all of the issued and outstanding common shares of Richmond Pharma held by Eric Hancox, Vassil Staykov and Sandra Williams in consideration of $2,648,297 of which $1,910,400 was in the form of promissory notes (note 5) and $75,000 in the form of cash.

On December 23, 2021, immediately following the closing of the Share Exchange Agreement with the shareholders of Lophos Pharma, the Company entered into the a Share Purchase Agreements with certain shareholders of Richmond Pharma, pursuant to which the Company agreed to acquire all of the issued and outstanding common shares of Richmond Pharma held by Herman Holdings Limited in consideration for the issuance of a total of 17,500,000 Common Shares to Herman Holdings Limited. Subsequent to the closing of the Acquisition, the Company entered into a debt settlement agreement with Herman Holdings Limited pursuant to which the Company issued 400,000 Common Shares in order to settle an amount of $40,000 owing to Herman Holdings Limited.

In accordance with IFRS 3, Business Combination, the substance of the transaction is an asset acquisition. The transaction does not constitute a business combination as Richmond Pharma does not meet the definition of a business under the standard.

The fair value of the shares issued in the acquisition of Richmond Pharma was estimated to be $709,158 based on the fair market value of $0.04 per share.

Consideration		
Common shares	$	709,158
Promissoy notes		1,910,400
Cash		75,000
Total consideration	**$**	**2,694,558**

Identifiable assets acquired		
Cash	$	11,020
Amounts receivable		13,005
Inventory		9,714
Prepaid expense		8,372
Fixed assets		3,032,221
Accounts payable and accrued liabilities		(35,956)
Loan payable		(60,000)
Due to related parties		(283,817)
Total net identifiable assets	**$**	**2,694,558**

(Expressed in Canadian Dollars)

10. Special warrants

On October 22, 2020, Lophos Holdings completed a crowdfunding private placement pursuant to which it issued 690,000 special warrants (490,000 special warrants issued to subscribers and 200,000 special warrants issued to a third party as compensation), at a price per special warrant of $0.05, for gross proceeds to the Company of $24,500.

On November 15, 2021, Lophos Holdings completed the a private placement pursuant to which it issued 9,605,000 special warrants, at a price per special warrant of $0.10, for gross proceeds to the Company of $960,500. Each special warrant issued is convertible for one Common Share.

On December 23, 2021, upon the completion of the RTO, Lophos Pharma was deemed to inherit the special warrants issued by Lophos Holdings as part of the consideration in the RTO (note 8).

On March 21, 2022, the Company completed a private placement pursuant to which it issued 5,333,334 special warrants, at a price per special warrant of $0.15, for gross proceeds to the Company of $800,000. Each special warrant issued under the private placement is convertible for one common share and one common share purchase warrant entitling the holder thereof to acquire one additional common share, at an exercise price of $0.20, for a period of 24 months. The Company incurred a cash issuance of $82,697 for the issuance of the special warrants

11. Warrants and broker warrants

The Company issued warrants and broker warrants to acquire common shares as follows:

	Number of Warrants	Weighted Average Exercise Price ($)
Balance, September 13, 2021 (date of incorporation)	**-**	**-**
Issued as consideration for the RTO (note 8)	5,680,250	0.10
Issued in private placement	533,333	0.15
Balance, March 31, 2022	**6,213,583**	**0.10**

The following table reflects the warrants and broker warrants issued and outstanding as of March 31, 2022:

Expiry Date	Exercise Price ($)	Weighted Average Remaining Contractual Life (years)	Number of Warrants Outstanding
October 22, 2022	0.10	0.56	200,000
November 1, 2023	0.10	1.59	5,000,000
November 15, 2023	0.10	1.62	480,250
March 21, 2024	0.15	1.98	533,333
	0.10	**1.59**	**6,213,583**

11. Warrants and broker warrants (continued)

On October 22, 2020, Lophos Holdings issued 200,000 common share purchase warrants to Vested Technology Corp. as compensation in connection with the crowdfunding private placement. Each warrant entitles the holder thereof to acquire one common share, at an exercise price of $0.10, for a period of 24 months from a listing of the Common Shares on a stock exchange.

On November 1, 2021, Lophos Holdings issued 5,000,000 common share purchase warrants exercisable to acquire 5,000,000 Common Shares, at an exercise price of $0.10, for a period of 24 months to five arm's length advisors.

On November 15, 2021, Lophos Holdings issued 480,250 broker warrants to registered dealers in connection with a private placement. Each broker warrant entitles the holder thereof to acquire one common share, at an exercise price of $0.10, for a period of 24 months.

On December 23, 2021, upon the completion of the RTO, Lophos Pharma was deemed to inherit the warrants issued by Lophos Holdings as part of the consideration in the RTO. Please refer to note 8 for assumptions used in the valuation of these warrants.

On March 21, 2022, the Company issued 533,333 Broker Warrants to registered dealers in connection a private placement. Each broker warrant entitles the holder thereof to acquire one common share, at an exercise price of $0.15 for a period of 24 months. The fair value of the broker warrants was estimated to be $42,417 using the Black-Scholes valuation model on the following assumptions: dividend yield 0%; volatility 100%; risk-free interest rate 2.03%; and an expected life of 2 years.

12. Capital management

The Company considers its capital to be its shareholders' equity. As at March 31, 2022, the Company had shareholders' equity of $2,225,113. The Company's objective when managing its capital is to seek continuous improvement in the return to its shareholders while maintaining a moderate to high tolerance for risk. The objective is achieved by prudently managing the capital generated through internal growth and profitability, through the use of lower cost capital, including raising share capital or debt when required to fund opportunities as they arise. The Company may also return capital to shareholders through the repurchase of shares, pay dividends or reduce debt where it determines any of these to be an effective method of achieving the above objective. The Company does not use ratios in the management of its capital. There have been no changes to management's approach to managing its capital during the period ended March 31, 2022.

13. Fair value and financial risk factors

Risk Management

In the normal course of business, the Company is exposed to a number of risks that can affect its operating performance. These risks, and the actions taken to manage them, are as follows:

Fair Values

The Company has designated its cash and investment as FVTPL which are measured at fair value. Fair value of cash is determined based on transaction value and is categorized as a Level One measurement.

- Level One - includes quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level Two - includes inputs that are observable other than quoted prices included in Level One.
- Level Three - includes inputs that are not based on observable market data.

As at March 31, 2022, the carrying and fair value amounts of the Company's cash are approximately equivalent due to its short term nature. Cash is classified as Level One in the fair value hierarchy as at March 31, 2022.

(Expressed in Canadian Dollars)

13. Fair value and financial risk factors (continued)

Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. As at March 31, 2022, management believes that the credit risk with respect to cash and HST receivable is minimal.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying its financial obligations. The Company manages its liquidity risk by forecasting it operations and anticipating its operating and investing activities.

Interest rate Risk

Interest rate risk is the risk that the fair values and future cash flows of the Company will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk to the extent that the cash, if any, maintained at financial institutions is subject to a floating rate of interest. The interest rate risk on cash is not considered significant. The promissory notes of the Company are not subject to interest rate risk as they bear a fixed interest rate. As at March 31, 2022, a 5% increase (decrease) on the interest rate will result in a corresponding increase (decrease) of approximately $50,000 in the Company's consolidated statements of loss and comprehensive loss for the period ended March 31, 2022.

14. Net loss per share

The calculation of basic loss per share for the periodn ended March 31, 2022 was based on the loss attributable to common shareholders of $330,405 and the weighted average number of common shares outstanding of 21,475,000.

Diluted loss per share does not include the effect of 6,213,583 warrants and broker warrants and 15,628,334 speical warrants as their effect on the net loss per share would be anti-dilutive.

15. Related party transactions

(a) Related party balances and transactions

Related parties include the directors of the Company, close family members and enterprises which are controlled by these individuals as well as persons performing similar functions.

	Period from September 13 2021 (Date of incorporation) to March 31, 2022
Marrelli Support Services Inc. ("MSSI") (i)	$ 7,953
Catalytica Inc. ("Catalytica") (iv)	$ 43,681
Herman Holdings Limited ("HHL") (v)	$ 24,379

(i) Fees are related to accounting services provided by MSSI. Anup Sheopaul is an employee of MSSI. Services were incurred for bookkeeping, accounting and CFO services. As at March 31, 2022, MSSI was owed $1,104 and this amount was included in accounts payable and accrued liabilities. This amount is unsecured and non-interest bearing.

(Expressed in Canadian Dollars)

15. Related party transactions (continued)

(a) Related party balances and transactions (continued)

(ii) During the period ended March 31, 2022, the Company issued 400,000 common shares in settlement of $40,000 due to related parties (note 7).

(iii) During the period ended March 31, 2022, the Company repaid $225,000 due to a former shareholder of Richmond Pharma.

(iv) Fees related to the consulting services provided by Catalytica. The Chief Executive Officer of the Company is a director of Catalytica. As at March 31, 2022, $nil was owed to Catalytica by the Company.

(v) Fees related to professional services provided by HHL which controls more than 10% of the Company. As at March 31, 2022, $nil was owed to HHL by the Company.

(b) Remuneration of directors and key management

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company. Remuneration of key management of the Company was as follows:

	Period from September 13 2021 (Date of incorporation) to March 31, 2022
Salaries and benefits	$ 41,538

As at March 31, 2022, $nil was payable to directors or officers the Company.

(c) Major shareholders

To the knowledge of the directors and senior officers of the Company, as at March 31, 2022, no person or corporation beneficially owns or exercises control over common shares of the Company carrying more than 10% of the voting rights attached to all common shares of the Company other than HHL which controls 27% of the Company and Catalytica which controls 13% of the Company. The holding can change at any time at the discretion of the owners.

None of the Company's major shareholders have different voting rights compared to holders of the Company's common shares.

The Company is not aware of any arrangements the operation of which may at a subsequent date result in a change in control of the Company. To the knowledge of the Company, it is not directly or indirectly owned or controlled by another corporation, by any government or by any natural or legal person severally or jointly.

(Expressed in Canadian Dollars)

16. Income Taxes

The reconciliation of income tax expense is as follows:

		Period from September 13 2021 (Date of incorporation) to March 31, 2022
Income (loss) before recovery of income taxes	$	(330,405)
Combined statutory income tax rate:		27%
Expected income tax expense (recovery) based on statutory rates		(89,209)
Increase (decrease) to the income tax expense resulting from:		
Permanent differences and other		(457,868)
Temporary differences		1,602
Change in deferred income tax asset not recognized		545,475
Income tax (recovery) expense	$	-

Deferred income taxes

The temporary differences and unused tax losses that give rise to deferred income tax assets are presented below:

Deferred Income Taxes		As at March 31, 2022
Non-capital losses carried forward	$	312,808
Non-current assets and other		232,667
Deferred tax asset (liability)		545,475
Less: deferred tax assets not recognized		(545,475)
Deferred tax asset (liability)	$	-

The potential benefit of these losses and deductible temporary differences in excess of the deferred tax liabilities have not been recognized in these consolidated financial statements as it is not considered probable that sufficient future tax profit will allow the deferred tax assets to be recovered.

(Expressed in Canadian Dollars)

16. Income Taxes (continued)

As of March 31, 2022, non-capital losses expire as follows:

Year		Amount
2038	$	294,620
2039		456,809
2040		44,890
2041		17,806
2042		344,421
	$	1,158,546

17. Subsequent event

On August 31, 2022, the Company issued a convertible debenture for gross proceeds of $150,000. The convertible debenture matures on August 31, 2024 ("Maturity Date") and bears an interest rate of 8% per annum. The convertible debenture is convertible at the option of the holder into units of the Company at a conversion price of $0.15 per unit before Maturity Date with each unit comprised of one common share of the Company and one common share purchase warrant. Each warrant is exercisable into one common share of the Company at an exercise price of $0.20 until August 31, 2024.

On November 30, 2022, the Company completed a private placement pursuant to which it issued 333,333 Special Warrants, at a price per Special Warrant of $0.15, for gross proceeds to the Company of $50,000. Each Special Warrant issued under the private placement is convertible for one Common Share and Warrant entitling the holder thereof to acquire one additional Common Share, at an exercise price of $0.20, for a period of 24 months.

On January 31, 2023, the Board of Directors resolved to convert, effective as of January 31, 2023, and for no additional consideration and pursuant to the terms of the Special Warrants, all of 15,961,667 Special Warrants issued and outstanding into 15,961,667 Common Shares. The holders of the Common Shares issued upon the conversion of the Special Warrants are entitled to the same rights as holders of Common Shares, namely to vote at all meetings of the holders of Common Shares and, subject to the rights of holders of any shares ranking in priority to or on a parity with the Common Shares, to participate rateably in any distribution of the Company's property or assets upon liquidation or winding-up.

On January 31, 2023, the Board also approved an Option Plan, designed for selected employees, officers, directors, consultants and contractors, to incentivize such individuals to contribute toward the Company's long-term goals, and to encourage such individuals to acquire Common Shares as long-term investments. The Option Plan is administered by the Board. There are currently 4,325,000 Options outstanding, with 4,325,000 Options convertible each into a Common Share of the Company at a price of $0.15 per Common Share until January 31, 2028. The terms of any award are determined by the Board, provided that no options may be granted with an exercise price lower than the greater of the closing market prices of the Common Shares on (a) the trading day prior to the date of grant of the stock options, and (b) the date of grant of the stock options.

LOPHOS HOLDINGS INC.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

THREE AND NINE MONTHS ENDED DECEMBER 31, 2022

(EXPRESSED IN CANADIAN DOLLARS)

(UNAUDITED)

CLEARHOUSE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

REVIEW REPORT ON INTERIM CONSOLIDATED FINANCIAL INFORMATION

To the Audit Committee of the Board of Directors of
Lophos Holdings Inc

In accordance with our engagement letter dated April 11, 2023, we have performed an interim review of the consolidated statement of financial position of Lophos Holdings Inc (the "Company") as at December 31, 2022, and the consolidated statements of comprehensive loss, consolidated statements of changes in equity and consolidated statements of cash flows for the three and nine months then ended. These consolidated financial statements are the responsibility of the Company's management.

We performed our interim review in accordance with Canadian generally accepted standards for a review of interim consolidated financial statements by an entity's auditor.

An interim review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the interim consolidated financial statements. Accordingly, we do not express such an opinion. An interim review does not provide assurance that we would become aware of any or all significant matters that might be identified in an audit.

Based on our interim review, we are not aware of any material modification that needs to be made for these interim consolidated financial statements to be in accordance with International Financing Reporting Standards.

This report is solely for the use of the Audit Committee of the Board of Directors of Lophos Holdings Inc to assist it in discharging its regulatory obligation to review these financial statements and should not be used for any other purpose.

Chartered Professional Accountants
Licensed Public Accountants

Mississauga, Ontario
April 28, 2023

Lophos Holdings Inc.

Condensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)
(Unaudited)

	As at December 31, 2022	As at March 31, 2022
ASSETS		
Current assets		
Cash	**$ 301,007**	$ 1,001,060
Accounts receivable (note 3)	**156,154**	84,019
Inventory	**9,714**	9,714
Prepaid expense and advance (note 4)	**219,208**	8,372
Total current assets	**686,083**	1,103,165
Non-current assets		
Fixed assets (note 5)	**3,455,142**	3,460,916
Total assets	**$ 4,141,225**	$ 4,564,081
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued liabilities (note 15(a))	**$ 404,530**	$ 326,094
Due to related parties (note 15(a)(iii))	**21,440**	21,440
	425,970	347,534
Non-current liabilities		
Loan payable (note 8)	**-**	40,000
Convertible debenture (notes 6 and 15)	**122,210**	-
Promissory notes (note 7)	**1,990,856**	1,951,434
Total liabilities	**2,539,036**	2,338,968
Shareholders' Equity		
Share capital (note 9)	**1,022,322**	1,022,322
Warrants and special warrants (notes 12 and 13)	**1,255,730**	1,200,106
Contributed surplus (note 10)	**333,090**	333,090
Equity portion of convertible debenture	**15,625**	-
Deficit	**(1,024,578)**	(330,405)
Total equity	**1,602,189**	2,225,113
Total liabilities and shareholders' equity	**$ 4,141,225**	$ 4,564,081

The accompanying notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.

Business of the Company and going concern (note 1)
Subsequent events (note 16)

On Behalf of the Board:

"Solomon Elimminian"
Director

"Jeremy Petsun"
Director

Lophos Holdings Inc.

Condensed Interim Consolidated Statements of loss and Comprehensive loss
(Expressed in Canadian Dollars)
(Unaudited)

	Three months ended December 31,		Nine months ended December 31,	
	2022	**2021**	**2022**	**2021**
Expenses				
Salaries and benefits (note 15(b))	$ 23,846	$ -	$ 100,435	$ -
Professional fees (note 15)	141,070	30,000	336,264	30,000
Depreciation (note 5)	11,211	-	33,511	-
Investor relations	-	-	7,811	-
Shareholder information	-	-	1,273	-
Office and general	2,350	125	89,157	125
Interest expense (notes 6 and 7)	45,867	-	125,722	-
Net loss and comprehensive loss for the period	$ (224,344)	$ (30,125)	$ (694,173)	$ (30,125)
Basic and diluted net loss for the period (note 14)	$ (0.00)	(0.00)	$ (0.01)	(0.00)
Weighted average number of common shares outstanding - basic and diluted	63,650,000	16,833,697	63,650,000	13,866,637

The accompanying notes to the condensed interim consolidated financial statements are an integral part of these statements.

Lophos Holdings Inc.

Condensed Interim Consolidated Statements of Changes in Equity
For the period ended December 31, 2022
(Expressed in Canadian Dollars)
(Unaudited)

	Share Capital		Warrants and special warrants	Contributed surplus	Equity portion of convertible debenture	Deficit	Total
	Number of shares	Amount					
Balance, September 13, 2021 (date of incorporation)	**-**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Issuance of shares for seed capital (note 9(b)(i))	11,125,001	222,510	-	-	-	-	222,510
Elimination of Lophos Pharma shares (note 9)	(11,125,001)	-	-	-	-	-	-
Conversion of Lophos Pharma shares (note 9)	44,500,000	-	-	-	-	-	-
Conversion of Lophos Holdings shares and consideration for RTO (note 9)	1,250,000	50,654	482,803	333,090	-	-	866,547
Shares issued for acquisition of Richmond Pharma (note 9 and 11)	17,500,000	709,158	-	-	-	-	709,158
Common shares issued for settlement of due to related parties (note 9)	400,000	40,000	-	-	-	-	40,000
Net loss for the period	-	-	-	-	-	(30,125)	(30,125)
Balance, December 31, 2021	**63,650,000**	**1,022,322**	**482,803**	**333,090**	**-**	**(30,125)**	**1,808,090**
Special warrants issued in private placement (note 12)	-	-	757,583	-	-	-	757,583
Fair value of broker warrants issued in private placement (note 13)	-	-	42,417	-	-	-	42,417
Issuance costs in private placement	-	-	(82,697)	-	-	-	(82,697)
Net loss for the period	-	-	-	-	-	(300,280)	(300,280)
Balance, March 31, 2022	**63,650,000**	**1,022,322**	**1,200,106**	**333,090**	**-**	**(330,405)**	**2,225,113**
Equity portion of convertible debenture	-	-	-	-	15,625	-	15,625
Broker warrants issued	-	-	5,624	-	-	-	5,624
Special warrants issued	-	-	50,000	-	-	-	50,000
Net loss for the period	-	-	-	-	-	(694,173)	(694,173)
Balance, December 31, 2022	**63,650,000**	**$ 1,022,322**	**$ 1,255,730**	**$ 333,090**	**$ 15,625**	**$ (1,024,578)**	**$ 1,602,189**

The accompanying notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.

Lophos Holdings Inc.

Condensed Interim Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)

	Nine months ended December 31, 2022	Period from September 13 2021 (Date of incorporation) to December 31, 2021
Operating activities		
Net loss for the period	$ (694,173)	$ (30,125)
Adjustments for:		
Depreciation	33,511	-
Accrued interest on promissory notes	125,722	-
Non-cash working capital items:		
Accounts receivable	(72,135)	-
Prepaid expense and advances	(210,836)	-
Accounts payable and accrued liabilities	73,320	-
Net cash (used in) operating activities	(744,591)	(30,125)
Investing activities		
Cash obtained from RTO	-	890,314
Purchase of fixed assets	(27,737)	-
Cash obtained upon acquisition of Richmond Pharma	-	11,020
Payment for acquisition of Richmond Pharma	-	(75,000)
Net cash (used in) provided by investing activities	(27,737)	826,334
Financing activities		
Proceeds from issuance of common shares	-	225,510
Proceeds from convertible debenture, net of cost	138,000	-
Repayment of CEBA loan	(40,000)	-
Proceeds from issuance of special warrants	50,000	-
Payment of interest expense on promissory notes	(75,725)	-
Repayment of due to related parties	-	(225,000)
Net cash provided by financing activities	72,275	510
Net change in cash	(700,053)	796,719
Cash, beginning of period	1,001,060	**-**
Cash, end of period	$ 301,007	$ 796,719

The accompanying notes to the unaudited condensed interim consolidated financial statements are an integral part of these statements.

1. Business of the Company and going concern

Lophos Pharmaceuticals Corp. ("Lophos Pharma") was incorporated under the *Business Corporations Act* (British Columbia) on September 13, 2021. The registered and head office of Lophos Pharma is located at 550 Burrard St #2900, Vancouver, BC V6C 0A3.

The Company's principal business pertains to the cultivation and research of Lophophora williamsii (“peyote cactus”). Additionally, in the long-term, the Company is engaged in the research and development of compounds derived from peyote cactus.

Lophos Holdings Inc. ("Lophos Holdings" or "the Company") was incorporated under the *Business Corporations Act* (British Columbia) on October 14, 2020 under the name “Greenridez 2.0 Acquisitions Corp.” and subsequently filed a notice of alteration of its articles in order to change its name to “Lophos Holdings Inc.” on February 4, 2022. The registered and head office of the Company is located at 550 Burrard St #2900, Vancouver, BC V6C 0A3.

On December 23, 2021, the Company entered into a Share Exchange Agreement with the shareholders of Lophos Pharma, pursuant to which the Company agreed to acquire all of the issued and outstanding common shares of Lophos Pharma in consideration for the issuance of a total of 44,500,000 Common Shares to shareholders of Lophos Pharma in proportion with their respective interest in Lophos Pharma. The acquisition was accounted for as a reverse takeover ("RTO") whereby Lophos Pharma was identified as the acquirer for accounting purpose and accordingly the resulting consolidated financial statements are presented as a continuance of Lophos Pharma. After the RTO, the combined entity of Lophos Holdings and Lophos Pharma is referred to also as " the Company" in these condensed interim consolidated financial statements.

On December 23, 2021, immediately following the closing of the share Exchange Agreement with the shareholders of Lophos Pharma, the Company entered into the a Share Purchase Agreement with certain shareholders of Richmond Pharma Inc. ("Richmond Pharma"), pursuant to which the Company agreed to acquire all of the issued and outstanding common shares of Richmond Pharma held by Eric Hancox, Vassil Staykov and Sandra Williams.

On December 23, 2021, immediately following the closing of the share Exchange Agreement with the shareholders of Lophos Pharma, the Company entered into a Share Purchase Agreements with certain shareholders of Richmond Pharma, pursuant to which the Company agreed to acquire all of the issued and outstanding common shares of Richmond Pharma held by Herman Holdings Limited ("HHL") in consideration for the issuance of a total of 17,500,000 Common Shares to Herman Holdings Limited. Subsequent to the closing of the acquisition, the Company entered into a debt settlement agreement with Herman Holdings Limited pursuant to which the Company issued 400,000 Common Shares at a deemed value of $0.10 per Common Share in order to settle an amount of $40,000 owing to Herman Holdings Limited.

These unaudited condensed interim consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they come due. For the nine months ended December 31, 2022, the Company reported a net loss of $694,173. At December 31, 2022, the Company has cash balance of $301,007, however the Company's ability to continue as a going concern is dependent upon its ability to develop and maintain profitable operations or to obtain additional financing. There is no assurance that the outcome of these matters will be successful and, as a result, there are material uncertainties that might cause significant doubt regarding the going concern assumption.

These unaudited condensed interim consolidated financial statements do not give effect to any adjustments which would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying consolidated financial statements. Such adjustments could be material.

1. Business of the Company and going concern (continued)

The Company's ability to continue as a going concern is dependent upon raising additional capital to meet its present and future commitments. If additional financing is arranged through the issuance of shares, control of the Company may change and shareholders may suffer significant dilution. In addition, the Company has not generated any revenue to date. These circumstances indicate that material uncertainties exist that may cast significant doubt about the Company's ability to continue as a going concern and, accordingly, the ultimate use of accounting principles applicable to a going concern.

2. Basis of Presentation

Statement of compliance

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, they do not include all of the information required for full audited annual financial statements.

The policies applied in these unaudited condensed interim consolidated financial statements are based on IFRS issued and outstanding as of **April XX, 2023**, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim consolidated financial statements as compared with the most recent financial statements as at and for the period from September 13, 2021 (date of incorporation) to March 31, 2022, except as noted below. Any subsequent changes to IFRS that are given effect in the Company's annual consolidated financial statements for the year ending March 31, 2023 could result in restatement of these unaudited condensed interim consolidated financial statements.

New accounting policy adopted

Convertible debenture

The Company calculates the liability portion of convertible debentures by calculating the present value of the debenture and related interest, using a discount rate equal to the market rate that would be given for similar debt, without a conversion feature. Management determines this rate by assessing what rate the Company could borrow funds at from an unrelated party. Subsequent measurement of the liability component is carried at amortized cost using effective interest method.

Accounting pronouncements not yet adopted

Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)
The IASB has published Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) which clarifies the guidance on whether a liability should be classified as either current or non-current. The amendments:

a. clarify that the classification of liabilities as current or non-current should only be based on rights that are in place "at the end of the reporting period"
b. clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability
c. make clear that settlement includes transfers to the counterparty of cash, equity instruments, other assets or services that result in extinguishment of the liability.

This amendment is effective for annual periods beginning on or after January 1, 2023. Earlier application is permitted. The extent of the impact of adoption of this amendment has not yet been determined.

(Expressed in Canadian Dollars)

3. Accounts receivable

Accounts receivable represents Harmonized Sales Tax (HST) receivable.

4. Prepaid expense and advance

As at	December 31, 2022	March 31, 2022
Advance for equipment purchase	$ 210,836	$ -
Prepaid expenses	8,372	8,372
Total	$ 219,208	$ 8,372

5. Fixed assets

Cost	Building	Computer	Machinery & equipment	Scientific equipment	Furniture & fixture	Land	Total
Balance, March 31, 2022	$2,521,250	$ 5,631	$ 127,528	$ 431,620	$ 3,009	$ 378,750	$3,467,788
Additions	27,737	-	-	-	-	-	27,737
Balance, December 31, 2022	$2,548,987	$ 5,631	$ 127,528	$ 431,620	$ 3,009	$ 378,750	$3,495,525

Accumulated depreciation	Building	Computer	Machinery & equipment	Scientific equipment	Furniture & fixture	Land	Total
Balance, March 31, 2022	$ -	$ 1,402	$ -	$ 5,395	$ 75	$ -	$ 6,872
Depreciation	-	956	-	32,113	442	-	33,511
Balance, December 31, 2022	$ -	$ 2,358	$ -	$ 37,508	$ 517	$ -	$ 40,383

Net book value	Building	Computer	Machinery & equipment	Scientific equipment	Furniture & fixture	Land	Total
Balance, March 31, 2022	$2,521,250	$ 4,229	$ 127,528	$ 426,225	$ 2,934	$ 378,750	$3,460,916
Balance, December 31, 2022	$2,548,987	$ 3,273	$ 127,528	$ 394,112	$ 2,492	$ 378,750	$3,455,142

6. Convertible debenture

On August 31, 2022, the Company issued a convertible debenture with principal of $150,000 bearing interest at 8%. The Company incurred cash issuance costs of $12,000. The Company allocated $116,751 of the principal amount, net of cost, to the liability component of the debenture and the remaining amount of $17,705 to the equity component of the debenture. The Company also issued 80,000 broker warrants in connection with the issuance of the coonvertible debenture. The fair value of the broker warrants was estimated at $5,624 using the Black-Scholes valuation model on the following assumptions: dividend yield 0%; volatility 100%; risk-free interest rate 3.64%; and an expected life of 2 years.

The continuity of the convertible debenture is as follows:

As at	December 31, 2022
Balance, beginning	$ -
Issued	132,295
Issuance cost	(15,544)
Accretion	5,459
Balance, ending	$ 122,210

(Expressed in Canadian Dollars)

7. Promissory notes

The continuity of the promissory notes are as follows:

As at	December 31, 2022	March 31, 2022
Balance, beginning	$ 1,951,434	$ -
Issued as part of the consideration for acquisition of Richmond Pharma	-	1,910,400
Interest expense accrued	115,147	41,034
Interest expense paid	(75,725)	-
Balance, ending	$ 1,990,856	$ 1,951,434

The promissory notes are unsecured, bear an annual interest rate of 8% and matures on December 23, 2024.

8. Loan payable

During the calendar year ended December 31, 2020, the Company's subsidiary, Richmond Pharma, applied for the COVID-19 Relief Line of Credit as part of the Government-sponsored Canada Emergency Business Account (CEBA). The credit limit of $60,000 has an interest rate of 0% until December 31, 2020. On January 1, 2021, the operating line of credit will be converted to a 2-year 0% interest term loan, to be repaid by December 31, 2023 of which $20,000 of the loan will be forgiven if $40,000 is repaid in full on or before December 31, 2023. If on December 31, 2023, the loan is not repaid, the Company can exercise the option for a 3-year term extension at an interest rate of 5% on the balance over the term extension period. The Company recorded an income from forgiveness of loan payable of $20,000 during the year ended March 31, 2022 and repaid the remaining loan payable of $40,000 during the period ended December 31, 2022.

9. Share capital

a) Authorized share capital

Authorized unlimited common shares and unlimited number of preferred shares

b) Common shares issued

	Number of Common Shares	Amount ($)
Balance, as at September 13, 2021 (date of incorporation)	-	$ -
Issuance of shares for seed capital (i)	11,125,001	222,510
Elimination of Lophos Pharma shares	(11,125,001)	-
Conversion of Lophos Pharma shares	44,500,000	-
Conversion of Lophos Holdings shares and consideration for RTO	1,250,000	50,654
Shares issued for acquisition of Richmond Pharma (note 11)	17,500,000	709,158
Common shares issued for settlement of due to related parties (ii)	400,000	40,000
Balance, December 31, 2021, March 31, 2022 and December 31, 2022	**63,650,000**	**1,022,322**

(i) On September 13, 2021, Lophos Pharma issued 11,125,001 common shares for proceeds of $222,510.

(ii) On December 23, 2021, the Company issued 400,000 common shares at at a deemed value of $0.10 per common share in order to settle an amount of $40,000 owing to one of the shareholders of the Company.

(Expressed in Canadian Dollars)

10. Reverse takeover

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

Lophos Holdings Inc.	Number of Common Shares	Amount ($)
Balance, December 23, 2021 prior to the RTO	**1,250,000**	**12,500**

Lophos Pharma	Number of Common Shares	Amount ($)
Balance, December 23, 2021 prior to the RTO	**11,125,001**	**222,510**

On December 23, 2021, the Company entered into a Share Exchange Agreement with the shareholders of Lophos Pharma, pursuant to which the Company agreed to acquire all of the issued and outstanding common shares of Lophos Pharma in consideration for the issuance of a total of 44,500,000 Common Shares to shareholders of Lophos Pharma in proportion with their respective interest in Lophos Pharma. Pursuant to the Share Exchange Agreement, each shareholder of Lophos Pharma received four Common Shares for each common share of Lophos Pharma held. The acquisition closed on December 23, 2021.

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 Lophos Holdings Inc. does not meet the definition of a business under the standard. As a result, the transaction is accounted for as a capital transaction with Lophos Pharma being identified as the acquirer and the equity consideration being measured at fair value. The resulting consolidated financial statements are presented as a continuance of Lophos Pharma.

The fair value of the consideration is determined based on the percentage of ownership the legal parent's shareholders have in the combined entity after the transaction. This represents the fair value of the shares that Lophos Pharma would have had to issue for the ratio of ownership interest in the combined entity to be the same, if the transaction had taken the legal form of Lophos Pharma acquiring 100% of the shares in Lophos Holdings Inc. The percentage of ownership Lophos Holdings Inc. shareholders had in the combined entity is 3% after the issue of 44,500,000 Lophos Holdings Inc. shares. The fair value of the consideration in the RTO is equivalent to the fair value of the 1,250,000 Lophos Holdings Inc. shares controlled by original Lophos Holdings Inc. shareholders, 10,295,000 special warrants to Lophos Holdings Inc. special warrants holders, 5,200,000 warrants to Lophos Holdings Inc. warrant holders and 480,250 broker warrants to Lophos Holdings Inc. broker warrant holders. The fair value of the shares controlled by original Lophos Holdings Inc. shareholders was estimated to be $50,654 based on the fair market value of $0.04 per share. The fair value of the warrants and broker warrants was estimated to be $65,615 using the Black-Scholes valuation model on the following assumptions: dividend yield 0%; volatility 100%; risk-free interest rate 0.76% and 0.98%; and an expected life of 0.83 years to 1.90 years. The fair value of the special warrants was estimated to be $417,188 based on the fair market value of $0.04 per share as each special warrant entitled the holder thereof to automatically receive a common share of the Company, without payment of additional consideration and without further action on the part of the holder.

(Expressed in Canadian Dollars)

10. Reverse takeover (continued)

Based on the statement of financial position of Lophos Holdings Inc. at the time of the RTO, the net assets at estimated fair value that were acquired from Lophos Holdings Inc. were $866,547 and the resulting difference between consideration and net assets acquired was charged to the contributed surplus as follows:

Consideration		
Common shares	$	50,654
Warrants and broker warrants		65,615
Special warrants		417,188
Total consideration	**$**	**533,457**
Identifiable assets acquired		
Cash	$	890,314
Accounts payable and accrued liabilities		(23,767)
Total identifiable assets acquired		866,547
Unidentifiable assets acquired		
Contribution to contributed surplus		(333,090)
Total net identifiable assets and transaction cost	**$**	**533,457**

11. Acquisition of Richmond Pharma

On December 23, 2021, immediately following the closing of the Share Exchange Agreement with the shareholders of Lophos Pharma, the Company entered into the a Share Purchase Agreement with Richmond Pharma, pursuant to which the Company agreed to acquire all of the issued and outstanding common shares of Richmond Pharma held by Eric Hancox, Vassil Staykov and Sandra Williams in consideration of $2,648,297 of which $1,910,400 was in the form of promissory notes (note 7) and $75,000 in the form of cash.

On December 23, 2021, immediately following the closing of the Share Exchange Agreement with the shareholders of Lophos Pharma, the Company entered into the a Share Purchase Agreements with certain shareholders of Richmond Pharma, pursuant to which the Company agreed to acquire all of the issued and outstanding common shares of Richmond Pharma held by Herman Holdings Limited in consideration for the issuance of a total of 17,500,000 Common Shares to Herman Holdings Limited. Subsequent to the closing of the Acquisition, the Company entered into a debt settlement agreement with Herman Holdings Limited pursuant to which the Company issued 400,000 Common Shares in order to settle an amount of $40,000 owing to Herman Holdings Limited.

In accordance with IFRS 3, Business Combination, the substance of the transaction is an asset acquisition. The transaction does not constitute a business combination as Richmond Pharma does not meet the definition of a business under the standard.

(Expressed in Canadian Dollars)

11. Acquisition of Richmond Pharma (continued)

The fair value of the shares issued in the acquisition of Richmond Pharma was estimated to be $709,158 based on the fair market value of $0.04 per share.

Consideration		
Common shares	$	709,158
Promissoy notes		1,910,400
Cash		75,000
Total consideration	**$**	**2,694,558**

Identifiable assets acquired		
Cash	$	11,020
Amounts receivable		13,005
Inventory		9,714
Prepaid expense		8,372
Fixed assets		3,032,221
Accounts payable and accrued liabilities		(35,957)
Loan payable		(60,000)
Due to related parties		(283,817)
Total identifiable assets	**$**	**2,694,558**

12. Special warrants

On October 22, 2020, Lophos Holdings completed a crowdfunding private placement pursuant to which it issued 690,000 special warrants (490,000 special warrants issued to subscribers and 200,000 special warrants issued to a third party as compensation), at a price per special warrant of $0.05, for gross proceeds to the Company of $24,500.

On November 15, 2021, Lophos Holdings completed the a private placement pursuant to which it issued 9,605,000 special warrants, at a price per special warrant of $0.10, for gross proceeds to the Company of $960,500. Each special warrant issued is convertible for one Common Share.

On December 23, 2021, upon the completion of the RTO, Lophos Pharma was deemed to inherit the special warrants issued by Lophos Holdings as part of the consideration in the RTO (note 10).

On March 21, 2022, the Company completed a private placement pursuant to which it issued 5,333,334 special warrants, at a price per special warrant of $0.15, for gross proceeds to the Company of $800,000. Each special warrant issued under the private placement is convertible for one common share and one common share purchase warrant entitling the holder thereof to acquire one additional common share, at an exercise price of $0.20, for a period of 24 months. The Company incurred a cash issuance of $82,697 for the issuance of the special warrants.

On November 30, 2022, the Company completed a private placement pursuant to which it issued 333,333 special warrants, at a price per special warrant of $0.15, for gross proceeds to the Company of $50,000. Each special warrant issued under the private placement is convertible for one common share and warrant entitling the holder thereof to acquire one additional common share, at an exercise price of $0.20, for a period of 24 months.

(Expressed in Canadian Dollars)

13. Warrants and broker warrants

The Company issued warrants and broker warrants to acquire common shares as follows:

	Number of Warrants	Weighted Average Exercise Price ($)
Balance, September 13, 2021 (date of incorporation)	**-**	**-**
Issued as consideration for the RTO (note 10)	5,680,250	0.10
Balance, December 31, 2021	**5,680,250**	**0.10**
Issued in private placement	533,333	0.15
Balance, March 31, 2022	**6,213,583**	**0.10**
Issued in connection with the convertible debenture	80,000	0.15
Balance, December 31, 2022	**6,293,583**	**0.11**

The following table reflects the warrants and broker warrants issued and outstanding as of December 31, 2022:

Expiry Date	Exercise Price ($)	Weighted Average Remaining Contractual Life (years)	Number of Warrants Outstanding
November 1, 2023	0.10	0.84	5,000,000
November 15, 2023	0.10	0.87	480,250
March 21, 2024	0.15	1.22	533,333
August 31, 2024	0.20	1.67	80,000
April 6, 2025	0.10	2.27	200,000
	0.11	**0.93**	**6,293,583**

On October 22, 2020, Lophos Holdings issued 200,000 common share purchase warrants to Vested Technology Corp. as compensation in connection with the crowdfunding private placement. Each warrant entitles the holder thereof to acquire one common share, at an exercise price of $0.10, for a period of 24 months from the closing of the crowdfunding private placement. During the three and nine months ended December 31, 2022, the expiry date of the 200,000 warrants were extended to April 6, 2025.

On November 1, 2021, Lophos Holdings issued 5,000,000 common share purchase warrants exercisable to acquire 5,000,000 Common Shares, at an exercise price of $0.10, for a period of 24 months to five arm's length advisors.

On November 15, 2021, Lophos Holdings issued 480,250 broker warrants to registered dealers in connection with a private placement. Each broker warrant entitles the holder thereof to acquire one common share, at an exercise price of $0.10, for a period of 24 months.

On December 23, 2021, upon the completion of the RTO, Lophos Pharma was deemed to inherit the warrants issued by Lophos Holdings as part of the consideration in the RTO. Please refer to note 10 for assumptions used in the valuation of these warrants.

On March 21, 2022, the Company issued 533,333 Broker Warrants to registered dealers in connection a private placement. Each broker warrant entitles the holder thereof to acquire one common share, at an exercise price of $0.15 for a period of 24 months. The fair value of the broker warrants was estimated to be $42,417 using the Black-Scholes valuation model on the following assumptions: dividend yield 0%; volatility 100%; risk-free interest rate 2.03%; and an expected life of 2 years.

(Expressed in Canadian Dollars)

13. Warrants and broker warrants (continued)

On August 31, 2022, the Company issued 80,000 broker warrant in connection with the convertible debenture with each broker warrant exercisable for one common share of the Company at $0.20 for a period of two years from the date of issuance (note 6).

14. Net loss per share

The calculation of basic loss per share for the three and nine months ended December 31, 2022 was based on the loss attributable to common shareholders of $224,344 and $694,173, respectively, and the weighted average number of common shares outstanding of 63,650,000.

Diluted loss per share does not include the effect of 6,093,583 warrants and broker warrants and 15,961,667 speical warrants as their effect on the net loss per share would be anti-dilutive.

15. Related party transactions

(a) Related party balances and transactions

Related parties include the directors of the Company, close family members and enterprises which are controlled by these individuals as well as persons performing similar functions.

	Three months ended December 31,		Nine months ended December 31,	
	2022	2021	2022	2021
Marrelli Group (i)	$ 17,698	$ -	$ 33,102	$ -
Canalytica Inc. ("Canalytica") (ii)	$ 32,632	$ 30,000	$ 86,354	$ 30,000

(i) During the three and nine months ended December 31, 2022, the Company paid professional fees totaling $17,698 and $33,102, respectively to Marrelli Support Services Inc. ("Marrelli Support"), and certain of its affiliates, all of which are controlled by Carmelo Marrelli (together known as the "Marrelli Group") for: (i) Anup Sheopaul to act as the Chief Financial Officer of the Company; (ii) bookkeeping and office support; (iii) corporate secretarial; (iv) transfer agent; and (v) regulatory filing services. Anup Sheopaul is an employee of Marrelli Support. The Marrelli Group was owed $1,377 (March 31, 2022 - $1,104) and these amounts were included in amounts payable and accrued liabilities.

(ii) Fees included in professional fees related to the consulting services provided by Canalytica. The Chief Executive Officer of the Company is a director of Canalytica. As at December 31, 2022, $nil (March 31, 2022 - $nil) was owed to Canalytica by the Company.

(iii) The Company owed certain shareholder $21,440 as at December 31, 2022 (March 31, 2022 - $21, 440).

(iv) The Company issued a convertible debenture (note 6) of $150,000 to Wolf Acquisition 1.0 Corp. ("Wolf Acquisition), a company that shares a director with Lophos. As at December 31, 2022, the Company had $5,115 accrued interest on the convertible debenture owed to Wolf Acquisition which was included in the accounts payable and accrued liabilities.

(Expressed in Canadian Dollars)

15. Related party transactions (continued)

(b) Remuneration of directors and key management

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company. Remuneration of management of the Company was as follows:

	Three months ended December 31, 2022	Nine months ended December 31, 2022
Salaries and benefits	$ 23,846	$ 100,435

(c) Major shareholders

To the knowledge of the directors and senior officers of the Company, as at December 31, 2022, no person or corporation beneficially owns or exercises control over common shares of the Company carrying more than 10% of the voting rights attached to all common shares of the Company other than HHL which controls 27% of the Company and Catalytica which controls 13% of the Company. The holding can change at any time at the discretion of the owners.

None of the Company's major shareholders have different voting rights compared to holders of the Company's common shares.

The Company is not aware of any arrangements the operation of which may at a subsequent date result in a change in control of the Company. To the knowledge of the Company, it is not directly or indirectly owned or controlled by another corporation, by any government or by any natural or legal person severally or jointly.

16. Subsequent events

On January 31, 2023, the Board of Directors resolved to convert, effective as of January 31, 2023, and for no additional consideration and pursuant to the terms of the Special Warrants, all of 15,961,667 Special Warrants issued and outstanding into 15,961,667 Common Shares, 5,333,334 warrants exercisable at $0.20 per warrant into 5,333,334 common shares of the Company until March 21, 2024 and 333,333 warrants exercisable at $0.20 per warrant into 333,333 common shares of the Company until November 30, 2024. The holders of the Common Shares issued upon the conversion of the Special Warrants are entitled to the same rights as holders of Common Shares, namely to vote at all meetings of the holders of Common Shares and, subject to the rights of holders of any shares ranking in priority to or on a parity with the Common Shares, to participate rateably in any distribution of the Company’s property or assets upon liquidation or winding-up.

On January 31, 2023, the Board also approved an Option Plan, designed for selected employees, officers, directors, consultants and contractors, to incentivize such individuals to contribute toward the Company’s long-term goals, and to encourage such individuals to acquire Common Shares as long-term investments. The Option Plan is administered by the Board. Upon approval of the Option PLan on January 31, 2023, the Company granted 4,325,000 stock options with each option convertible into a Common Share of the Company at a price of $0.15 per Common Share until January 31, 2028. The terms of any award are determined by the Board, provided that no options may be granted with an exercise price lower than the greater of the closing market prices of the Common Shares on (a) the trading day prior to the date of grant of the stock options, and (b) the date of grant of the stock options.

SCHEDULE B
CONSOLIDATED MANAGEMENT'S DISCUSSION AND ANALYSIS OF LOPHOS HOLDINGS INC.

See attached.

LOPHOS HOLDINGS INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Period from September 13, 2021 (Date of Incorporation) to March 31, 2022

(Expressed in Canadian Dollars)

Dated: February 13, 2023

INTRODUCTION

Lophos Pharmaceuticals Corp. ("Lophos Pharma") was incorporated under the Business Corporations Act (British Columbia) on September 13, 2021. The registered and head office of Lophos Pharma is located at 550 Burrard St #2900, Vancouver, BC V6C 0A3.

The principal business carried on and intended to be carried on by the Lophos Pharma is the cultivation of peyote and the manufacture of Lophophora compounds, including Mescaline, as well as formulation of novel Lophophora-based compounds.

Lophos Holdings Inc. ("Lophos Holding" or "the Company") was incorporated under the Business Corporations Act (British Columbia) on October 14, 2020 under the name "Greenridez 2.0 Acquisitions Corp." and subsequently filed a notice of alteration of its articles in order to change its name to "Lophos Holdings Inc." on February 4, 2022. The registered and head office of the Company is located at 550 Burrard St #2900, Vancouver, BC V6C 0A3.

On December 23, 2021, the Company entered into a Share Exchange Agreement with the shareholders of Lophos Pharma, pursuant to which the Company agreed to acquire all of the issued and outstanding common shares of Lophos Pharma in consideration for the issuance of a total of 44,500,000 Common Shares to shareholders of Lophos Pharma in proportion with their respective interest in Lophos Pharma. The acquisition was accounted for as a reverse takeover ("RTO") whereby Lophos Pharma was identified as the acquirer for accounting purpose and accordingly the resulting consolidated financial statements are presented as a continuance of Lophos Pharma. After the RTO, the combined entity of Lophos Holdings and Lophos Pharma is referred to also as " the Company" in these consolidated financial statements.

On December 23, 2021, immediately following the closing of the share Exchange Agreement with the shareholders of Lophos Pharma, the Company entered into a Share Purchase Agreement with certain shareholders of Richmond Pharma Inc. ("Richmond Pharma"), pursuant to which the Company agreed to acquire all of the issued and outstanding common shares of Richmond Pharma held by Eric Hancox, Vassil Staykov and Sandra Williams in consideration of $1,985,400.

On December 23, 2021, immediately following the closing of the share Exchange Agreement with the shareholders of Lophos Pharma, the Company entered into a Share Purchase Agreements with certain shareholders of Richmond Pharma, pursuant to which the Company agreed to acquire all of the issued and outstanding common shares of Richmond Pharma held by Herman Holdings Limited ("HHL") in consideration for the issuance of a total of 17,500,000 Common Shares to Herman Holdings Limited. Subsequent to the closing of the acquisition, the Company entered into a debt settlement agreement with Herman Holdings Limited pursuant to which the Company issued 400,000 Common Shares at a deemed value of $0.10 per Common Share in order to settle an amount of $40,000 owing to Herman Holdings Limited.

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 period from September 13, 2021 (Date of Incorporation) to March 31, 2022, 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 the Company'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 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 peyote and Lophophora compounds, (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 Lophos' 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 Lophos; applicable economic conditions are favourable to Lophos.	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 Lophos' 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 Lophos.	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

Forward-Looking Statements	Assumptions	Risk Factors
		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 Lophos; debt and equity markets, exchange and interest rates, and other applicable economic and political conditions are favourable to Lophos; there will be a ready market for the product candidates.	Lophos' 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.
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.	Lophos 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 Lophos' expectations; partners will provide necessary financing and expertise to bring product candidates to market successfully and profitably.	Lophos 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 Lophos; 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.	Lophos 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	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

Forward-Looking Statements	Assumptions	Risk Factors
	research teams who are also examining potential products.	commercial viability of the potential product.
Future actions with respect to and potential impacts of pending claims.	Lophos will be able to settle or otherwise obtain disposition of claims against it on favourable terms.	Lophos may will not be able to settle pending claims on favourable terms; claims may be adjudicated in a manner that is not favourable to Lophos.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company's ability to predict or control. Please also refer 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 Company's principal business pertains to the cultivation and research of Lophophora williamsii ("peyote cactus"). Additionally, in the long-term, the Company is engaged in the research and development of compounds derived from peyote cactus.

Prior to completion of the Acquisition, the Company had not conducted any material business since incorporation other than pursuing its interests under the Share Exchange Agreement.

The Company was incorporated on October 14, 2020, pursuant to the BCBCA and prior to the completion of the Acquisition had not conducted any material business since incorporation other than pursuing its interests under the Share Exchange Agreement. The sole business of the Company from the date of its incorporation until executing the Share Exchange Agreement was to identify and evaluate opportunities for the acquisition of an interest in suitable businesses and, once identified and evaluated, to negotiate an acquisition subject to applicable corporate and securities laws, so as to complete a transaction. Until the completion of the Acquisition, the Company did not have a business, business operations or any material assets other than cash.

Upon completion of the Acquisition, the business of Lophos Pharmaceuticals Corp. became the business of the Company.

The Company intends to conduct pre-clinical research and development in Canada with one or more third-party partners and currently performs cultivation research and development in Canada. Dependent on CSDL licensing, the Company could perform analytical research and development on controlled substances.

The Company's current business line includes the cultivation of peyote cactus for both direct sales and research and development purposes. Furthermore, the following additional business lines are dependent on CSDL licensing for Lophos Pharma's Napanee, Ontario facility: development of novel drug delivery mechanisms for Mescaline and other related compounds; development of Intellectual Property related to the custom formulation of Mescaline and related compounds; performing contracted research and laboratory analysis for psychedelic compounds; and manufacturing of Mescaline as a base substance under CSDL for purchase by licensed and qualified entities.

Current Business Line:

1) Cultivating peyote cactus for both direct sales and research and development purposes. (First Harvest Expected – Q1 2025)

Additional Business Lines Dependent on CSDL Licensing for Lophos Pharma's Napanee, Ontario Facility: (CSDL Expected - Q1 2023)

2) Research and development of novel drug delivery systems for Mescaline and other related molecules; (Laboratory Operational – Q4 2023)

3) Development of intellectual property related to the custom formulation of Mescaline and related compounds; (Laboratory Operational – Q4 2023)

4) Performing contracted research and laboratory analysis; and (Laboratory Operational – Q4 2023)

5) Manufacturing of Mescaline as a base substance under CSDL for purchase by licensed and qualified entities (CSDL Expected - Q2 2023)

Mescaline (3,4,5-trimethoxyphenethylamine) is an alkaloid from the phenethylamine class which was discovered in 1896 and first synthesized in 1919 by Ernst Spath at the university of Vienna; it is a "generic" drug, meaning its synthesis is not the subject of any current patents. While Mescaline was made illegal for recreational use in the 1970s in many jurisdictions, the plant most known for containing the Mescaline compound, Peyote, maintains protected use in both Canada and the United States.

Under Canadian law, Mescaline may be manufactured or sold by entities possessing a Controlled Substances Manufacturer's License ("CSML") or Controlled Substances Dealer's License ("CSDL") as granted by Health Canada. Analogues of Mescaline include a diverse range of molecules, including 3 -methoxy-4,5-methylenedioxyphenethylamine (MMDPEA/Lophophorine) & 3,5-methoxy-4-propyloxyphenethylamine/2- (4-propyloxy-3,5-dimethoxy-phenyl)-ethylamine (Proscaline). Some of these molecules are also considered controlled substances, while others are not considered controlled substances by regulatory authorities.

To pursue its objectives, The Company has purchased a cultivation and research facility located in Napanee, Ontario, to perform process development and manufacturing. On February 2, 2022, Lophos Pharmaceuticals Corp. filed a CSDL application with Health Canada which, once granted, will allow the Company to extract and synthesize Mescaline products.

The Company understands that Health Canada has accepted its CSDL application without revisions and anticipates that it could receive its CSDL in Q4 of 2022 or Q1of 2023 following the onsite security inspection of the facility. The Company also understands that the approval of this CSDL application will allow the Company to securely store, research, and develop both Mescaline and Psilocybin based products.

After the CSDL has been granted, Lophos Pharma will cultivate peyote, and other mescaline-producing cacti, at their facility located in Napanee, Ontario.

Once the CSDL is granted, Lophos will sell Mescaline-based products to customers that are approved to receive controlled substances or have been granted an exemption under the Food and Drugs Act. Customers for the Company's API or Drug Products would include any entities qualified to hold or use Mescaline, or its analogues, as determined by local regulatory authorities in their country of residency. These include companies pursuing clinical trials as well as academic researchers pursuing advanced understanding of Mescaline and its properties. The Company also plans to provide contracted research and development for companies that wish to utilize the controlled substance approved laboratory or secure storage for both Mescaline- and Psilocybin- based products.

The Company also entered into a collaboration agreement dated February 3, 2022 with PharmaTher Ltd., a which issues Lophos Pharma the exclusive worldwide rights to license their proprietary transdermal microneedle patch ("**Hydrogel**") drug delivery system for Mescaline.

CORPORATE HIGHLIGHTS

Financings

On October 14, 2020, the Company completed a founder private placement by issuing 1,000,000 Common Shares at a price of $0.001 per Common Share for aggregate gross proceeds of $1,000.

On October 15, 2020, the Company completed a seed round private placement by issuing 250,000 Common Shares at a price of $0.01 per Common Share for aggregate gross proceeds of $2,500.

On October 22, 2020, the Company completed the Crowdfunding Private Placement pursuant to which it issued 690,000 Special Warrants (490,000 Special Warrants issued to subscribers and 200,000 Special Warrants issued to Vested Technology Corp. as compensation), at a price per Special Warrant of $0.05, for gross proceeds to the Company of $24,500. In addition, the Company issued 200,000 common share purchase warrants to Vested Technology Corp. as compensation in connection with the Crowdfunding Private Placement. Each Vested Warrant entitles the holder thereof to acquire one Common Share, at an exercise price of $0.10, for a period of 24 months from a listing of the Common Shares on a stock exchange.

On November 15, 2021, the Company completed the Q4 2021 Private Placement pursuant to which it issued 9,605,000 Special Warrants, at a price per Special Warrant of $0.10, for gross proceeds to the Company of $960,500. Each Special Warrant issued under the Q4 2021 Private Placement is convertible for one Common Share. The Company also issued 480,250 Broker Warrants to registered dealers in connection with the Q4 2021 Private Placement. Each Broker Warrant entitles the holder thereof to acquire one Common Share, at an exercise price of $0.10, for a period of 24 months.

On November 1, 2021 the Company issued 5,000,000 common share purchase warrants exercisable to acquire 5,000,000 Common Shares, at an exercise price of $0.10, for a period of 24 months to five arm's length advisors.

On March 21, 2022, the Company completed Q1 2022 Private Placement pursuant to which it issued 5,333,334 Special Warrants, at a price per Special Warrant of $0.15, for gross proceeds to the Company of $800,000.10. Each Special Warrant issued under the Q1 2022 Private Placement is convertible for one Common Share and one Common Share purchase warrant entitling the holder thereof to acquire one additional Common Share, at an exercise price of $0.20, for a period of 24 months. The Company also issued 533,333 Broker Warrants to registered dealers in connection with the Q1 2022 Private Placement. Each Broker Warrant entitles the holder thereof to acquire one Common Share, at an exercise price of $0.15, as the case may be, for a period of 24 months.

The Company has granted to each holder of a Special Warrant a contractual right of rescission of the prospectus-exempt transaction under which the Special Warrant was initially acquired. The contractual right of rescission provides that if a holder of a Special Warrant who acquires another security of the Company on exercise of the Special Warrant as provided for in this Prospectus is, or becomes, entitled under the securities legislation of a jurisdiction to the remedy of rescission because of the Prospectus or an amendment to the Prospectus containing a misrepresentation: (a) the holder is entitled to rescission of both the holder's exercise of its Special Warrant, (b) the holder is entitled in connection with the rescission to a full refund of all consideration paid to the Company on the acquisition of the Special Warrant, and (c) if the holder is a permitted assignee of the interest of the original Special Warrant subscriber, the holder is entitled to exercise the rights of rescission and refund as if the holder was the original subscriber.

On August 31, 2022, the Company issued a convertible debenture for gross proceeds of $150,000. The convertible debenture matures on August 31, 2024 ("Maturity Date") and bears an interest rate of 8% per annum. The convertible debenture is convertible at the option of the holder into units of the Company at a conversion price of $0.15 per unit before Maturity Date with each unit comprised of one common share of the Company and one common share purchase warrant. Each warrant is exercisable into one common share of the Company at an exercise price of $0.20 until August 31, 2024.

On November 30, 2022, the Company completed a private placement pursuant to which it issued 333,333 special warrants, at a price per special warrant of $0.15, for gross proceeds to the Company of $50,000. Each special

warrant issued under the private placement is convertible for one common share and warrant entitling the holder thereof to acquire one additional common share, at an exercise price of $0.20, for a period of 24 months.

On January 31, 2023, the Board of Directors resolved to convert, effective as of January 31, 2023, and for no additional consideration and pursuant to the terms of the Special Warrants, all of 15,961,667 Special Warrants issued and outstanding into 15,961,667 Common Shares. The holders of the Common Shares issued upon the conversion of the Special Warrants are entitled to the same rights as holders of Common Shares, namely to vote at all meetings of the holders of Common Shares and, subject to the rights of holders of any shares ranking in priority to or on a parity with the Common Shares, to participate rateably in any distribution of the Company's property or assets upon liquidation or winding-up.

Stock Option Plan

On January 31, 2023, the Board also approved an Option Plan, designed for selected employees, officers, directors, consultants and contractors, to incentivize such individuals to contribute toward the Company's long-term goals, and to encourage such individuals to acquire Common Shares as long-term investments. The Option Plan is administered by the Board. There are currently 4,325,000 Options outstanding, with 4,325,000 Options convertible each into a Common Share of the Company at a price of $0.15 per Common Share until January 31, 2028. The terms of any award are determined by the Board, provided that no options may be granted with an exercise price lower than the greater of the closing market prices of the Common Shares on (a) the trading day prior to the date of grant of the stock options, and (b) the date of grant of the stock options.

Acquisition of Lophos Pharma

On December 23, 2021, the Company entered into the Share Exchange Agreement with the shareholders of Lophos Pharma, pursuant to which the Company agreed to acquire all of the issued and outstanding common shares and warrants of Lophos Pharma in consideration for the issuance of a total of 44,500,000 Common Shares to shareholders of Lophos Pharma in proportion with their respective interest in Lophos Pharma.

Pursuant to the Share Exchange Agreement, each shareholder of Lophos Pharma received four Common Shares for each common share of Lophos Pharma held. The acquisition closed on December 23, 2021.

Acquisition of Richmond Pharma

On December 23, 2021, immediately following the closing of the Share Exchange Agreement with the shareholders of Lophos Pharma, the Company entered into a Share Purchase Agreement with Richmond Pharma, pursuant to which the Company agreed to acquire all of the issued and outstanding common shares of Richmond Pharma held by Eric Hancox, Vassil Staykov and Sandra Williams in consideration of $2,648,297 of which $1,910,400 was in the form of promissory notes and $75,000 in the form of cash.

On December 23, 2021, immediately following the closing of the Share Exchange Agreement with the shareholders of Lophos Pharma, the Company entered into a Share Purchase Agreements with certain shareholders of Richmond Pharma, pursuant to which the Company agreed to acquire all of the issued and outstanding common shares of Richmond Pharma held by Herman Holdings Limited in consideration for the issuance of a total of 17,500,000 Common Shares to Herman Holdings Limited. Subsequent to the closing of the Acquisition, the Company entered into a debt settlement agreement with Herman Holdings Limited pursuant to which the Company issued 400,000 Common Shares in order to settle an amount of $40,000 owing to Herman Holdings Limited.

TRENDS AND ECONOMIC CONDITIONS

(a) 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.

(b) Due to the worldwide COVID-19 outbreak, material uncertainties may come into existence that could influence management's going concern assumption. Management cannot accurately predict the future impact COVID-19 may have on:

- The severity and the length of potential measures taken by governments to manage the spread of the virus, and their effect on service provider availability;
- Purchasing power of the Canadian dollar; or
- Ability to obtain funding.

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

Lophos Pharmaceuticals Corp. (accounting parent)

	Period from September 13 (date of incorporation) to March 31, 2022 $
Total assets	4,564,081
Total liabilities	2,338,968
Working capital	755,631
Expenses	350,405
Net (loss)	(330,405)
Net (loss) per share, basic and diluted	(0.02)

Lophos Holdings Inc. (accounting subsidiary)

	Period from October 14, 2020 (date of incorporation) to December 23, 2021 (date of the RTO with Lophos Pharma) $
Total assets	890,314

Total liabilities	23,767
Working capital	866,547
Expenses	262,813
Net (loss)	(262,813)
Net (loss) per share, basic and diluted	(0.00)

RESULTS OF OPERATIONS

The Company reported a net loss of $330,405 for the period from September 13, 2021 (Date of Incorporation) to March 31, 2022 which is comprised of $44,783 salaries and benefits, $187,593 professional fees which is mainly comprised of $106,419 legal fees, $70,181 consulting fees and $10,993 fees for accounting and engineering, $5,933 depreciation for fixed assets, $7,504 investor relations, $641 shareholding information, $43,657 interest expense, and $60,294 office and general.

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 ($)	
March 31, 2022	300,280	0.08	4,564,081
December 31, 2021	30,125	0.00	4,301,443
September 30, 2021	Nil	0.00	225,510

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 March 31, 2022, the Company had a cash balance of $1,001,060 and accounts receivable of $84,019 which represent the HST, inventory of $9,714 and prepaid expense of $8,372 to settle current liabilities of $347,534. This represents a working capital of $755,631 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 $330,405 as at March 31, 2022.

REVERSE TAKEOVER

On December 23, 2021, the Company entered into a Share Exchange Agreement with the shareholders of Lophos Pharma, pursuant to which the Company agreed to acquire all of the issued and outstanding common shares of Lophos Pharma in consideration for the issuance of a total of 44,500,000 Common Shares to shareholders of Lophos Pharma in proportion with their respective interest in Lophos Pharma. The acquisition closed on December 23, 2021.

Pursuant to the Share Exchange Agreement, each shareholder of Lophos Pharma received four Common Shares for each common share of Lophos Pharma. The acquisition closed on December 23, 2021.

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

Lophos Holdings Inc.	**Number of common shares**	**Amount ($)**
Balance, prior to the RTO	1,250,000	12,500

Lophos Pharmaceuticals Corp.	**Number of common shares**	**Amount ($)**
Balance, prior to the RTO	11,125,001	222,510

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 Lophos Holdings Inc. does not meet the definition of a business under the standard. As a result, the transaction is accounted for as a capital transaction with Lophos Pharma being identified as the acquirer and the equity consideration being measured at fair value. The resulting consolidated financial statements are presented as a continuance of Lophos Pharma.

The fair value of the consideration is determined based on the percentage of ownership the legal parent's shareholders have in the combined entity after the transaction. This represents the fair value of the shares that Lophos Pharma would have had to issue for the ratio of ownership interest in the combined entity to be the same, if the transaction had taken the legal form of Lophos Pharma acquiring 100% of the shares in Lophos Holdings Inc. The percentage of ownership Lophos Holdings Inc. shareholders had in the combined entity is 3% after the issue of 44,500,000 Lophos Holdings Inc. shares. The fair value of the

consideration in the RTO is equivalent to the fair value of the 1,250,000 Lophos Holdings Inc. shares controlled by original Lophos Holdings Inc. shareholders, 10,295,000 special warrants to Lophos Holdings Inc. special warrants holders, 5,200,000 warrants to Lophos Holdings Inc. warrant holders and 480,250 broker warrants to Lophos Holdings Inc. broker warrant holders. The fair value of the shares controlled by original Lophos Holdings Inc. shareholders was estimated to be $50,654 based on the fair market value of $0.04 per share. The fair value of the warrants and broker warrants was estimated to be $65,615 using the Black-Scholes valuation model on the following assumptions: dividend yield 0%; volatility 100%; risk-free interest rate 0.76% and 0.98%; and an expected life of 0.83 years to 1.90 years. The fair value of the special warrants was estimated to be $417,188 based on the fair market value of $0.04 per share as each special warrant entitled the holder thereof to automatically receive a common share of the Company, without payment of additional consideration and without further action on the part of the holder.

Based on the statement of financial position of Lophos Holdings Inc. at the time of the RTO, the net assets at estimated fair value that were acquired from Lophos Holdings Inc. were $866,547 and the resulting difference between consideration and net assets acquired was charged to the contributed surplus as follows:

Consideration	
Common shares	$50,654
Warrants and broker warrants	65,615
Sepcial warrants	417,188
Total consideration	$533,457
Identifiable assets acquired	
Cash	$890,314
Accounts payable and accrued liabilities	(23,767)
Total identifiable assets acquired	866,547
Unidentifiable assets acquired	
Contribution to contributed surplus	(333,090)
Total net identifiable assets and transaction cost	$533,457

ACQUISITION OF RICHMOND PHARMA

On December 23, 2021, immediately following the closing of the Share Exchange Agreement with the shareholders of Lophos Pharma, the Company entered into the a Share Purchase Agreement with Richmond Pharma, pursuant to which the Company agreed to acquire all of the issued and outstanding common shares of Richmond Pharma held by Eric Hancox, Vassil Staykov and Sandra Williams in consideration of $2,648,297 of which $1,910,400 was in the form of promissory notes and $75,000 in the form of cash.

On December 23, 2021, immediately following the closing of the Share Exchange Agreement with the shareholders of Lophos Pharma, the Company entered into the a Share Purchase Agreements with certain shareholders of Richmond Pharma, pursuant to which the Company agreed to acquire all of the issued and outstanding common shares of Richmond Pharma held by Herman Holdings Limited in consideration for the issuance of a total of 17,500,000 Common Shares to Herman Holdings Limited. Subsequent to the closing of the Acquisition, the Company entered into a debt settlement agreement with Herman Holdings Limited pursuant to which the Company issued 400,000 Common Shares in order to settle an amount of $40,000 owing to Herman Holdings Limited.

In accordance with IFRS 3, Business Combination, the substance of the transaction is an asset acquisition. The transaction does not constitute a business combination as Richmond Pharma does not meet the definition of a business under the standard.

The fair value of the shares issued in the acquisition of Richmond Pharma was estimated to be $709,158 based on the fair market value of $0.04 per share.

Consideration	
Common shares	$709,158
Promissory notes	1,910,400
Cash	75,000
Total consideration	$2,694,558
Identifiable assets acquired	
Cash	$11,020
Amounts receivable	13,005
Inventory	9,714
Prepaid expense	8,372
Fixed assets	3,032,221
Accounts payable and accrued liabilities	(35,956)
Loan payable	(60,000)
Due to related parties	(283,817)
Total identifiable assets acquired	2,694,558

RELATED PARTY TRANSACTIONS

(a) Related party balances and 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.

	Period from September 13 (date of incorporation) to March 31, 2022 $
Marrelli Support Services Inc. ("MSSI") (i)	7,953
Catalytica Inc. ("Catalytica") (iv)	43,681
Herman Holdings Limited ("HHL") (v)	24,379

(i) Fees are related to accounting services provided by MSSI. Anup Sheopaul is an employee of MSSI. Services were incurred for bookkeeping, accounting and CFO services. As at March 31, 2022, MSSI was owed $1,104 and this amount was included in accounts payable and accrued liabilities. This amount is unsecured and non-interest bearing.

(ii) During the period ended March 31, 2022, the Company issued 400,000 in settlement of $40,000 due to related parties.

(iii) During the period ended March 31, 2022, the Company repaid $225,000 due to related parties.

(iv) Fees related to the consulting services provided by Catalytica. The Chief Executive Officer of the Company is a director of Catalytica. As at March 31, 2022, $nil was owed to Catalytica by the Company.

(v) Fees related to professional services provided by HHL which controls more than 10% of the Company. As at March 31, 2022, $nil was owed to HHL by the Company.

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

(b) Remuneration of directors and key management

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company. Remuneration of management of the Company was as follows:

	Period from September 13 (date of incorporation) to March 31, 2022 $
Salaries and benefits	41,538

(c) Major shareholders

To the knowledge of the directors and senior officers of the Company, as at March 31, 2022, no person or corporation beneficially owns or exercises control over common shares of the Company carrying more than 10% of the voting rights attached to all common shares of the Company other than Herman Holdings Limited that owned 22.48% and Catalytica Corp. that owned 10.05%. The holding can change at any time at the discretion of the owners.

None of the Company's major shareholders have different voting rights compared to holders of the Company's common shares.

The Company is not aware of any arrangements the operation of which may at a subsequent date result in a change in control of the Company. To the knowledge of the Company, it is not directly or indirectly owned or controlled by another corporation, by any government or by any natural or legal person severally or jointly.

SHARE CAPITAL STRUCTURE

As at the date of this MD&A, the Company had 79,611,667 common shares, 11,960,250 warrants and broker warrants and 4,325,000 stock options.

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 adjusts 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 March 31, 2022 totaled equity of $2,225,113.

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 Interim 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

	For the period from incorporation to March 31, 2022 ($)
Salaries and benefits	44,783
Professional fees	187,593
Depreciation	5,933
Investor relations	7,504
Shareholder information	641
Office and general	60,294
Interest expense	43,657
Total	**350,405**

RISK FACTORS

An investment in the Common Shares involves a high degree of risk and should be considered highly speculative due to the nature of the Company's business and its present stage of development. An investment in the Company's securities is suitable only for those knowledgeable and sophisticated investors who are willing to risk loss of their entire investment. Prospective investors should consult with their professional advisors to assess an investment in the Company's securities. In evaluating the Company and its business, investors should carefully consider, in addition to the other information contained in this Prospectus, the following risk factors. These risk factors are not a definitive list of all risk factors associated with an investment in the Company or in connection with the Company's operations.

Risks Relating to the Company's Business

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.

Psychedelics Regulatory Risk

The psychedelic therapy and psychopharmalogical industries are new and emerging industries with substantial existing regulations and uncertainty as to future regulations. There can be no guarantee related to the future legal status of psychedelic compounds in Canada, the United States or other jurisdictions. The jurisdictional treatment of the substances would have a significant impact on the ability of the Company to continue operating or expand its business. The Company's prospects and reputation may also be impacted by developments of these laws.

Violations of Laws and Regulations Could Result in Repercussions

In the United States, certain psychedelic drugs, including Mescaline, are classified as Schedule I drugs under the CSA and the Controlled Substances Import and Export Act (the "**CSIEA**") and as such, medical and recreational use currently is illegal under the United States federal laws. In Canada, under the CDSA, Mescaline is currently a Schedule I drug and as such, medical and recreational use currently is illegal under the Canadian federal laws. Certain other jurisdictions have similarly regulated certain psychedelic drugs. The Company's programs involving Schedule I drugs are conducted in strict compliance with the laws and regulations regarding the production, storage and use of Schedule I drugs. As such, all facilities engaged with such substances by or on behalf of the Company do so under current licenses, permits, approvals and exemptions issued by appropriate federal, provincial, state and local governmental agencies. While the Company is conducting research and development of Mescaline, the Company does not have any direct or indirect involvement with

the illegal selling, production or distribution of any substances in the jurisdictions in which it operates and does not intend to have any such involvement. However, a violation of any Canadian or United States federal laws and regulations, such as the CDSA, the CSA or the CSIEA, or of similar legislation in the jurisdictions in which it operates, could result in significant fines, penalties, administrative sanctions, convictions or settlements arising from civil proceedings initiated by either government entities in the jurisdictions in which the Company operates, or private citizens or criminal charges. Any such violations or the loss of the necessary licenses, permits, approvals or exemptions for Schedule I drugs could have an adverse effect on the Company's operations.

The Company's regulatory risk is decreased if:

(a) It elects not to build its own manufacturing laboratory, and instead works through competent licensed third parties. These parties complete manufacturing operations under their own CSDL and as such can indemnify the Company from any legal risk arising from the physical ownership of these products rather than the beneficial access to them.

(b) The Company establishes multiple partnerships with organizations with competency in the manufacture, research, sale, and distribution of controlled substances.

(c) The Company never takes physical possession of any controlled substances.

The Issuer has received legal advice regarding limitations set out in the CSA in the United States and the CDSA in Canada and continues to monitor legislative developments.

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.

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 Health Canada, 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.

Inability to Identify, Discover or License Product Candidates

The success of the Company's business depends on its ability to develop psychedelic-derived pharmaceuticals and license such pharmaceuticals. The Company's research programs may fail to yield product candidates and the Company may fail to license identified product candidates for a number of reasons, including but not limited to the following:

- the Company's research process may be unsuccessful in identifying new uses for the psychedelic-derived drugs evaluated and product candidates suitable for repurposing;

- the Company may not be able or willing to assemble sufficient resources to identify or discover additional product candidates;

- the Company may not succeed in partnering with third parties to advance identified product candidates to the experimental research stage of drug repurposing;
- the Company's identified product candidates may not succeed in pre-clinical or clinical testing;
- pharmaceutical companies may develop alternatives that render the Company's identified product candidates obsolete or less attractive;
- the market for an identified product candidate may change during the Company's program so that such a product candidate may not be attractive to pharmaceutical companies;
- an identified product candidate may not be capable of being produced in commercial quantities at an acceptable cost, or at all; and
- an identified product candidate may not be accepted as safe and effective by patients, the medical community or third-party payors.

If any of these events occurs, the Company may be forced to abandon its efforts to identify, discover or license product candidates, which would have a material adverse effect on its business and could potentially cause the Company to cease operations. Research programs to identify new product candidates require substantial technical, financial and human resources. The Company may focus its efforts and resources on potential programs or product candidates that ultimately prove to be unsuccessful.

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 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 intellectual property of the Company will not be challenged, invalidated, infringed or circumvented. Moreover, the Company could potentially incur substantial legal costs in defending legal actions which allege intellectual property infringement or by instituting intellectual property infringement suits against others. The Company's commercial success also depends on the Company not infringing 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. 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.

Because the psychedelics industry is in a nascent stage with uncertain boundaries, there is a lack of information about comparable companies available for potential investors to review in deciding about whether to invest in the Company and, few, if any, established companies whose business model the Company can follow or upon whose success the Company can build. Accordingly, investors will have to rely on their own estimates in deciding about whether to invest in the Company. There can be no assurance that the Company's estimates are accurate or that the market size is sufficiently large for its business to grow as projected, which may negatively impact its financial results.

Publicity or Consumer Perception

The Company believes psychedelic pharmaceuticals industry is highly dependent upon consumer perception regarding the safety, efficacy and quality of psychedelic compounds. There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favourable to Mescaline and psychedelic pharmaceutical markets or any particular product, or consistent with earlier publicity. Future research reports, findings, regulatory proceedings, litigation, media attention or other publicity that are perceived as less favourable than, or that question, earlier research reports, findings or publicity could have a material adverse effect on the demand for the Company's services. The Company's dependence upon consumer perceptions means that adverse scientific research reports, findings, regulatory proceedings, litigation, media attention or other publicity, whether or not accurate or with merit, could have a material adverse effect on the Company and the demand for the Company's services. Further, adverse publicity reports or other media attention regarding the safety, efficacy and quality of Mescaline or other psychedelic compounds in general, or other negative effects or events related to medications and other psychedelic compounds, could have such a material adverse effect.

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 intellectual property protection. This could make it difficult to stop the infringement or other misappropriation of the Company's intellectual property rights.

Proceedings to enforce intellectual property 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 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 psychedelic-derived pharmaceuticals 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.

Since December 31, 2019, governments worldwide have been enacting emergency measures to combat the spread of COVID-19, which was declared a pandemic by the World Health Organization in March 2020. These measures, which include the implementation of travel bans, self-imposed quarantine periods, and physical distancing, have caused material disruption to business globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. While the roll out of several vaccines is ongoing in many countries, and other promising vaccines are in development, COVID 19-variants continue to cause concern, and an end to the COVID-19 pandemic is believed to

be some way off. Until the pandemic ends, it remains possible the COVID-19 virus could have a material adverse effect on our business, financial condition, and results of operation. 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.

LOPHOS HOLDINGS INC.

INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS

Three and Nine Months Ended December 31, 2022

(Expressed in Canadian Dollars)

Dated: April 28, 2023

INTRODUCTION

Lophos Pharmaceuticals Corp. ("Lophos Pharma") was incorporated under the Business Corporations Act (British Columbia) on September 13, 2021. The registered and head office of Lophos Pharma is located at 550 Burrard St #2900, Vancouver, BC V6C 0A3.

The principal business carried on and intended to be carried on by the Lophos Pharma is the cultivation of peyote and the manufacture of Lophophora compounds, including Mescaline, as well as formulation of novel Lophophora-based compounds.

Lophos Holdings Inc. ("Lophos Holding" or "the Company") was incorporated under the Business Corporations Act (British Columbia) on October 14, 2020 under the name "Greenridez 2.0 Acquisitions Corp." and subsequently filed a notice of alteration of its articles in order to change its name to "Lophos Holdings Inc." on February 4, 2022. The registered and head office of the Company is located at 550 Burrard St #2900, Vancouver, BC V6C 0A3.

On December 23, 2021, the Company entered into a Share Exchange Agreement with the shareholders of Lophos Pharma, pursuant to which the Company agreed to acquire all of the issued and outstanding common shares of Lophos Pharma in consideration for the issuance of a total of 44,500,000 Common Shares to shareholders of Lophos Pharma in proportion with their respective interest in Lophos Pharma. The acquisition was accounted for as a reverse takeover ("RTO") whereby Lophos Pharma was identified as the acquirer for accounting purpose and accordingly the resulting consolidated financial statements are presented as a continuance of Lophos Pharma. After the RTO, the combined entity of Lophos Holdings and Lophos Pharma is referred to also as " the Company" in these consolidated financial statements.

On December 23, 2021, immediately following the closing of the share Exchange Agreement with the shareholders of Lophos Pharma, the Company entered into a Share Purchase Agreement with certain shareholders of Richmond Pharma Inc. ("Richmond Pharma"), pursuant to which the Company agreed to acquire all of the issued and outstanding common shares of Richmond Pharma held by Eric Hancox, Vassil Staykov and Sandra Williams in consideration of $1,985,400.

On December 23, 2021, immediately following the closing of the share Exchange Agreement with the shareholders of Lophos Pharma, the Company entered into a Share Purchase Agreements with certain shareholders of Richmond Pharma, pursuant to which the Company agreed to acquire all of the issued and outstanding common shares of Richmond Pharma held by Herman Holdings Limited ("HHL") in consideration for the issuance of a total of 17,500,000 Common Shares to Herman Holdings Limited. Subsequent to the closing of the acquisition, the Company entered into a debt settlement agreement with Herman Holdings Limited pursuant to which the Company issued 400,000 Common Shares at a deemed value of $0.10 per Common Share in order to settle an amount of $40,000 owing to Herman Holdings Limited.

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

The following interim Management's Discussion & Analysis ("Interim MD&A") of Lophos for the three and nine months ended December 31, 2022, has been prepared to provide material updates to the business operations, liquidity, and capital resources of the Company since its last annual management's discussion & analysis, being the Management's Discussion & Analysis ("Annual MD&A") for the period from September 13, 2021 (date of incorporation) to March 31, 2022. This Interim MD&A does not provide a general update to the Annual MD&A, or reflect any non-material events since the date of the Annual MD&A.

This Interim MD&A has been prepared in compliance with section 2.2.1 of Form 51-102F1, in accordance with National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in

conjunction with the Annual MD&A, audited annual consolidated financial statements of the Company for the period from September 13, 2021 (date of incorporation) to March 31, 2022, together with the notes thereto, and unaudited condensed interim consolidated financial statements of the Company for the three and nine months ended December 31, 2022, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. The Company's financial statements and the financial information contained in this Interim MD&A are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee. The unaudited condensed interim consolidated financial statements have been prepared in accordance with International Standard 34, Interim Financial Reporting. Accordingly, information contained herein is presented as of April 28, 2023, unless otherwise indicated.

For the purposes of preparing this Interim MD&A, management, in conjunction with the Board of Directors, 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 Lophos' common shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, 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 Interim 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 Interim 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 Interim 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 peyote and Lophophora compounds, (ii) demonstration of such product candidates' safety and efficacy in clinical trials, and (iii) obtaining regulatory approval	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 Lophos' expectations; the Company will be able to retain and	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

Forward-Looking Statements	Assumptions	Risk Factors
to commercialize these product candidates.	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 Lophos; applicable economic conditions are favourable to Lophos.	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 Lophos' 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 Lophos.	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 Lophos; debt and equity markets, exchange and interest rates, and other applicable economic and political conditions are favourable to Lophos; there will be a ready market for the product candidates.	Lophos' 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.
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.	Lophos 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 Lophos' expectations; partners will provide necessary financing and expertise to bring product candidates to market successfully and profitably.	Lophos 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 Lophos; 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	Patents and other intellectual property rights will be obtained for viable product	Lophos will not be able to obtain appropriate patents and other

Forward-Looking Statements	Assumptions	Risk Factors
intellectual property rights and not infringe on the intellectual property rights of others.	candidates; patents and other intellectual property rights obtained will not infringe on others.	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.	Lophos will be able to settle or otherwise obtain disposition of claims against it on favourable terms.	Lophos may will not be able to settle pending claims on favourable terms; claims may be adjudicated in a manner that is not favourable to Lophos.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company's ability to predict or control. Please also refer 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 Interim 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 Company's principal business pertains to the cultivation and research of Lophophora williamsii ("peyote cactus"). Additionally, in the long-term, the Company is engaged in the research and development of compounds derived from peyote cactus.

Prior to completion of the Acquisition, the Company had not conducted any material business since incorporation other than pursuing its interests under the Share Exchange Agreement.

The Company was incorporated on October 14, 2020, pursuant to the BCBCA and prior to the completion of the Acquisition had not conducted any material business since incorporation other than pursuing its interests under the Share Exchange Agreement. The sole business of the Company from the date of its incorporation until executing the

Share Exchange Agreement was to identify and evaluate opportunities for the acquisition of an interest in suitable businesses and, once identified and evaluated, to negotiate an acquisition subject to applicable corporate and securities laws, so as to complete a transaction. Until the completion of the Acquisition, the Company did not have a business, business operations or any material assets other than cash.

Upon completion of the Acquisition, the business of Lophos Pharmaceuticals Corp. became the business of the Company.

The Company intends to conduct pre-clinical research and development in Canada with one or more third-party partners and currently performs cultivation research and development in Canada. Dependent on CSDL licensing, the Company could perform analytical research and development on controlled substances.

The Company's current business line includes the cultivation of peyote cactus for both direct sales and research and development purposes. Furthermore, the following additional business lines are dependent on CSDL licensing for Lophos Pharma's Napanee, Ontario facility: development of novel drug delivery mechanisms for Mescaline and other related compounds; development of Intellectual Property related to the custom formulation of Mescaline and related compounds; performing contracted research and laboratory analysis for psychedelic compounds; and manufacturing of Mescaline as Active Pharmaceutical Ingredients (API) for purchase by licensed and qualified entities.

Current Business Line:

1) Cultivating peyote cactus for both direct sales and research and development purposes. (First Harvest Expected – Q1 2025)

Additional Business Lines Dependent on CSDL Licensing for Lophos Pharma's Napanee, Ontario Facility: (CSDL Expected - Q1 2023)

2) Research and development of novel drug delivery systems for Mescaline and other related molecules; (Laboratory Operational – Q4 2023)

3) Development of intellectual property related to the custom formulation of Mescaline and related compounds; (Laboratory Operational – Q4 2023)

4) Performing contracted research and laboratory analysis; and (Laboratory Operational – Q4 2023)

5) Production of Mescaline as an Active Pharmaceutical Ingredient (API) available for purchase by licensed and qualified entities. (CSDL Expected - Q1 2023)

Mescaline (3,4,5-trimethoxyphenethylamine) is an alkaloid from the phenethylamine class which was discovered in 1896 and first synthesized in 1919 by Ernst Spath at the university of Vienna; it is a "generic" drug, meaning its synthesis is not the subject of any current patents. While Mescaline was made illegal for recreational use in the 1970s in many jurisdictions, the plant most known for containing the Mescaline compound, Peyote, maintains protected use in both Canada and the United States.

Under Canadian law, Mescaline may be manufactured or sold by entities possessing a Controlled Substances Manufacturer's License ("CSML") or Controlled Substances Dealer's License ("CSDL") as granted by Health Canada. Analogues of Mescaline include a diverse range of molecules, including 3-methoxy-4,5-methylenedioxyphenethylamine (MMDPEA/Lophophorine) & 3,5-methoxy-4-propyloxyphenethylamine/2-(4-propyloxy-3,5-dimethoxy-phenyl)-ethylamine (Proscaline). Some of these molecules are also considered controlled substances, while others are not considered controlled substances by regulatory authorities.

To pursue its objectives, The Company has purchased a cultivation and research facility located in Napanee, Ontario, to perform process development and manufacturing. On February 2, 2022, Lophos Pharmaceuticals Corp. filed a CSDL application with Health Canada which, once granted, will allow the Company to extract and synthesize Mescaline products.

The Company understands that Health Canada has accepted its CSDL application without revisions and anticipates that it could receive its CSDL in Q4 of 2022 or Q1of 2023 following the onsite security inspection of the facility. The Company also understands that the approval of this CSDL application will allow the Company to securely store, research, and develop both Mescaline and Psilocybin based products.

After the CSDL has been granted, Lophos Pharma will cultivate peyote, and other mescaline-producing cacti, at their facility located in Napanee, Ontario.

Once the CSDL is granted, Lophos will sell Mescaline-based products to customers that are approved to receive controlled substances or have been granted an exemption under the Food and Drugs Act. Customers for the Company's API or Drug Products would include any entities qualified to hold or use Mescaline, or its analogues, as determined by local regulatory authorities in their country of residency. These include companies pursuing clinical trials as well as academic researchers pursuing advanced understanding of Mescaline and its properties. The Company also plans to provide contracted research and development for companies that wish to utilize the controlled substance approved laboratory or secure storage for both Mescaline- and Psilocybin- based products.

The Company also entered into a collaboration agreement dated February 3, 2022 with PharmaTher Ltd., which issues Lophos Pharma the exclusive worldwide rights to license their proprietary transdermal microneedle patch ("**Hydrogel**") drug delivery system for Mescaline.

CORPORATE HIGHLIGHTS

Financings

On October 14, 2020, the Company completed a founder private placement by issuing 1,000,000 Common Shares at a price of $0.001 per Common Share for aggregate gross proceeds of $1,000.

In October 15, 2020, the Company completed a seed round private placement by issuing 250,000 Common Shares at a price of $0.01 per Common Share for aggregate gross proceeds of $2,500.

On October 22, 2020, the Company completed the Crowdfunding Private Placement pursuant to which it issued 690,000 Special Warrants (490,000 Special Warrants issued to subscribers and 200,000 Special Warrants issued to Vested Technology Corp. as compensation), at a price per Special Warrant of $0.05, for gross proceeds to the Company of $24,500. In addition, the Company issued 200,000 common share purchase warrants to Vested Technology Corp. as compensation in connection with the Crowdfunding Private Placement. Each Vested Warrant entitles the holder thereof to acquire one Common Share, at an exercise price of $0.10, for a period of 24 months from the closing of the Crowdfunding Private Placement.

On November 15, 2021, the Company completed the Q4 2021 Private Placement pursuant to which it issued 9,605,000 Special Warrants, at a price per Special Warrant of $0.10, for gross proceeds to the Company of $960,500. Each Special Warrant issued under the Q4 2021 Private Placement is convertible for one Common Share. The Company also issued 480,250 Broker Warrants to registered dealers in connection with the Q4 2021

Private Placement. Each Broker Warrant entitles the holder thereof to acquire one Common Share, at an exercise price of $0.10, for a period of 24 months.

On November 1, 2021 the Company issued 5,000,000 common share purchase warrants exercisable to acquire 5,000,000 Common Shares, at an exercise price of $0.10, for a period of 24 months to five arm's length advisors.

On March 21, 2022, the Company completed Q1 2022 Private Placement pursuant to which it issued 5,333,334 Special Warrants, at a price per Special Warrant of $0.15, for gross proceeds to the Company of $800,000.10. Each Special Warrant issued under the Private Placement is convertible for one Common Share and one Common Share purchase warrant entitling the holder thereof to acquire one additional Common Share, at an exercise price of $0.20, for a period of 24 months. The Company incurred a cash issuance cost of $82,697 for the issuance of the special warrant. The Company also issued 533,333 Broker Warrants to registered dealers in connection with the Private Placement. Each Broker Warrant entitles the holder thereof to acquire one Common Share, at an exercise price of $0.15, as the case may be, for a period of 24 months.

The Company has granted to each holder of a Special Warrant a contractual right of rescission of the prospectus-exempt transaction under which the Special Warrant was initially acquired. The contractual right of rescission provides that if a holder of a Special Warrant who acquires another security of the Company on exercise of the Special Warrant as provided for in this Prospectus is, or becomes, entitled under the securities legislation of a jurisdiction to the remedy of rescission because of the Prospectus or an amendment to the Prospectus containing a misrepresentation: (a) the holder is entitled to rescission of both the holder's exercise of its Special Warrant, (b) the holder is entitled in connection with the rescission to a full refund of all consideration paid to the Company on the acquisition of the Special Warrant, and (c) if the holder is a permitted assignee of the interest of the original Special Warrant subscriber, the holder is entitled to exercise the rights of rescission and refund as if the holder was the original subscriber.

On August 31, 2022, the Company issued a convertible debenture with principal of $150,000 bearing interest at 8%. The Company incurred cash issuance costs of $12,000. The Company allocated $116,751 of the principal amount, net of cost, to the liability component of the debenture and the remaining amount of $17,705 to the equity component of the debenture. The Company also issued 80,000 broker warrants in connection with the issuance of the convertible debenture.

On November 30, 2022, the Company completed a private placement pursuant to which it issued 333,333 special warrants, at a price per special warrant of $0.15, for gross proceeds to the Company of $50,000. Each special warrant issued under the private placement is convertible for one common share and warrant entitling the holder thereof to acquire one additional common share, at an exercise price of $0.20, for a period of 24 months.

On January 31, 2023, the Board of Directors resolved to convert, effective as of January 31, 2023, and for no additional consideration and pursuant to the terms of the Special Warrants, all of 15,961,667 Special Warrants issued and outstanding into 15,961,667 Common Shares, 5,333,334 warrants exercisable at $0.20 per warrant into 5,333,334 common shares of the Company until March 21, 2024 and 333,333 warrants exercisable at $0.20 per warrant into 333,333 common shares of the Company until November 30, 2024. The holders of the Common Shares issued upon the conversion of the Special Warrants are entitled to the same rights as holders of Common Shares, namely to vote at all meetings of the holders of Common Shares and, subject to the rights of holders of any shares ranking in priority to or on a parity with the Common Shares, to participate rateably in any distribution of the Company's property or assets upon liquidation or winding-up.

On January 31, 2023, the Board also approved an Option Plan, designed for selected employees, officers, directors, consultants and contractors, to incentivize such individuals to contribute toward the Company's long-term goals, and to encourage such individuals to acquire Common Shares as long-term investments. The Option Plan is administered by the Board. Upon approval of the Option Plan on January 31, 2023, the Company granted 4,325,000 stock options with each option convertible into a Common Share of the Company at a price of $0.15 per Common Share until January 31, 2028. The terms of any award are determined by the Board, provided that no options may be granted with an exercise price lower than the greater of the closing market prices of the Common Shares on (a) the trading day prior to the date of grant of the stock options, and (b) the date of grant of the stock options.

Acquisition of Lophos Pharma

On December 23, 2021, the Company entered into a Share Exchange Agreement with the shareholders of Lophos Pharma, pursuant to which the Company agreed to acquire all of the issued and outstanding common shares and warrants of Lophos Pharma in consideration for the issuance of a total of 44,500,000 Common Shares to shareholders of Lophos Pharma in proportion with their respective interest in Lophos Pharma.

Pursuant to the Share Exchange Agreement, each shareholder of Lophos Pharma received four Common Shares for each common share of Lophos Pharma held. The acquisition closed on December 23, 2021.

Acquisition of Richmond Pharma

On December 23, 2021, immediately following the closing of the Share Exchange Agreement with the shareholders of Lophos Pharma, the Company entered into a Share Purchase Agreement with Richmond Pharma, pursuant to which the Company agreed to acquire all of the issued and outstanding common shares of Richmond Pharma held by Eric Hancox, Vassil Staykov and Sandra Williams in consideration of $2,648,297 of which $1,910,400 was in the form of promissory notes and $75,000 in the form of cash.

On December 23, 2021, immediately following the closing of the Share Exchange Agreement with the shareholders of Lophos Pharma, the Company entered into a Share Purchase Agreements with certain shareholders of Richmond Pharma, pursuant to which the Company agreed to acquire all of the issued and outstanding common shares of Richmond Pharma held by Herman Holdings Limited in consideration for the issuance of a total of 17,500,000 Common Shares to Herman Holdings Limited. Subsequent to the closing of the Acquisition, the Company entered into a debt settlement agreement with Herman Holdings Limited pursuant to which the Company issued 400,000 Common Shares in order to settle an amount of $40,000 owing to Herman Holdings Limited.

TRENDS AND ECONOMIC CONDITIONS

(a) 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.

(b) At the date of this Interim 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.

RESULTS OF OPERATIONS

The Company reported a net loss of $694,173 for the nine months ended December 31, 2022 which is comprised of $100,435 salaries and benefits, $336,264 professional fees $33,511 depreciation for fixed assets, $7,811 investor relations, $1,273 shareholding information, $125,722 interest expense and $89,157 office and general. The Professional fees is comprised of accounting fees of $21,672, audit fees of $75,158, legal fees of $133,749, consulting fees of $86,354, CFO fees of $11,430 and engineering of $7,901.

The Company reported a net loss of $224,344 for the three months ended December 31, 2022 which is comprised of $23,846 salaries and benefits, $141,070 professional fees $11,211 depreciation for fixed assets, $45,867 interest expense and $2,350 office and general. The professional is comprised of accounting fees of $15,333, CFO fees of $2,590, audit fees of $38,138, legal fees of $52,162, engineering of $2,108 and consulting fees of $30,739.

The Company incurred $30,125 expenses for the three and nine months ended December 3, 2021 which is comprised of $125 office and general and $30,000 consulting fees.

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 December 31, 2022, the Company had a cash balance of $301,007 and accounts receivable of $156,154 which represent the HST, inventory of $9,714 and prepaid expense of $219,208 to settle current liabilities of $425,970. This represents a working capital of $260,113 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 $1,024,578 as at December 31, 2022.

REVERSE TAKEOVER

On December 23, 2021, the Company entered into a Share Exchange Agreement with the shareholders of Lophos Pharma, pursuant to which the Company agreed to acquire all of the issued and outstanding common shares of Lophos Pharma in consideration for the issuance of a total of 44,500,000 Common Shares to shareholders of Lophos Pharma in proportion with their respective interest in Lophos Pharma.

Pursuant to the Share Exchange Agreement, each shareholder of Lophos Pharma received four Common Shares for each common share of Lophos Pharma. The acquisition closed on December 23, 2021.

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

Lophos Holdings Inc.	Number of common shares	Amount ($)
Balance, prior to the RTO	1,250,000	12,500

Lophos Pharmaceuticals Corp.	Number of common shares	Amount ($)
Balance, prior to the RTO	11,125,001	222,510

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 Lophos Holdings Inc. does not meet the definition of a business under the standard. As a result, the transaction is accounted for as a capital transaction with Lophos Pharma being identified as the acquirer and the equity consideration being measured at fair value. The resulting consolidated financial statements are presented as a continuance of Lophos Pharma.

The fair value of the consideration is determined based on the percentage of ownership the legal parent's shareholders have in the combined entity after the transaction. This represents the fair value of the shares that Lophos Pharma would have had to issue for the ratio of ownership interest in the combined entity to be the same, if the transaction had taken the legal form of Lophos Pharma acquiring 100% of the shares in Lophos Holdings Inc. The percentage of ownership Lophos Holdings Inc. shareholders had in the combined entity is 3% after the issue of 44,500,000 Lophos Holdings Inc. shares. The fair value of the consideration in the RTO is equivalent to the fair value of the 1,250,000 Lophos Holdings Inc. shares controlled by original Lophos Holdings Inc. shareholders, 10,295,000 special warrants to Lophos Holdings Inc. special warrants holders, 5,200,000 warrants to Lophos Holdings Inc. warrant holders and 480,250 broker warrants to Lophos Holdings Inc. broker warrant holders. The fair value of the shares controlled by original Lophos Holdings Inc. shareholders was estimated to be $50,654 based on the fair market value of $0.04 per share. The fair value of the warrants and broker warrants was estimated to be $65,615 using the Black-Scholes valuation model on the following assumptions: dividend yield 0%; volatility 100%; risk-free interest rate 0.76% and 0.98%; and an expected life of 0.83 years to 1.90 years. The fair value of the special warrants was estimated to be $417,188 based on the fair market value of $0.04 per share as each special warrant entitled the holder thereof to automatically receive a common share of the Company, without payment of additional consideration and without further action on the part of the holder.

Based on the statement of financial position of Lophos Holdings Inc. at the time of the RTO, the net assets at estimated fair value that were acquired from Lophos Holdings Inc. were $866,547 and the resulting difference between consideration and net assets acquired was charged to the contributed surplus as follows:

Consideration	
Common shares	$50,654
Warrants and broker warrants	65,615
Special warrants	417,188
Total consideration	$533,457
Identifiable assets acquired	
Cash	$890,314
Accounts payable and accrued liabilities	(23,767)
Total identifiable assets acquired	866,547
Unidentifiable assets acquired	
Contribution to contributed surplus	(333,090)
Total net identifiable assets and transaction cost	$533,457

ACQUISITION OF RICHMOND PHARMA

On December 23, 2021, immediately following the closing of the Share Exchange Agreement with the shareholders of Lophos Pharma, the Company entered into a Share Purchase Agreement with Richmond Pharma, pursuant to which the Company agreed to acquire all of the issued and outstanding common shares of Richmond Pharma held by Eric Hancox, Vassil Staykov and Sandra Williams in consideration of $2,648,297 of which $1,910,400 was in the form of promissory notes and $75,000 in the form of cash.

On December 23, 2021, immediately following the closing of the Share Exchange Agreement with the shareholders of Lophos Pharma, the Company entered into a Share Purchase Agreements with certain shareholders of Richmond Pharma, pursuant to which the Company agreed to acquire all of the issued and outstanding common shares of Richmond Pharma held by Herman Holdings Limited in consideration for the issuance of a total of 17,500,000 Common Shares to Herman Holdings Limited. Subsequent to the closing of the Acquisition, the Company entered into a debt settlement agreement with Herman Holdings Limited pursuant to which the Company issued 400,000 Common Shares in order to settle an amount of $40,000 owing to Herman Holdings Limited.

In accordance with IFRS 3, Business Combination, the substance of the transaction is an asset acquisition. The transaction does not constitute a business combination as Richmond Pharma does not meet the definition of a business under the standard.

The fair value of the shares issued in the acquisition of Richmond Pharma was estimated to be $709,158 based on the fair market value of $0.04 per share.

Consideration	
Common shares	$709,158
Promissory notes	1,910,400
Cash	75,000
Total consideration	$2,694,558
Identifiable assets acquired	
Cash	$11,020
Amounts receivable	13,005
Inventory	9,714
Prepaid expense	8,372
Fixed assets	3,032,221
Accounts payable and accrued liabilities	(35,956)
Loan payable	(60,000)
Due to related parties	(283,817)
Total identifiable assets acquired	2,694,558

RELATED PARTY TRANSACTIONS

(a) Related party balances and 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.

	Three months Ended December 31, 2022 $	**Three months Ended December 31, 2021 $**	**Nine months Ended December 31, 2022 $**	**Nine months Ended December 31, 2021 $**
Marrelli Group (i)	17,698	nil	33,102	nil
Canalytica Inc. ("Canalytica") (iv)	32,632	30,000	86,354	30,000

(i) During the three and nine months ended December 31, 2022, the Company paid professional fees totaling $17,698 and $33,102, respectively to Marrelli Support Services Inc. ("Marrelli Support"), and certain of its affiliates, all of which are controlled by Carmelo Marrelli (together known as the "Marrelli Group") for: (i) Anup Sheopaul to act as the Chief Financial Officer of the Company; (ii) bookkeeping and office support; (iii) corporate secretarial; (iv) transfer agent; and (v) regulatory filing services. Anup Sheopaul is an employee of Marrelli Support. The Marrelli Group was owed $1,377 (March 31, 2022 - $1,104) and these amounts were included in amounts payable and accrued liabilities.

(ii) Fees included in professional fees related to the consulting services provided by Canalytica. The Chief Executive Officer of the Company is a director of Canalytica. As at December 31, 2022, $nil (March 31, 2022 - $nil) was owed to Canalytica by the Company.

(iii) The Company owed certain shareholder $21,440 (March 31, 2022 - $21,440) as at December 31, 2022.

(iv) The Company issued a convertible debenture of $150,000 to Wolf Acquisition 1.0 Corp. ("Wolf Acquisition), a company that shares a director, Elyssia Patterson, with Lophos. As at December 31, 2022, the Company had $5,115 accrued interest on the convertible debenture owed to Wolf Acquisition which was included in the accounts payable and accrued liabilities.

(b) Remuneration of directors and key management

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company. Remuneration of management of the Company was as follows:

	Three months Ended December 31, 2022 $	Three months Ended December 31, 2021 $	Nine months Ended December 31, 2022 $	Nine months Ended December 31, 2021 $
Salaries and benefits	23,846	nil	100,435	nil

(c) Major shareholders

To the knowledge of the directors and senior officers of the Company, as at December 31, 2022, no person or corporation beneficially owns or exercises control over common shares of the Company carrying more than 10% of the voting rights attached to all common shares of the Company other than HHL which controls 27% of the Company and Canalytica which controls 13% of the Company. The holding can change at any time at the discretion of the owners.

None of the Company's major shareholders have different voting rights compared to holders of the Company's common shares.

The Company is not aware of any arrangements the operation of which may at a subsequent date result in a change in control of the Company. To the knowledge of the Company, it is not directly or indirectly owned or controlled by another corporation, by any government or by any natural or legal person severally or jointly.

SHARE CAPITAL STRUCTURE

As at the date of this MD&A, the Company had 79,611,667 common shares, 11,960,250 warrants and broker warrants and 4,325,000 stock options.

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.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUTH SIGNIFICANT REVENUE

Expenses

	Three months Ended December 31, 2022 $	Three months Ended December 31, 2021 $	Nine months Ended December 31, 2022 $	Nine months Ended December 31, 2021 $
Salaries and benefits	23,846	nil	100,435	nil
Professional fees	141,070	30,000	336,264	30,000
Depreciation	11,211	nil	33,511	nil
Investor relations	nil	nil	7,811	nil
Shareholder information	nil	nil	1,273	nil
Office and general	2,350	125	89,157	125
Interest expense	45,867	nil	125,722	nil
Total	**224,344**	**30,125**	**694,173**	**30,125**

RISK FACTORS

An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position. Please refer to the section entitled "Risk Factors" in the Company's annual MD&A for the period from September 13, 2021 (date of incorporation) to March 31, 2022.

SCHEDULE C
AUDIT COMMITTEE CHARTER

1. PURPOSE AND PRIMARY RESPONSIBILITY

1.1. This charter sets out the Audit Committee's purpose, composition, member qualification, member appointment and removal, responsibilities, operations, manner of reporting to the Board of Directors (the "**Board**") of Lophos Holdings Inc. (the "**Company**"), annual evaluation and compliance with this charter.

1.2. The primary responsibility of the Audit Committee is that of oversight of the financial reporting process on behalf of the Board. This includes oversight responsibility for financial reporting and continuous disclosure, oversight of external audit activities, oversight of financial risk and financial management control, and oversight responsibility for compliance with tax and securities laws and regulations as well as whistle blowing procedures. The Audit Committee is also responsible for the other matters as set out in this charter and/or such other matters as may be directed by the Board from time to time. The Audit Committee should exercise continuous oversight of developments in these areas.

2. MEMBERSHIP

2.1. At least a majority of the Audit Committee must be comprised of independent directors of the Company as defined in sections 1.4 and 1.5 of National Instrument 52-110 – *Audit Committees* ("**NI 52-110**"), provided that should the Company become listed on a senior exchange, each member of the Audit Committee will also satisfy the independence requirements of such exchange.

2.2. The Audit Committee will consist of at least two members, all of whom shall be financially literate, provided that an Audit Committee member who is not financially literate may be appointed to the Audit Committee if such member becomes financially literate within a reasonable period of time following his or her appointment. Upon graduating to a more senior stock exchange, if required under the rules or policies of such exchange, the Audit Committee will consist of at least three members, all of whom shall meet the experience and financial literacy requirements of such exchange and of NI 52-110.

2.3. The members of the Audit Committee will be appointed annually (and from time to time thereafter to fill vacancies on the Audit Committee) by the Board. An Audit Committee member may be removed or replaced at any time at the discretion of the Board and will cease to be a member of the Audit Committee on ceasing to be an independent director.

2.4. The Chair of the Audit Committee will be appointed by the Board.

3. AUTHORITY

3.1. In addition to all authority required to carry out the duties and responsibilities included in this charter, the Audit Committee has specific authority to:

a) engage, set and pay the compensation for independent counsel and other advisors as it determines necessary to carry out its duties and responsibilities, and any such consultants or professional advisors so retained by the Audit Committee will report directly to the Audit Committee;

b) communicate directly with management and any internal auditor, and with the external auditor without management involvement; and

c) incur ordinary administrative expenses that are necessary or appropriate in carrying out its duties, which expenses will be paid for by the Company.

4. DUTIES AND RESPONSIBILITIES

4.1. The duties and responsibilities of the Audit Committee include:

a) recommending to the Board the external auditor to be nominated by the Board;

b) recommending to the Board the compensation of the external auditor to be paid by the Company in connection with (i) preparing and issuing the audit report on the Company's financial statements, and (ii) performing other audit, review or attestation services;

c) reviewing the external auditor's annual audit plan, fee schedule and any related services proposals (including meeting with the external auditor to discuss any deviations from or changes to the original audit plan, as well as to ensure that no management restrictions have been placed on the scope and extent of the audit examinations by the external auditor or the reporting of their findings to the Audit Committee);

d) overseeing the work of the external auditor;

e) ensuring that the external auditor is independent by receiving a report annually from the external auditors with respect to their independence, such report to include disclosure of all engagements (and fees related thereto) for non-audit services provided to the Company;

f) ensuring that the external auditor is in good standing with the Canadian Public Accountability Board by receiving, at least annually, a report by the external auditor on the audit firm's internal quality control processes and procedures, such report to include any material issues raised by the most recent internal quality control review, or peer review, of the firm, or any governmental or professional authorities of the firm within the preceding five years, and any steps taken to deal with such issues;

g) ensuring that the external auditor meets the rotation requirements for partners and staff assigned to the Company's annual audit by receiving a report annually from the external auditors setting out the status of each professional with respect to the appropriate regulatory rotation requirements and plans to transition new partners

and staff onto the audit engagement as various audit team members' rotation periods expire;

h) reviewing and discussing with management and the external auditor the annual audited and quarterly unaudited financial statements and related Management Discussion and Analysis ("**MD&A**"), including the appropriateness of the Company's accounting policies, disclosures (including material transactions with related parties), reserves, key estimates and judgements (including changes or variations thereto) and obtaining reasonable assurance that the financial statements are presented fairly in accordance with IFRS and the MD&A is in compliance with appropriate regulatory requirements;

i) reviewing and discussing with management and the external auditor major issues regarding accounting principles and financial statement presentation including any significant changes in the selection or application of accounting principles to be observed in the preparation of the financial statements of the Company and its subsidiaries;

j) reviewing and discussing with management and the external auditor the external auditor's written communications to the Audit Committee in accordance with generally accepted auditing standards and other applicable regulatory requirements arising from the annual audit and quarterly review engagements;

k) reviewing and discussing with management and the external auditor all earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies prior to such information being disclosed;

l) reviewing the external auditor's report to the shareholders on the Company's annual financial statements;

m) reporting on and recommending to the Board the approval of the annual financial statements and the external auditor's report on those financial statements, the quarterly unaudited financial statements, and the related MD&A and press releases for such financial statements, prior to the dissemination of these documents to shareholders, regulators, analysts and the public;

n) satisfying itself on a regular basis through reports from management and related reports, if any, from the external auditors, that adequate procedures are in place for the review of the Company's disclosure of financial information extracted or derived from the Company's financial statements that such information is fairly presented;

o) overseeing the adequacy of the Company's system of internal accounting controls and obtaining from management and the external auditor summaries and recommendations for improvement of such internal controls and processes, together with reviewing management's remediation of identified weaknesses;

p) reviewing with management and the external auditors the integrity of disclosure controls and internal controls over financial reporting;

q) reviewing and monitoring the processes in place to identify and manage the principal risks that could impact the financial reporting of the Company and assessing, as part of its internal controls responsibility, the effectiveness of the over-all process for identifying principal business risks and report thereon to the Board;

r) satisfying itself that management has developed and implemented a system to ensure that the Company meets its continuous disclosure obligations through the receipt of regular reports from management and the Company's legal advisors on the functioning of the disclosure compliance system, (including any significant instances of non-compliance with such system) in order to satisfy itself that such system may be reasonably relied upon;

s) resolving disputes between management and the external auditor regarding financial reporting;

t) establishing procedures for: (i) the receipt, retention and treatment of complaints received by the Company from employees and others regarding accounting, internal accounting controls or auditing matters and questionable practises relating thereto; and (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters;

u) reviewing and approving the Company's hiring policies with respect to partners or employees (or former partners or employees) of either a former or the present external auditor;

v) pre-approving all non-audit services to be provided to the Company or any subsidiaries by the Company's external auditor;

w) overseeing compliance with regulatory authority requirements for disclosure of external auditor services and Audit Committee activities;

x) establishing procedures for: (i) reviewing the adequacy of the Company's insurance coverage, including the Directors' and Officers' insurance coverage; (ii) reviewing activities, organizational structure, and qualifications of the Chief Financial Officer ("**CFO**") and the staff in the financial reporting area and ensuring that matters related to succession planning within the Company are raised for consideration at the Board; (iii) obtaining reasonable assurance as to the integrity of the Chief Executive Officer ("**CEO**") and other senior management and that the CEO and other senior management strive to create a culture of integrity throughout the Company; (iv) reviewing fraud prevention policies and programs, and monitoring their implementation; (v) reviewing regular reports from management and others (e.g., external auditors, legal counsel) with respect to the Company's compliance with laws and regulations having a material impact on the financial statements including:

a. Tax and financial reporting laws and regulations;

b. Legal withholding requirements;

c. Environmental protection laws and regulations; and

d. Other laws and regulations which expose directors to liability.

4.2. A regular part of Audit Committee meetings involves the appropriate orientation of new members as well as the continuous education of all members. Items to be discussed include specific business issues as well as new accounting and securities legislation that may impact the organization. The Chair of the Audit Committee will regularly canvass the Audit Committee members for continuous education needs and in conjunction with the Board education program, arrange for such education to be provided to the Audit Committee on a timely basis.

4.3. On an annual basis the Audit Committee shall review and assess the adequacy of this charter taking into account all applicable legislative and regulatory requirements as well as any best practice guidelines recommended by regulators or stock exchanges with whom the Company has a reporting relationship and, if appropriate, recommend changes to the Audit Committee charter to the Board for its approval.

5. MEETINGS

5.1. The quorum for a meeting of the Audit Committee is a majority of the members of the Audit Committee.

5.2. The Chair of the Audit Committee shall be responsible for leadership of the Audit Committee, including scheduling and presiding over meetings, preparing agendas, overseeing the preparation of briefing documents to circulate during the meetings as well as pre-meeting materials, and making regular reports to the Board. The Chair of the Audit Committee will also maintain regular liaison with the CEO, CFO, and the lead external audit partner.

5.3. The Audit Committee will meet in camera separately with each of the CEO and the CFO of the Company at least annually to review the financial affairs of the Company.

5.4. The Audit Committee will meet with the external auditor of the Company in camera at least once each year, at such time(s) as it deems appropriate, to review the external auditor's examination and report.

5.5. The external auditor must be given reasonable notice of, and has the right to appear before and to be heard at, each meeting of the Audit Committee.

5.6. Each of the Chair of the Audit Committee, members of the Audit Committee, Chair of the Board, external auditor, CEO, CFO or secretary shall be entitled to request that the Chair of the Audit Committee call a meeting which shall be held within 48 hours of receipt of

such request to consider any matter that such individual believes should be brought to the attention of the Board or the shareholders.

6. REPORTS

6.1. The Audit Committee will report, at least annually, to the Board regarding the Audit Committee's examinations and recommendations.

6.2. The Audit Committee will report its activities to the Board to be incorporated as a part of the minutes of the Board meeting at which those activities are reported.

7. MINUTES

7.1. The Audit Committee will maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board.

8. ANNUAL PERFORMANCE EVALUATION

8.1. The Board will conduct an annual performance evaluation of the Audit Committee, taking into account the Charter, to determine the effectiveness of the Committee.

CERTIFICATE OF LOPHOS HOLDINGS INC.

Date: May 12, 2023

This amended and restated preliminary prospectus constitutes full, true and plain disclosure or all material facts relating to the securities previously issued by Lophos Holdings Inc. required by the securities legislation of British Columbia.

(s) Jacqueline Claire Lupo
Jacqueline Claire Lupo
Chief Executive Officer

(s) Remantra Sheopaul
Remantra Sheopaul
Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

(s) Evan Stawnyczy
Evan Stawnyczy
Director

(s) Jeremy Pestun
Jeremy Pestun
Director

CERTIFICATE OF THE PROMOTER

Dated: May 12, 2023

This amended and restated preliminary prospectus constitutes full, true and plain disclosure of all material facts relating to the securities previously issued by Lophos Holdings Inc. as required by the securities legislation of British Columbia.

(s) Jacqueline Claire Lupo
Jacqueline Claire Lupo
Promoter