As filed with the Securities and Exchange Commission on January 21, 2022.

Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

Lucy Scientific Discovery Inc.

(Exact name of registrant as specified in its charter)

British Columbia	2834	Not Applicable
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)

301-1321 Blanshard Street
Victoria, British Columbia V8W 0B6 Canada
(778) 410-5195
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Andrew Hulsh
Troutman Pepper Hamilton Sanders LLP
875 Third Avenue
New York, NY 10022
(212) 808-2741
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

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	Canada	
	(403) 571-8015	

Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this Registration Statement.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. ☐

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer", "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐	Accelerated filer ☐
Non-accelerated filer ☒	Smaller reporting company ☒
	Emerging growth company ☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act. ☐

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities To Be Registered	Proposed Maximum Aggregate Offering Price[1][2][3]	Amount of Registration Fee[4]
Units consisting of:	$ 20,000,000	$ 1,854
Common shares, no par value, included in the units[5]	—	—
Warrants included in the units[5][6]	—	—
Common shares underlying the warrants included in the units	$ 20,000,000	$ 1,854
Representative's warrant[7]	—	—
Common shares underlying representative's warrant[8]	$ 1,000,000	$ 92.70
Total	$ 41,000,000	$ 3,800.70

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(1) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(o) under the Securities Act of 1933, as amended (the "Securities Act").

(2) Includes the aggregate offering price of additional shares of common stock that the underwriters have the option to purchase.

(3) Pursuant to Rule 416 under the Securities Act the common shares registered hereby also include an indeterminate number of common shares as may from time to time become issuable by reason of stock splits, stock dividends, recapitalizations or other similar transactions.

(4) Calculated pursuant to Rule 457(o) based on an estimate of the proposed maximum aggregate offering price.

(5) In accordance with Rule 457(i) under the Securities Act, no separate registration fee is required with respect to the warrants registered hereby.

(6) There will be issued warrants to purchase one common share. The warrants are exercisable at a per share exercise price equal to 125% of the offering price of one Unit.

(7) No separate registration fee is required pursuant to Rule 457(g) under the Securities Act.

(8) The Registrant has agreed to issue, at the closing of this offering, warrants to EF Hutton, division of Benchmark Investments, LLC, as representative of the underwriters, entitling it to purchase the number of common shares equal to five percent (5%) of the common shares to be issued and sold in this offering (including any common shares sold pursuant to exercise of the underwriter option). The warrants are exercisable for a price per share equal to 125% of the public offering price. The warrants are exercisable at any time, and from time to time, in whole or in part, during the three-year period commencing six months from the effective date of the offering. The registration statement also covers common shares issuable upon the exercise of the representative's warrants.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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The information in this preliminary prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell nor does it seek an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to Completion
Preliminary Prospectus dated January 21, 2022

PROSPECTUS

Units

Each Unit Consisting of One Common Share and One Warrant to Purchase One Common Share

Lucy
Scientific
Discovery™

This is Lucy Scientific Discovery Inc.'s initial public offering. We are offering units, each unit consisting of one common share, and a warrant to purchase one common share. Prior to this offering, there has been no public market for our common shares or warrants. We estimate that the initial public offering price of our units will be between $ and $ per unit. Each whole share exercisable pursuant to the warrants will have an exercise price per share between $ and $, equal to 125% of the initial public offering price. The warrants will be immediately exercisable and will expire on the fifth anniversary of the original issuance date. The units will not be certificated. The common shares and related warrants are immediately separable and will be issued separately, but must be purchased together as a unit in this offering

We have applied to list our common shares and warrants on the Nasdaq Capital Market under the symbol "LSDI" and "LSDIW," respectively. The closing of this offering is contingent upon the successful listing of our common shares and warrants on the Nasdaq Capital Market.

We are an "emerging growth company" as defined in the Jumpstart Our Business Startups Act of 2012 and a "smaller reporting company" as defined in the Securities Exchange Act of 1934, as amended and, as such, have elected to take advantage of certain reduced public company reporting requirements for this prospectus and future filings. See "Prospectus Summary — Implications of Being an Emerging Growth Company and a Smaller Reporting Company."

Investing in our securities involves a high degree of risk. See "Risk Factors" beginning on page 14 to read about factors you should consider before deciding to purchase any of our securities.

	Per Unit	Total
Initial public offering price	$	$
Underwriting discounts and commissions[(1)]	$	$
Proceeds to us, before expenses	$	$

(1) We have also agreed to issue to the representative of the underwriters warrants to purchase 5.0% of the total number of common shares sold in this offering, to reimburse the representative of the underwriters for certain expenses, and to provide the representative of the underwriters a non-accountable expense allowance equal to 1% of the gross proceeds of this offering. See "Underwriting" beginning on page 161 for additional information regarding the compensation arrangements between us and the underwriters of this offering.

We have granted the underwriters an option, which may be exercised in whole or in part for a period of 45 days after the date of this prospectus, to purchase up to an additional common shares and/or additional warrants to purchase up to common shares, less the underwriting discounts and commissions.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver our units against payment on or about , 2021.

Sole Book-Running Manager

EF Hutton,

division of Benchmark Investments, LLC

The date of this prospectus is , 2022.

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Neither we nor the underwriters have authorized anyone to provide any information or to make any representations other than those contained in this prospectus or in any free writing prospectuses prepared by or on behalf of us or to which we have referred you. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. We are not making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus or in any applicable free writing prospectus is current only as of its date, regardless of its time of delivery or any sale of our units. Our business, financial condition, results of operations and prospects may have changed since that date.

For investors outside the United States: We have not, and the underwriters have not, done anything that would permit this offering or possession or distribution of this prospectus in any jurisdiction where action for that purpose is required, other than in the United States. Persons outside of the United States who come into possession of this prospectus must inform themselves about, and observe any restrictions relating to, the offering of our units and the distribution of this prospectus outside of the United States.

We have proprietary rights to trademarks, trade names and service marks appearing in this prospectus that are important to our business. Solely for convenience, "Lucy Scientific Discovery Inc.," the "Lucy Scientific Discovery" logo, TerraCube and other trademarks, trade names and service marks may appear in this prospectus without the ® and ™ symbols, but any such references are not intended to indicate, in any way, that we forgo or will not assert, to the fullest extent under applicable law, our rights or the rights of the applicable licensors to these trademarks, trade names and service marks. All trademarks, trade names and service marks appearing in this prospectus are the property of their respective owners.

In this prospectus, unless otherwise specified, all monetary amounts are in U.S. dollars. All references in this prospectus to "$," "US $," "dollars" and "USD" mean U.S. dollars. Our consolidated financial statements are presented in U.S. dollars and all references to "$" in our consolidated financial statements mean U.S. dollars. All references to "Canadian dollars" and "CAD $" mean Canadian dollars. Transactions in Canadian dollars are translated to U.S. dollars at exchange rates at the date of such transactions. Period end balances of monetary assets and liabilities in Canadian dollars are translated to U.S. dollars using the period end exchange rate. These translations should not be considered representations that any such amounts have been, could have been or could be converted into U.S. dollars at that or any other exchange rate as of that or any other date.

PROSPECTUS SUMMARY

This summary highlights selected information contained elsewhere in this prospectus. Because it is a summary, it does not contain all of the information that you should consider before investing in our securities and it is qualified in its entirety by, and should be read in conjunction with, the more detailed information appearing elsewhere in this prospectus. You should read this entire prospectus carefully, especially the information that appears under the heading "Risk Factors" and our financial statements and the related notes included elsewhere in this prospectus, before deciding to purchase any of our securities. Unless the context requires otherwise, references in this prospectus to "we," "us" and "our" refer to Lucy Scientific Discovery Inc., a corporation organized under the laws of British Columbia.

Overview

We are an early-stage psychotropics contract manufacturing company focused on becoming the premier contract research, development, and manufacturing organization for the emerging psychotropics-based medicines industry. In August 2021, Health Canada's Office of Controlled Substances granted us a Controlled Drugs and Substances Dealer's Licence under Part J of the Food and Drug Regulations promulgated under the Food and Drugs Act (Canada), or a Dealer's Licence. The Dealer's Licence, which we hold through one of our wholly owned subsidiaries, authorizes us to develop and manufacture (through extraction or synthesis) certain pharmaceutical-grade active pharmaceutical ingredients, or APIs, used in controlled substances and their raw material precursors. Since current Canadian regulations prohibit the commercial sales of APIs and other products we intend to produce, APIs and other products we intend to produce would only be authorized for sale in Canada for clinical testing purposes in an "institution," for the purpose of determining the hazards and efficacy of the drug, and for laboratory research in an institution by qualified investigators. Subject to receipt of further approvals by Health Canada, our mission is to make our products and research services available to our clients for the development of medicines and experimental therapies to address certain psychiatric health disorders and other medical needs. We cannot guarantee that we will receive such further approvals from Health Canada, and a failure to receive such further approvals would have a material adverse effect on our business and result in an inability to generate revenue from said substances. Further, as of the date of this prospectus, we have not manufactured any psychedelics-based products or generated any revenues from the sale of such psychedelics-based products.

Recent research involving the testing of psychedelics and psychotropics has resulted in promising clinical trial outcomes with respect to a variety of conditions and disorders. Many of these trials are targeting direct replacements for current pharmaceuticals, some of which are considered substandard and ineffective. These outcomes are fueling interest in potential therapies among legislators, universities, and investors around the world. In addition, an increasing number of the leading universities, hospitals and other public, private, and government institutions have launched research programs and are conducting clinical studies aimed at understanding the therapeutic potential of a range of psychedelic substances, including the John Hopkins Center for Psychedelic and Consciousness Research at Johns Hopkins University, the Imperial College of London Centre for Psychedelic Research, the Center for the Science of Psychedelics at the University of California, Berkeley, the Depression Evaluation Service at Columbia University, the Center for Psychedelic Psychotherapy and Trauma Research at the Icahn School of Medicine at Mount Sinai Health System, New York City's largest academic medical system, and the Center for the Neuroscience of Psychedelics at Massachusetts General Hospital, among many others. We believe these efforts are largely fueled by a number of factors, including the following:

- the efficacy of psychotropic treatment therapies on various mental health and addiction disorders relative to traditional treatment options;
- the number of individuals suffering from various mental health and addiction disorders globally and the costs associated with treatment; and
- promising clinical outcomes and increasing public support spurring global regulatory change.

To address mounting demands for alternative therapies incorporating the use of psychedelics and other psychotropics, we intend to leverage our 25,000 square foot facility located near Victoria, British Columbia, for research, development, and large-scale production of high-quality biological raw materials, APIs, and finished biopharmaceutical products. Supported by an executive leadership and advisory team consisting of highly experienced biotechnology and pharmaceutical industry experts, we will seek to position our company to be at the forefront of new discovery in this rapidly emerging market.

Our Opportunity

Psychotropics are a broad classification of chemical substances that can cause alterations in perception, mood, consciousness, cognition, or behavior through various interactions with the nervous system. Psychedelics are a subclassification of psychotropics that interact primarily with serotonergic receptors in the brain. Psychedelic compounds such as psilocybin, psilocin, lysergic acid diethylamide, or LSD, N,N-Dimethyltryptamine, or N,N-DMT, and 3,4-Methylenedioxymethamphetamine, or MDMA, have become a key area of interest for many companies researching potential treatments for various mental health and addiction disorders. The psychedelic compounds we are approved to produce under our Dealer's Licence — psilocybin, psilocin, N,N-DMT, mescaline, MDMA, LSD, and 4-Bromo-2,5-Dimethoxybenzeneethanamine, or 2C-B — will represent our initial areas of focus for our research, development and manufacturing efforts on behalf of our clients. In addition, subject to further approvals by Health Canada with respect to the expansion of the scope of our Dealer's Licence, we expect to extend our research and production efforts to various non-serotonergic psychotropics, such as ketamine, as such compounds may provide significant future market opportunities for us. We cannot guarantee we will receive any such approvals, and a failure to receive such approvals would have a material adverse effect on our business and result in an inability to generate revenue from said substances.

Our Dealer's Licence

Our Health Canada Dealer's Licence, which we hold through our wholly owned subsidiary, LSDI Manufacturing Inc., authorizes us to produce and conduct research using psilocybin, psilocin, N,N-DMT, mescaline, MDMA, LSD, and 2C-B. We are permitted to produce up to one kilogram of each compound per year. Per current Canadian regulations, these APIs and other products we intend to produce would only be authorized for sale in Canada for clinical testing purposes in an "institution," for the purpose of determining the hazards and efficacy of the drug, and for laboratory research in an institution by qualified investigators; sales of APIs in Canada for commercial purposes are currently prohibited. We also anticipate submitting applications to Health Canada for additional approvals under our Dealer's Licence allowing us to produce and distribute ketamine. We acknowledge there is no guarantee that we will receive further approvals from the Office of Controlled Substances in a timely manner or at all. A failure to receive such further approvals would have a material adverse effect on our business and result in an inability to generate revenue from said substances.

Our History

We were was initially founded in 2017 as Hollyweed North Cannabis, Inc., or HNCI. In May 2018, our newly-constructed facility was inspected by Health Canada, and we received our Controlled Substances Dealer's Licence in June of that year. Shortly thereafter, our wholly-owned subsidiary TerraCube was founded, and the first TerraCube prototype was constructed. Later that same year, HNCI obtained a Health Canada Cannabis Standard Processing Licence. In May 2020, we submitted an application to Health Canada for a Controlled Substances Dealer's Licence for the ability to produce and conduct research using psilocybin, psilocin, N,N-DMT, and mescaline. In parallel, we began the process of rebranding to our current name, Lucy Scientific Discovery, Inc. In February 2021, the Health Canada Office of Controlled Substances completed the inspection, and the licence was obtained by Lucy in August 2021. In October 2021, we filed an amendment with Health Canada to add the ability to sell, send, transport, and deliver the substances currently included on our licence and add MDMA, LSD, and 2C-B to our license, which was approved on December 17, 2021.

Our Team

We have assembled a skilled management team with deep experience in the development and commercialization of products featuring controlled substances as well as the navigation of regulatory structures applicable to these products. Our management team is led by Christopher McElvany, our President, Chief Executive Officer and member of our Board of Directors. Mr. McElvany has experience throughout the United States and internationally in the cannabis industry, having served as President of Allied Concessions Group, a leading provider of cannabis-infused products, and as Chief Technology Officer of National Concessions Group, a licensing and marketing company that sells cannabis products. In addition, Mr. McElvany co-founded O.penVAPE, one of the most widely distributed cannabis products in the U.S., and was its Chief Science and Technology Officer. He also previously served as Executive Vice President of Slang Worldwide, a leading company consolidating brands along the regulated supply chain in the global cannabis industry. Mr. McElvany holds multiple patents in advanced drug formulations and delivery technologies. Our management team

also features Steven E. Meyer, our Chief Operating Officer, who previously served as Operations Lead for North America of the Crop Science division of Bayer and as the Knowledge Transfer Manager for the North America Commercial Operations of Monsanto AG, and has been in the biotechnology research and development and commercial production sector for more than 20 years; Dr. Jerry Heise, Ph.D., our Chief Technology Officer with more than 30 years' experience in biotechnology production and research and development, who previously served as the North America Intellectual Property Protection Lead at Crop Science division of Bayer and held various positions, including as a U.S. Biotech Regulatory Affairs Manager, at Monsanto AG; and Assad J. Kazeminy, Ph.D., our Chief Scientific Officer, who previously served as Chief Executive Officer of Irvine Pharmaceutical Services Inc. and Avrio Biopharmaceutical LLC and has over 30 years of research and development experience in the biopharmaceutical industry.

Our Business Strategy

Our mission is to become the premier research, development, and contract manufacturing organization in the emerging psychotropics-based medicines industry, while aggressively working to pursue expanding global market frontiers. Leveraging our highly skilled and experienced management team, we have designed a competitive business strategy centered around agility, speed, and innovation. We aim to first establish and secure base revenues by quickly commencing production capabilities and partnerships, and to continually pursue new opportunities for growth in our market.

1. **Secure Base Revenue**

- Leverage Assets to Facilitate Market Entry
- Establish Ability to Rapidly Commence Contract Manufacturing
- Facilitate and Conduct Contract Psychotropics Research
- Achieve and Maintain Compliance Excellence

2. **Pursue New Frontiers**

- Expand Market Access
- Meet Emerging Demands with Innovative Products
- Develop and Acquire Intellectual Property Assets
- Achieve Business and Technological Diversification

In an effort to actualize each facet of our overall business strategy as set forth above, we have established the following three-phase plan:

- **Phase 1 — Gain occupancy permit and commence operations (Projected Jan 2022):** We are currently awaiting receipt of the occupancy permit for the facility as well as the procurement of general equipment to enable process development for the production of key APIs from natural product extraction before we can commence operations and begin fulfilling orders. We anticipate the costs associated with Phase 1 of our business plan to be approximately $35,000. We believe that achieving this manufacturing capability will allow us to fulfil supply agreements with academic and research facilities or other companies as permitted by our licence, resulting in first revenue generation. We cannot guarantee that we will receive the occupancy permit, be successful in acquiring the necessary equipment, or secure supply agreements, and such failures would have a material adverse effect on our business and result in an inability to generate revenue.
- **Phase 2 — Complete construction of R&D labs and initiate cGMP certification (Projected April 2022):** In order to broaden our research capabilities and expand into lab-scale synthetic and biosynthetic production, we will need to complete construction of R&D labs by acquiring equipment utilized in standard synthetic and biosynthetic laboratories. We anticipate the costs associated with Phase 2

of our business plan to be approximately $700,000. We believe these expanded capabilities will allow us to potentially generate more revenue contingent upon future supply agreements. In parallel, we intend to initiate the process of obtaining cGMP certification of key processes involved in the production of APIs. We cannot guarantee that we will be able to obtain additional supply agreements that would warrant the planned expansion, and we may not be able to procure the critical infrastructure necessary to expand. Any such failure would have a material adverse effect on our business and may result in an inability to generate additional revenues. We may choose to delay any such expansions in the event that the needs of the market do not warrant such production outputs in an effort to minimize overhead.

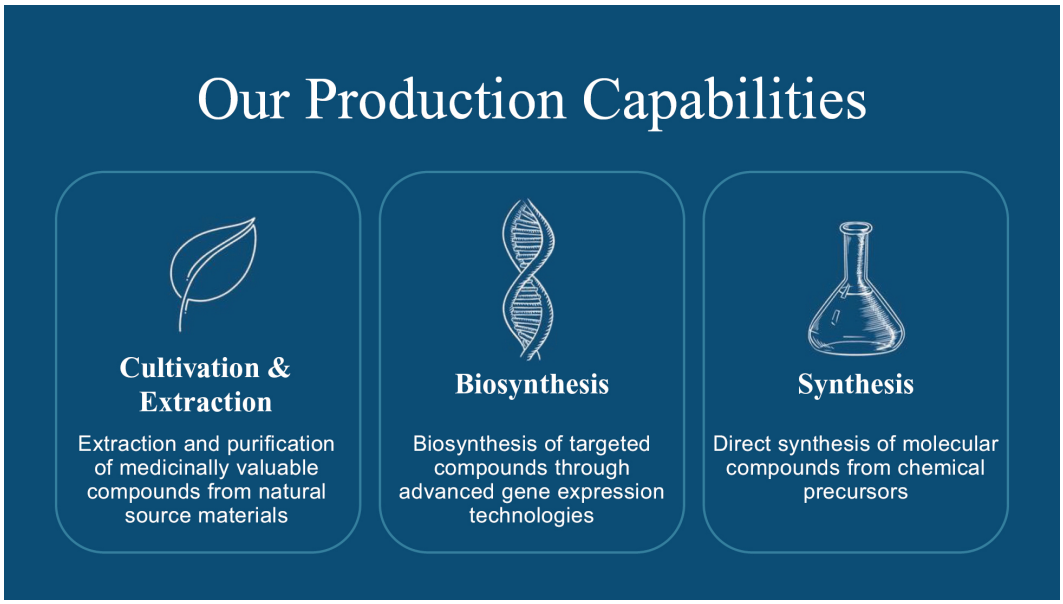
- **Phase 3 — Achieve production-scale manufacturing capabilities and cGMP certification (Projected Nov 2022):** Contingent upon market demands, we intend to expand to production-scale manufacturing capabilities by procuring larger production-scale equipment. We also aim to obtain cGMP certification pursuant to our goal of becoming a preferred supplier of cGMP-grade APIs and other compounds. We anticipate the costs associated with Phase 3 of our business plan to be approximately $2,000,000. Contingent upon obtaining additional supply agreements and growing our network, we intend to generate increased revenues from additional sales and expand into human clinical trials. We cannot guarantee that we will be able to obtain additional supply agreements that would warrant our planned expansion, we may not be able to procure the critical infrastructure necessary to expand, and we may not successfully obtain a cGMP certification. Any such failure would have a material adverse effect on our business and may result in an inability to generate additional revenues. We may also choose to delay any such expansions in the event that the needs of the market do not warrant such production outputs in an effort to minimize overhead.

These timing of the target milestones may be subject to change due to a variety of factors. In the event that the net proceeds from this offering are not sufficient to enable us to commence or continue our operations as currently planned, we will need to obtain additional financing through the issuance of debt or equity securities. There can be no assurance that we will be able to obtain any such financing, if needed, upon commercially reasonable terms or at all. The failure to obtain such financing, if needed, would have a material adverse effect on our business.

Our Production Program

Our goal is to position our company as a premier contract manufacturer of high-quality biological raw materials, cGMP-grade APIs, and finished biopharmaceutical products, utilizing various methods of scalable production capabilities to meet the needs of the rapidly growing psychotropics-based medicines market. Leveraging advanced and efficient systems and processes, we will seek to minimize production costs while maintaining the highest standards in quality and safety. We believe that our purpose-built campus and use of state-of-the-art technology will facilitate a variety of scaled production methods that adhere to cGMP pharmaceutical standards.

Recognizing the broad range of product requirements needed to best support ongoing research, trials, and treatments, our production program will take a highly scalable and tiered approach to manufacturing that we believe has the potential to secure a strong foundation for revenue and growth. This approach will leverage three key methods of production, with the goal of achieving best-in-class quality and facilitating market penetration through competitive pricing. Regardless of method, all production and formulation efforts will involve proper analytical procedures and quality controls that are designed to ensure the highest standards of purity, quality, and safety.



Risks Associated with Our Business and this Offering

Our business and our ability to implement our business strategy are subject to numerous risks, as more fully described in the section entitled "Risk Factors" immediately following this prospectus summary. You should carefully read and consider all of these risks and the other information set forth in this prospectus before you decide to purchase any our common shares. We may be unable to implement our business strategy for many reasons, including those that are beyond our control. Some of the more significant risks of our business and an investment in our common shares include the following:

- We have a limited operating history and have not scaled our commercial operations or made significant sales of our products or services, and we have incurred significant losses since our inception. We may continue to incur losses which, together with our limited operating history, makes it difficult to assess our future viability.
- Even after this offering, we may require substantial additional funding to finance our operations.
- The psychedelic industry and market are relatively new and the industry may not succeed in the long term.
- Our operations require that we maintain a controlled substances Dealer's License from Health Canada.
- Our business plan depends on the occurrence of regulatory changes that may benefit the psychotropics-based medicines market and on determinations by U.S. and Canadian regulators that are favorable to our company in particular, and there can be no assurance that such changes or determinations will occur.
- Unfavorable publicity or consumer perception of psychedelic-based medicine may have an adverse impact on our client base, which in turn would have an adverse impact on our business, financial condition and results of operations.
- The expansion of the use of psychedelics in the medical industry may require new clinical research into effective medical therapies.
- The sizes of the markets and forecasts of market growth for the demand of our products and services and for psychedelics-based medicines generally are based on a number of complex assumptions and estimates, and may be inaccurate.

- The manufacture of our psychedelics-based products is complex. We may encounter various difficulties in production, which could delay or entirely halt our ability to supply raw materials or API for research or clinical trials or finished drug products for commercial sale.
- We face multiple risks in establishing and growing our contract research services offerings and we may not be successful in achieving profitability with respect to this aspect of our business.
- Biopharmaceutical drug development is inherently uncertain. Even if we are able to sell our products and services to clients for research and development purposes, it is possible that our clients will not be successful in developing and obtaining regulatory approval for psychedelics-based medicines.
- The business to be conducted by us and our clients will be subject to extensive governmental regulation, and our or our clients' inability to comply with these regulations, which are complex and relate to various jurisdictions and areas of law, would result in significant adverse consequences to our business.
- Our products and services, and the product candidates and approved products developed and marketed by our clients, will be subject to controlled substance laws and regulations, including restrictions in the U.S. on importation, manufacture and distribution of such substances or products containing such substances.
- We face substantial competition, which may result in others commercializing psychedelics-based products and services before or more successfully than we do. Our customers will also face significant competition from other developers of psychedelics-based medicines and from companies pursing alternative treatments for the same indications.
- We and our clients may face risks due to the ongoing COVID-19 pandemic and any variations or mutations of the coronavirus.
- Failure to obtain or register intellectual property rights used or proposed to be used in our business could result in a material adverse impact on our business.
- Our bitcoin acquisition strategy exposes us to various risks associated with bitcoin.
- The price of bitcoin may be influenced by regulatory, commercial, and technical factors that are highly uncertain, and fluctuations in the price of bitcoin are likely to influence our financial results and the market price of our common shares.
- Our bitcoin holdings could subject us to regulatory scrutiny.
- Due to the unregulated nature and lack of transparency surrounding the operations of many bitcoin trading venues, they may experience fraud, security failures or operational problems, which may adversely affect the value of our bitcoin.
- Regulatory change reclassifying bitcoin as a security could lead to our classification as an "investment company" under the Investment Company Act of 1940 and could adversely affect the market price of bitcoin and the market price of our common shares.
- We do not know whether an active, liquid and orderly trading market will develop for our common shares.
- We are an emerging growth company and a smaller reporting company, and we cannot be certain if the reduced reporting requirements applicable to emerging growth companies and smaller reporting companies will make our common shares less attractive to investors.
- Our disclosure controls and procedures may not prevent or detect all errors or acts of fraud.
- As a Canadian company, certain matters may negatively impact your investment, including: certain Canadian laws that may delay or negate a change in control; investor's tax implications if we are deemed to be a "passive foreign investment company"; investor's ability to enforce judgements against executives/officers; and, we are significantly exposed to fluctuations in currency exchange rates, among others.

If we are unable to adequately address these and other risks we face, our business, financial condition, operating results and prospects may be adversely affected.

Our Corporate and Other Information

We were incorporated under the laws of British Columbia, Canada on February 17, 2017 under the name Hollyweed North Cannabis, Inc. On May 18, 2021, we changed our name to Lucy Scientific Discovery Inc. We effected a 1.4-for-1 split of our common shares on October 22, 2018 and effected a 1-for-18 reverse split of our common shares on December 1, 2021. We have two active wholly owned subsidiaries, TerraCube International Inc., or TerraCube, and LSDI Manufacturing Inc. Our principal executive offices are located at 301-1321 Blanshard Street, Victoria, British Columbia Canada, and our telephone number is (778) 410-5195. Our website is *www.lucyscientific.com*. The information contained on, or that can be accessed through, our website is not incorporated by reference into this prospectus, and you should not consider information on our website to be part of this prospectus or in deciding to purchase our common shares. We have included our website address in this prospectus solely as an inactive textual reference.

Implications of Being an Emerging Growth Company and Smaller Reporting Company

We qualify as an "emerging growth company," as defined in the Jumpstart Our Business Startups Act of 2012, as amended, or the JOBS Act. For as long as we remain an emerging growth company, we are permitted, and currently intend, to rely on the following provisions of the JOBS Act that enable us to rely upon certain exceptions from disclosure and other requirements that otherwise are applicable to companies that conduct initial public offerings and file periodic reports with the Securities and Exchange Commission, or SEC. These JOBS Act provisions:

- permit us to present only two years of audited financial statements in addition to any required unaudited interim financial statements with correspondingly reduced "Management's Discussion and Analysis of Financial Condition and Results of Operations" disclosure in this prospectus;
- provide an exemption from the auditor attestation requirement in the assessment of our internal control over financial reporting under the Sarbanes-Oxley Act of 2002;
- provide an exemption from compliance with the requirement of the Public Company Accounting Oversight Board regarding the communication of critical audit matters in the auditor's report on the financial statements;
- permit us to include reduced disclosure regarding executive compensation in this prospectus and our SEC filings as a public company; and
- provide an exemption from the requirement to hold a non-binding advisory vote on executive compensation and shareholder approval of any golden parachute arrangements not previously approved.

As a result of this status, we have taken advantage of reduced reporting requirements in this prospectus. In particular, in this prospectus, we have provided only two years of audited financial statements and have not included all of the executive compensation-related information that would be required if we were not an emerging growth company. Accordingly, the information contained herein may be different from the information you receive from other public companies in which you hold shares.

We expect to continue to rely on these reporting and other provisions and to take advantage of these and other reduced reporting requirements in our future filings with the SEC until we are no longer an emerging growth company. We will remain an emerging growth company until the earlier of:

- the first to occur of the last day of the fiscal year:
  - following the fifth anniversary of the completion of this offering,
  - in which we have total annual gross revenue of at least $1.07 billion, or
  - in which we are deemed to be a "large accelerated filer," which will occur if (and when) the market value of our common shares that is held by non-affiliates exceeds $700 million as of the prior June 30th; or
- the date on which we have issued more than $1 billion in non-convertible debt during the prior three-year period.

The JOBS Act also provides that an emerging growth company may take advantage of an extended transition period for complying with new or revised accounting standards, delaying the adoption of these accounting standards until they would apply to private companies. We have elected to avail ourselves of this exemption and, as a result, our financial statements may not be comparable to the financial statements of issuers who are required to comply with the effective dates for new or revised accounting standards that are applicable to public companies. Section 107 of the JOBS Act provides that we can elect to opt out of the extended transition period at any time, which election is irrevocable. We intend to rely on other exemptions provided by the JOBS Act, including without limitation, not being required to comply with the auditor attestation requirements of Section 404(b) of the Sarbanes-Oxley Act.

We are also a “smaller reporting company” as defined in the Securities Exchange Act of 1934, as amended. We may continue to be a smaller reporting company even after we are no longer an emerging growth company. As a smaller reporting company, we may elect to present only the two most recent fiscal years of audited financial statements in our Annual Report on Form 10-K and are subject to reduced disclosure obligations regarding executive compensation. Further, if we are a smaller reporting company with less than $100.0 million in annual revenue, we would not be required to obtain an attestation report on internal control over financial reporting issued by our independent registered public accounting firm.

We may continue to be a smaller reporting company after this offering if either (i) the market value of our common shares held by non-affiliates is less than $250.0 million, as measured on the last business day of our second fiscal quarter, or (ii) our annual revenue is less than $100.0 million during the most recently completed fiscal year and the market value of our common shares held by non-affiliates is less than $700.0 million, as measured on the last business day of our second fiscal quarter. If we are a smaller reporting company at the time we cease to be an emerging growth company, we may continue to rely on exemptions from certain disclosure requirements that are available to smaller reporting companies.

THE OFFERING

Units offered by us	units (assuming no exercise of the underwriters' option to purchase additional common shares and/or warrants), each unit consisting of one common share and a warrant to purchase one common share. The common shares and warrants that are part of the units are immediately separable and will be issued separately in this offering.
Assumed offering price	$ per unit, the midpoint of the price range set forth on the cover page of this prospectus.
Common shares offered by us	common shares
Warrants offered by us	warrants to purchase to common shares. The warrants are exercisable immediately, and will be issued separately in this offering, but will be purchased together in this offering. The exercise price of the warrants will $, assuming an initial public offering price of $ per unit (which is the midpoint of the estimated range of the initial public offering price shown on the cover page of this prospectus), equal to 125% of the initial public offering price, which will be immediately exercisable and will expire on the fifth anniversary of the original issuance date. Each warrant is exercisable for one common share, subject to adjustment in the event of share dividends, share splits, stock combinations, reclassifications, reorganizations or similar events affecting our common shares as described herein. A holder will not have the right to exercise any portion of the Warrant if the holder, together with its affiliates, would beneficially own more than 4.99% of our outstanding common shares after exercise, as such percentage ownership is determined in accordance with the terms of the warrants, except that upon notice from the holder to us, the holder may waive such limitation up to a percentage, not in excess of 9.99% of the number of shares of our common shares outstanding immediately after giving effect to the exercise. Each warrant will be exercisable immediately upon issuance and will expire five years after the initial issuance date. The terms of the warrants will be governed by a Warrant Agent Agreement, dated as of the effective date of this offering, between us and VStock Transfer, LLC as the warrant agent (the "Warrant Agent"). This prospectus also relates to the offering of the common shares issuable upon exercise of the warrants. For more information regarding the warrants, you should carefully read the section titled "Description of Capital Stock — Securities Offered in this Offering" in this prospectus.
Common shares to be outstanding immediately after this offering	shares (or shares if the underwriters exercise their option to purchase additional common shares and/or warrants in full).
Option to purchase additional common shares and/or warrants	We have granted the underwriters an option for a period of 45 days to purchase up to additional common shares and/or additional warrants to purchase up to common shares in any combination thereof at the initial public offering price per Unit, less the underwriting discount.

Use of proceeds	We estimate that the net proceeds to us from the sale of our units in this offering will be approximately $ million (or approximately $ million if the underwriters exercise their option to purchase additional common shares and/or warrants in full), assuming an initial public offering price of $ per share, the midpoint of the estimated offering price range set forth on the cover page of this prospectus, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us. We currently intend to use the net proceeds from this offering as follows: • approximately $ million to repay indebtedness; • approximately $ million to complete the buildout of and make certain upgrades to our manufacturing and research facilities; • approximately $ million to satisfy certain outstanding liabilities; and • the remainder for working capital and other general corporate purposes, including the additional costs associated with being a public company. We may also use a portion of the remaining net proceeds and our existing cash and cash equivalents to in-license, acquire, or invest in complementary businesses, technologies, products or assets. We do not have any current agreements, commitments or understandings for any specific acquisitions or any specific targets in connection with which we intend to use a portion of the net proceeds from this offering. See “Use of Proceeds” on page 63 of this prospectus for additional information.
Risk factors	Investing in our securities involves a high degree of risk. See “Risk Factors” beginning on page 14 and the other information included in this prospectus for a discussion of factors you should consider carefully before deciding to purchase any of our securities.
Lock-up	We, our directors, officers and holders of 5% or more of our common shares have agreed with the underwriters not to offer for sale, issue, sell, contract to sell, pledge or otherwise dispose of any of our common shares or securities convertible into common shares as described in further detail in the prospectus, both after the date of this prospectus. See “Underwriting.”
Representative’s warrant	At the closing of this offering, we will issue to EF Hutton, division of Benchmark Investments, LLC, as representative of the underwriters, or its designees, warrants to purchase the number of common shares equal to 5% of the aggregate number of common shares sold in this offering. The representative’s warrant may be exercised at any time and from time to time, in whole or in part, during the three-year period commencing six (6) months from the effective date of the registration statement of which this prospectus forms a part, at a price per share equal to 125% of the public offering price per common share in this offering. See “Underwriting.”
Proposed listing on Nasdaq	We have applied to list our common shares and warrants on the Nasdaq Capital Market under the symbol “LSDI” and “LSDIW,” respectively.

The number of our common shares to be outstanding after this offering is based on common shares outstanding as of September 30, 2021 after giving effect to (i) the conversion of all of our outstanding Class A common shares and Class B common shares into a single class of common shares, consisting of an aggregate of 6,476,753 common shares, (ii) the exercise of certain of our outstanding warrants for an aggregate of 3,477,919 common shares in December 2021, (iii) the conversion of certain of our outstanding convertible notes into an aggregate of 170,804 common shares in December 2021, and (iv) the conversion of our outstanding convertible notes into an aggregate of common shares, and is based on assumed initial public offering price of $ per unit, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, in each case immediately prior to the closing of this offering, and excludes:

- 353,181 common shares issuable upon the exercise of stock options outstanding as of September 30, 2021, with a weighted-average exercise price of $1.1094 per share;
- 428,290 common shares issuable upon the exercise of warrants, with a weighted-average exercise price of $1.6092 per share;
- 702,195 common shares reserved for issuance as of September 30, 2021 under our 2019 Stock Option Plan, which we refer to as our 2019 Plan, which shares will cease to be available for issuance at the time the 2021 Equity Incentive Plan, which we refer to as our 2021 Plan, becomes effective;
- common shares to be reserved for future issuance under our 2021 Plan, which will become available for issuance upon the effectiveness of the registration statement of which this prospectus is a part, plus any future increases in the number of common shares reserved for issuance.
- common shares issuable upon exercise of warrants included in the units being offered in this offering at a price of $ per share; and
- common shares issuable upon exercise of the representative's warrant at a price of $ per share.

Unless otherwise indicated, this prospectus reflects and assumes the following:

- the 1.4-for-1 split of our common shares effected on October 22, 2018;
- a 1-for-18 reverse split of our common shares effected on December 1, 2021;
- no exercise of the option we granted to the underwriters to purchase up to an additional common shares and/or additional warrants to purchase common shares from us, at the initial public offering price, less the underwriting discounts, for 45 days after the date of this prospectus;
- no exercise of the outstanding stock options described above;
- the conversion, effective December 1, 2021 of all of our Class A common shares and Class B common shares that are outstanding into a single class of common shares consisting of an aggregate of 6,476,753 shares;
- the conversion of our outstanding convertible notes into an aggregate of common shares immediately prior to the closing of this offering, assuming an assumed initial public offering price of $ per share, which is the midpoint of the estimated offering price range set forth on the cover of this prospectus; and
- the filing and effectiveness on December 1, 2021 of our new of the articles of the Corporation.

Summary Consolidated Financial Data

The following tables set forth a summary of our financial data as of, and for the periods ended on, the dates indicated. We derived the summary statement of operations data for the years ended June 30, 2020 and 2021 and the summary balance sheet data as of June 30, 2021 from our audited consolidated financial statements included elsewhere in this prospectus. For interim periods, we have derived our consolidated financial data for the three months ended September 30, 2020 and 2021 and the selected balance sheet data as of September 30, 2021 from our unaudited consolidated financial statements included elsewhere in this prospectus. The unaudited financial statements were prepared on a basis consistent with our audited financial statements and include, in management's opinion, all adjustments, consisting only of normal recurring adjustments that we consider necessary for a fair presentation of the financial information set forth in those statements. Our historical results are not necessarily indicative of the results that may be expected in the future and our interim results are not necessarily indicative of our expected results for the year ending June 30, 2021. You should read the following summary consolidated financial data together with our consolidated financial statements and related notes and the information in "Management's Discussion and Analysis of Financial Condition and Results of Operations" appearing elsewhere in this prospectus. Our historical results are not necessarily indicative of the results that may be expected in any future period. The summary consolidated financial data in this section are not intended to replace the consolidated financial statements and are qualified in their entirety by the consolidated financial statements and related notes included elsewhere in this prospectus.

	Year ended June 30,		Three months ended September 30,	
	2020	2021	2020	2021
Statement of Operations Data:				
Selling, general and administrative expense	$ 2,798,622	2,677,384	86,059	714,484
Research and development expense	61,197	—	—	—
Total expenses	2,859,819	2,677,384	86,059	714,484
Other expense (income)				
Gain on debt settlement	—	(186,374)	—	—
Interest expense	283,280	2,357,222	41,179	474,270
Loss on debt modification	449,672	—	—	—
Research and development tax credits	(559,729)	(165,825)	—	—
Change in fair value of warrant liability	—	65,026	—	151,303
Other income	(33,417)	(21,550)	—	—
Total other expense (income)	139,806	2,048,499	41,179	625,573
Income tax expense	—	—	—	—
Net loss	$ (2,999,625)	(4,725,883)	(127,238)	(1,340,057)
Foreign exchange translation adjustment, net of tax of $nil	163,969	(570,581)	(96,319)	134,778
Comprehensive loss	$ (2,835,656)	(5,296,464)	(223,557)	(1,205,279)
Net loss per common share				
Basic and diluted	$ (0.66)	(0.88)	(0.03)	(0.21)
Weighted average number of common shares outstanding				
Basic and diluted	4,572,400	5,364,451	4,618,468	6,476,753

	As of September 30, 2021	As of September 30, 2021	
	Actual	Pro Forma[1]	Pro Forma As Adjusted[2][3]
Balance Sheet Data:			
Cash and cash equivalents	$ 112,372	$	$
Working capital[4]	(3,166,979)		
Total assets	5,197,802		
Warrant liabilities	6,173,875		
Long-term debt	2,108,670		
Total shareholders' (deficit) equity	(7,546,725)		

(1) The pro forma balance sheet gives effect to (a) the issuance of an aggregate of 3,477,919 common shares subsequent to September 30, 2021 as a result of the exercise of certain outstanding warrants in December 2021, (b) the sale of convertible promissory notes with an aggregate principal amount of $ subsequent to September 30, 2021, (c) the conversion of certain of our outstanding convertible notes into an aggregate of 170,804 common shares in December 2021, (d) the conversion of our outstanding convertible promissory notes into an aggregate of common shares upon the completion of this offering, assuming an initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, (e) the filing and effectiveness on December 1, 2021 of our new Articles of the Corporation, pursuant to which, among other things, all of our outstanding Class A common shares and Class B common shares converted into a single class of common shares, and (f) the filing and effectiveness on December 1, 2021 of our new Articles of the Corporation pursuant to which a 1-for-18 reverse split of our common shares.

(2) On a pro forma as adjusted basis to give further effect to our issuance and sale of units in this offering at an assumed initial public offering price of $ per unit, the midpoint of the estimated offering price range listed on the cover page of this prospectus, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

(3) The pro forma as adjusted information discussed above is illustrative only and will depend on the actual initial public offering price and other terms of this offering determined at pricing. Each $1.00 increase or decrease in the assumed initial public offering price of $ per unit, the midpoint of the estimated price range set forth on the cover page of this prospectus, would increase or decrease each of cash and cash equivalents, working capital, total assets and total stockholders' equity by $ million, assuming that the number of units offered by us, as set forth on the cover page of this prospectus, remains the same, and after deducting underwriting discounts and commissions. We may also increase or decrease the number of units we are offering. Each increase or decrease of 1.0 million in the number of units offered by us would increase or decrease each of cash and cash equivalents, working capital, total assets and total stockholders' equity by $ million, assuming that the assumed initial public offering price remains the same, and after deducting underwriting discounts and commissions.

(4) Working capital is defined as current assets less current liabilities.

RISK FACTORS

Investing in our securities is speculative and involves a high degree of risk. Before investing in our securities, you should consider carefully the risks described below, together with the other information contained in this prospectus, including our financial statements and the related notes appearing at the end of this prospectus. If any of the following risks occur, our business, financial condition, results of operations and future growth prospects could be materially and adversely affected. In these circumstances, the market price of our securities could decline, and you may lose all or part of your investment. This prospectus also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in the forward-looking statements as a result of a number of factors, including the risks described below. See "Special Note Regarding Forward-Looking Statements."

Risks Related to Our Financial Position, Limited Operating History and Capital Requirements

We have incurred operating losses since inception and anticipate that we may continue to incur operating losses. We may not achieve or maintain profitability in the foreseeable future.

We have experienced operating losses and cash outflows from operations since incorporation and will require ongoing financing to continue our research and development and production activities. As our business has not yet achieved profitability, there are uncertainties regarding our ability to continue as a going concern. Our success is dependent upon our ability to finance our cash requirements to continue our activities. There may be a risk of default on these liabilities and other liabilities of our business if we cannot raise additional funds through the issuance of additional equity securities, through loan financing, or other means. Our comprehensive loss for the years ended June 30, 2020 and 2021 was $2.8 million and $5.3 million, respectively, and our comprehensive loss for three months ended September 30, 2021 was $1.2 million. As of September 30, 2021, we had an accumulated deficit of $30.9 million. We may incur operating losses for the next several years, and we may not achieve or sustain profitability in the foreseeable future.

We anticipate that our expenses will increase if, and as, we:

- complete the build-out of our 25,000 square foot research and manufacturing facility;
- engage in activities related to regulatory compliance in Canada, the United States and any other jurisdiction in which we may operate, which activities are likely to increase as we experience heightened regulatory scrutiny;
- expand our infrastructure and facilities to accommodate our growing employee base, including adding equipment and physical infrastructure to support our research and development;
- market and sell our products to academic researchers, biopharmaceutical companies and other eligible partners;
- seek to identify and develop or in-license additional products or technologies;
- maintain, expand and protect our intellectual property portfolio; and
- add operational, financial and management information systems personnel to support our operations as a public company.

To become and remain profitable, we must succeed in successfully cultivating, extracting and purifying our psilocybin products and eventually commercializing our products in order to generate significant revenue. This will require us to be successful in a range of challenging activities, including manufacturing our products at commercial scale, obtaining and maintaining compliance with all required regulatory permitting, and establishing brand recognition in the industry. Our ability to become profitable will be dependent upon, in part and among other things, the size of the market for our psilocybin products, the number of competitors in such markets, the degree of market acceptance we achieve and the ability of our clients to develop, obtain regulatory approval for and successfully commercialize psychedelics-based therapies.

Even if we do achieve profitability, we may not be able to sustain or increase profitability on a quarterly or annual basis. Our failure to become and remain profitable may decrease the value of our company and may impair our ability to raise capital, maintain our manufacturing operations, proceed with our planned research and development efforts or expand our business. A decline in the value of our company may cause you to lose all or part of your investment.

Our limited operating history may make it difficult to evaluate our business to date and assess our future viability.

We have a limited history of operations and will be in an early stage of development as we attempt to create an infrastructure to capitalize on the opportunity for value creation in the psychedelics industry. Since our inception, we have focused our efforts on constructing our 25,000 square foot manufacturing facility, developing our cultivation, extraction and purification processes, and building our executive management team. We have not yet manufactured psychedelics-based products for research purposes or at commercial scale. The early stage of our cultivation, research and development efforts makes it particularly uncertain whether any of our efforts will prove to be successful and meet the requirements of our customers, and whether any of our products will be capable of being manufactured at a reasonable cost or be successfully marketed. We have no meaningful operations upon which to evaluate our business and predictions about our future success or viability may not be as accurate as they could be if we had a longer operating history or a history of successfully developing and commercializing active pharmaceutical ingredients based on psychedelics. Accordingly, we are subject to many of the risks common to early-stage enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and lack of revenue. The limited operating history may also make it difficult for investors to evaluate our prospects for success. There is no assurance that we will be successful, and our likelihood of success must be considered in light of our early stage of operations.

We may not be able to achieve or maintain profitability and may incur losses in the future. In addition, we are expected to increase our capital investments as we implement initiatives to grow our business. If our revenues do not increase to offset these expected increases, we may not generate positive cash flow. There is no assurance that future revenues will be sufficient to generate the funds required to continue operations without external funding. We may encounter unforeseen expenses, difficulties, complications, delays and other known or unknown factors in achieving our business objectives, including with respect to our technology and products. We will eventually need to transition from a company with a development focus to a company capable of supporting commercial activities. We may not be successful in such a transition. Our limited operating history makes it more difficult for us to assess and plan for such unforeseen events.

We expect our financial condition and operating results to continue to fluctuate significantly from quarter to quarter and year to year due to a variety of factors, many of which are beyond our control. Accordingly, you should not rely upon the results of any quarterly or annual periods as indications of future operating performance.

Even after this offering, we may require substantial additional funding to finance our operations, and a failure to obtain this necessary funding when needed on acceptable terms, or at all, could force us to delay, limit, reduce or terminate our manufacturing and commercialization efforts or other operations.

As of September 30, 2021, we had cash and cash equivalents of $0.1 million. Based upon our current operating plan, we believe that the anticipated net proceeds of this offering, together with our available cash and cash equivalents, will be sufficient to fund our planned operations through . We have based this estimate on assumptions that may prove to be wrong, and we could exhaust our available capital resources sooner than we expect. To finance our operations beyond that point we may need to raise additional capital, which cannot be assured. Moreover, our operating plans may change as a result of many factors currently unknown to us, and we may need to seek additional funds sooner than planned. In addition, we may seek additional capital due to favorable market conditions or strategic considerations even if we believe we have sufficient funds for our current or future operating plans.

Our future capital requirements depend on many factors, including, but not limited to:

- the scope, progress, results and costs of researching and developing our products;
- the cost of manufacturing our products, including costs associated with completing the build-out of our 25,000 square foot research and manufacturing facility;
- the effect of developments with respect to the regulatory and competitive landscapes for psychedelics- and other psychotropics-based products and medicines;

- the number and scope of products or technologies we decide to pursue;
- the cost of commercialization activities, including marketing, sales and distribution costs;
- our ability to achieve revenue growth;
- our ability to establish and maintain strategic collaborations, licensing or other arrangements and the financial terms of any such agreements that we may enter into;
- whether we determine to acquire or invest in complementary businesses or assets;
- the expenses needed to attract and retain skilled personnel;
- our need to implement additional internal systems and infrastructure, including financial and reporting systems associated with becoming a public company in the United States;
- the costs involved in preparing, filing, prosecuting, maintaining, defending and enforcing our intellectual property portfolio; and
- the continued impact of the COVID-19 pandemic on global social, political and economic conditions.

Until we can generate sufficient revenue to finance our cash requirements, which we may never do, we expect to finance our future cash needs through a combination of equity offerings, debt offerings or financings, collaborations, strategic alliances or marketing, distribution or licensing arrangements with third parties. The various ways we could raise additional capital carry potential risks. To the extent that we raise additional capital by issuing equity securities, our existing stockholders may experience substantial dilution. Any preferred equity securities issued also would likely provide for rights, preferences or privileges senior to those of holders of our common shares. If we raise funds by issuing debt securities, those debt securities would have rights, preferences and privileges senior to those of holders of our common shares. Debt financing and preferred equity financing, if available, may also involve agreements that include covenants restricting our ability to take specific actions, such as incurring additional debt, selling or licensing our assets, making product acquisitions, making capital expenditures, or declaring dividends. If we raise additional funds through collaborations, strategic alliances or marketing, distribution or licensing arrangements with third parties, we may have to relinquish valuable rights to our technologies, future revenue streams, research programs or product candidates, or grant licenses on terms that may not be favorable to us.

Our ability to raise additional funds will depend on financial, economic and market conditions and other factors, over which we may have no or limited control. Adequate additional funds may not be available when we need them, on terms that are acceptable to us, or at all. In addition, heightened regulatory scrutiny could have a negative impact on our ability to raise capital. If adequate funds are not available to us on a timely basis or on attractive terms, we may be required to reduce our workforce, delay, limit, reduce or terminate our research and development activities and commercialization efforts, or grant rights to develop and market products or technologies that we would otherwise develop and market ourselves. In addition, attempting to secure additional financing may divert the time and attention of our management from daily activities and distract from our research and development efforts.

Our commercial success depends on our technical abilities to cultivate, extract or synthetically derive high quality psychotropic products, as well as on the acceptance of these products by clients in our targeted markets.

We utilize advanced plant and fungi cultivation technology along with various biotechnology and direct chemical synthesis, isolation, and purification systems to produce high-quality, medical-grade psychotropic compounds to sale to appropriately licenced research institutions, biopharmaceutical companies and other clients. Our clients, in turn, utilize our products for further research, development and potential commercialization as therapies for a range of conditions. As a result, the quality and sophistication of our manufacturing processes and extraction and purification techniques is critical to our ability to grow revenue, expand our operations and become profitable. In particular, our business depends, among other things, on:

- our ability to manufacture products at commercial scale and on the desired timeframes that are set out by our clients;
- our ability to execute on our strategy to enter into new arrangements with targeted clients and establish a robust sales pipeline for our products;

- our ability to increase awareness in the market of our manufacturing capabilities and the benefits of our products;
- the rate of adoption of our products by academic institutions, biopharmaceutical companies and others;
- if competitors develop a manufacturing capacity or techniques that enable commercialization at a higher rate than us;
- the timing and scope of approvals by Health Canada or the U.S. Food and Drug Administration, or FDA, or any other regulatory body for drugs that are developed by our clients using products supplied by us;
- negative publicity regarding the psychedelics industry or psychedelics-based medicines; and
- our ability to further validate our manufacturing capabilities and technology through research and accompanying publications.

There can be no assurance that we will successfully address any of these or other factors that may affect the market acceptance of our products and techniques. If we are unsuccessful in achieving and maintaining market acceptance of our platform, our business, financial condition, results of operations and prospects could be adversely affected.

We have issued promissory notes or other debt securities, and otherwise incurred substantial debt, which may adversely affect our financial condition and thus negatively impact the value of our shareholders' investment in us.

As of September 30, 2021, we had promissory notes issued to certain related-party lenders with an aggregate outstanding principal amount and accrued interest in the amount of $299,350 (which notes converted into an aggregate of 170,804 common shares in December 2021) and convertible promissory notes with an aggregate outstanding principal amount and accrued interest in the amount of $1,760,338. We have also entered into a credit facility pursuant to which we can borrow up to $5,114,385. As of September 30, 2021, no amounts had been borrowed under the credit facility.

Our outstanding indebtedness and any future indebtedness we may incur will result in increased fixed payment obligations. It could also result in certain restrictive covenants, such as limitations on our ability to incur additional debt, limitations on our ability to acquire or license intellectual property rights and other operating restrictions that could adversely impact our ability to conduct our business and may result in liens being placed on our assets and intellectual property. If we were to default on such indebtedness, we could lose such assets and intellectual property. The incurrence of debt could have a variety of other negative effects, including:

- default and foreclosure on our assets if our operating revenues are insufficient to repay our debt obligations;
- acceleration of our obligations to repay the indebtedness even if we make all principal and interest payments when due if we breach certain covenants that require the maintenance of certain financial ratios or reserves without a waiver or renegotiation of that covenant;
- our immediate payment of all principal and accrued interest, if any, if the debt security is payable on demand;
- our inability to obtain necessary additional financing if the debt security contains covenants restricting our ability to obtain such financing while the debt security is outstanding;
- our inability to pay dividends on our common shares;
- using a substantial portion of our cash flow to pay principal and interest on our debt, which will reduce the funds available for dividends on our ordinary shares if declared, expenses, capital expenditures, acquisitions and other general corporate purposes;
- limitations on our flexibility in planning for and reacting to changes in our business and in the industry in which we operate;
- increased vulnerability to adverse changes in general economic, industry and competitive conditions and adverse changes in government regulation; and

- limitations on our ability to borrow additional amounts for expenses, capital expenditures, acquisitions, debt service requirements, execution of our strategy and other purposes and other disadvantages compared to our competitors who have less debt.

In order to satisfy our current and future debt service obligations, we will be required to raise funds from external sources. We may be unable to arrange for additional financing to pay the amounts due under our existing debt. Funds from external sources may not be available on acceptable terms, if at all. Our failure to satisfy our current and future debt obligations could adversely affect our business, financial condition and results of operations.

Risks Related to our Business and the Psychedelics-Based Medicines Industry

The psychedelics industry and market are relatively new and the industry may not succeed in the long term.

We operate our business in a relatively new industry and market. The use of psychedelics for medicinal purposes has shown promise in various studies and we believe that both regulators and the public have an increasing awareness and acceptance of this promising field. Nevertheless, psychedelics remain a controlled substance in Canada, the United States and most other jurisdictions and their use for research and therapeutic purposes remains highly regulated and narrow in scope. There is no assurance that the industry and market will continue to grow as currently estimated or anticipated or function and evolve in the manner consistent with management's expectations and assumptions. Any event or circumstance that adversely affects the psychedelic manufacturing and medicines industry and market could have a material adverse effect on our business, financial condition and results of operations. We have committed and expect to continue committing significant resources and capital to develop our psychedelics manufacturing facilities, refine our product offerings and establish our contract research services program. As a category of products and services, medical-grade psychedelics raw materials and psychedelics-derived active pharmaceutical ingredients, or API, and research into such substances represent relatively untested offerings in the marketplace, and we cannot provide assurance that psychedelics as a category, or that our products and services in particular, will achieve market acceptance. Moreover, as a relatively new industry, there are not many established players in the psychedelic-based medicines industry whose business model we can emulate. Similarly, there is little information about comparable companies available for potential investors to review in making a decision about whether to invest in our common shares.

Our business plan depends on the occurrence of regulatory changes that may benefit the psychotropics-based medicines market and on determinations by U.S. and Canadian regulators that are favorable to our company, and there can be no assurance that such changes or determinations will occur.

The strict regulatory environment that governs our business activity has potential to severely limit our market opportunities both in Canada and the United States. Because the APIs and other products we plan to produce are restricted drugs on the Schedule to Part J of the Canadian Food and Drug Regulations, their sale in Canada will be authorized only for the purposes of clinical testing in an "institution" for the purpose of determining the hazards and efficacy of the drug, and for laboratory research in the institution by qualified investigators. Sale of our APIs in Canada for commercial purposes will be prohibited unless and until the substances we produce are removed from Part J of the Food and Drug Regulations. This regulatory change may never happen, or it may not happen in time for our business to benefit from the change. Under the Food and Drug Regulations, "institution" is defined as any institution engaged in research on drugs and includes a hospital, a university in Canada or a department or agency of the Canadian government. While we believe that Health Canada is likely to interpret this definition broadly to allow sales to private biopharmaceutical companies conducting research in this space, there remains a risk that Health Canada may take a more restrictive view of which facilities qualify as "institutions" under the law. A restrictive interpretation would limit our potential customers in Canada, even for clinical testing and laboratory research purposes. In the United States, where most of the substances we intend to produce are currently listed on Schedule I of the Controlled Substances Act, the DEA will only approve an import permit for our potential U.S. clients if U.S. domestic supply of the substance is found to be inadequate for scientific studies, or if competition among domestic manufacturers of the substance is inadequate for medical or scientific needs and will not be rendered adequate by the registration of additional U.S. domestic manufacturers. If U.S. manufacturers begin to produce the same APIs we produce, and the

DEA determines that U.S. domestic supply or competition is adequate, we may not be able to export to U.S. customers at all. Our ability to sell our products on a commercial scale in the United States also depends on the substances being rescheduled to a schedule that permits their use for commercial manufacture, as Schedule I substances can only be used for research purposes. Even if the substances we produce are rescheduled to Schedule II, however, their use will still entail significant restrictions that may severely limit our market potential in the United States. In order to sell our products in the United States, it is possible that we will have to establish a U.S. manufacturing facility, which would be costly and time-consuming. All of the above are unknown variables and contingencies that affect our ability to commercialize our products in Canada and the United States.

Unfavorable publicity or consumer perception of psychedelic-based medicine may have an adverse impact on our client base, which in turn would have an adverse impact on our business, financial condition and results of operations. Overcoming unfavorable publicity or consumer perception may entail extensive marketing efforts.

Our ability to establish and grow our business is substantially dependent on the success of the emerging market for psychedelics-based medicines, which will depend upon, among other matters, pronounced and rapidly changing public preferences, factors which are difficult to predict and over which we have little, if any, control. We and our clients will be highly dependent upon consumer perception of psychedelic-based therapies and other products.

Therapies containing controlled substances may generate public controversy. The public may associate such therapies and other products with illegal recreational drugs, which are prohibited or controlled substances that could be associated with risks to health, safety and are potentially addictive. Political and social pressures and adverse publicity could lead to delays in approval of, and increased expenses for, the therapeutic candidates our clients may develop. Opponents of these therapies may seek restrictions on marketing and withdrawal of any regulatory approvals. In addition, these opponents may seek to generate negative publicity in an effort to persuade the medical community to reject these therapies. Anti-psychedelic protests have historically occurred and may occur in the future and generate media coverage. Political pressures and adverse publicity could lead to delays in, and increased expenses for, and limit or restrict the introduction and marketing of, psychedelics-based therapeutic candidates.

It will likely require significant scientific evidence (including and possibly beyond that which our clients will have to produce in order to achieve regulatory approval) to change public perception and consumers' view that psychedelic-based therapies and other products are not harmful to physical or social health or are not addictive. Even if our products conform to international safety and quality standards, sales could be adversely affected if the public loses confidence in the safety, efficacy, and quality of psychedelics-based products, due to adverse events reported in clinical trials or otherwise. Negative public perceptions could cause the market for such products to shrink and may compel regulators to impose stringent requirements on the development of any such products. If such events were to occur, fewer academic institutions and biopharmaceutical companies may seek to conduct research, develop and commercialize such products.

The psychedelics market will face specific marketing challenges given the products' status as a controlled substance, which resulted in past and current public perception that the products have negative health and lifestyle effects and have the potential to cause physical and social harm due to psychoactive and potentially addictive effects. Any marketing efforts we or our clients may undertake would need to overcome this perception to build consumer confidence, brand recognition and goodwill. Consumer perception can be significantly influenced by scientific research or findings regarding the consumption of psychedelic inspired products. There can be no assurance that such research or findings will be favorable towards psychedelics-based products, or even if favorable, that such research or findings will be effective in convincing a sufficient portion of the population that psychedelics-based therapies are safe and effective. Conversely, adverse publicity about psychedelics-based therapies that we or our clients sell may discourage consumers from buying the therapies and other products that our clients may develop.

The expansion of the use of psychedelics and other psychotropics in the medical industry may require new clinical research into effective medical therapies.

Research regarding the potential medical benefits, viability, safety, efficacy, addictiveness, dosing and social acceptance of psychedelic and other psychotropic products remains in early stages. There have been relatively few clinical trials on the benefits of such products. Although we believe that the currently available studies support our beliefs regarding the medical benefits, viability, safety, efficacy, dosing and social acceptance of psychedelic and other psychotropic products, future research and clinical trials may prove such statements to be incorrect, or could

raise concerns regarding, and perceptions relating to, psychedelics-based raw material precursors and APIs. Given these risks, uncertainties and assumptions, potential investors should understand that the breadth of application of psychedelics-based medicines may not be as expansive as the existing research suggests. Future research studies and clinical trials may draw opposing conclusions to those stated in this prospectus or reach negative conclusions regarding the potential medical benefits, viability, safety, efficacy, dosing, social acceptance or other facts and perceptions related to psychedelic and other psychotropic products, which could have a material adverse effect on the demand for our products with the potential to lead to a material adverse effect on our business, financial condition and results of operations.

The sizes of the markets and forecasts of market growth for the demand of our products and services and for psychedelics-based medicines generally are based on a number of complex assumptions and estimates, and may be inaccurate.

We estimate annual total addressable markets and forecasts of market growth for our products and services and for the psychedelics-based therapies that our clients may develop. These estimates and forecasts are based on a number of complex assumptions, internal and third party estimates and other business data, including assumptions and estimates relating to our ability to establish our business as a critical supplier of manufacturing of medical-grade raw materials, API and finished drug products and pre-clinical research services within the psychedelics-based medicines space; regulatory developments surrounding the use of psychedelics for research and therapeutic purposes; and the public's acceptance of such therapies, if approved; and our clients' ability to develop, obtain regulatory approval for and successfully commercialize their product candidates. While we believe our assumptions and the data underlying our estimates and key performance indicators are reasonable, there are inherent challenges in measuring or forecasting such information. As a result, these assumptions and estimates may not be correct and the conditions supporting our assumptions or estimates may change at any time, thereby reducing the predictive accuracy of these underlying factors and indicators. As a result, our estimates of the annual total addressable market and our forecasts of market growth and future revenue from technology access fees, discovery research fees, milestone payments or royalties may prove to be incorrect, and our key business metrics may not reflect our actual performance. For example, if the annual total addressable market or the potential market growth for our psychedelics-based products is smaller than we have estimated or if regulatory developments are adverse to this category of therapies generally, it may impair our sales growth and have an adverse impact on our business, financial condition, results of operations and prospects.

Demand in the market for naturally derived psychedelics products may not materialize.

Initially, we intend to cultivate, extract and purify our psychedelics products, and our psilocybin API in particular, from naturally derived sources. We believe that this approach, which facilitates the potential "entourage effect" provided by the synergistic interaction of the various compounds within hallucinogenic plants, represents an advantage over the existing market for the manufacture of psychedelics-derived materials, which relies predominantly on the synthetic manufacture of these materials and refinement into isolated single molecules (e.g., psilocybin). However, we cannot provide assurances that the market for naturally derived psychedelics products will develop or that it will be as large as we anticipate. There are multiple risk involved with this market strategy, including: our competitor's synthetic manufacturing processes may prove more cost-effective and efficient or may produce more consistent yields; key market participants we might otherwise target as clients may already be more familiar and comfortable working with synthetically manufactured psychedelics products; regulatory developments may favor synthetically derived psychedelics products; and psychedelics-based medicines developed with naturally derived API or other materials may not provide the therapeutic benefits we anticipate. In the event that naturally derived psychedelics products do not achieve the traction in the research and development market that we anticipate, such developments may have an adverse impact on our business, financial condition and results of operations.

We believe that Canadian "safer supply programs" and Special Access Program will expand the market for our products within Canada. Such programs, however, may not be used for psychedelics products, may not provide the benefits we anticipate and may be terminated altogether.

The government of Canada has established two programs which we believe may expand the market for our psychedelics-based products and those of our clients. The Canadian government has created "safer supply programs," or SSPs, pursuant to which a regulated supply of certain drugs will be made available in order to combat the illegal drug supply and attendant risks of overdose and death. Additionally, Health Canada's Special Access Program for drugs, or SAP, enables drugs that are not marketed in Canada to be requested by practitioners for the treatment, diagnosis,

or prevention of serious or life-threatening conditions when conventional therapies have failed, are unsuitable, or unavailable. Special access by Canadian health practitioners to unauthorized drugs is for serious or life-threatening conditions where conventional therapies have failed, are unsuitable, or are unavailable either as marketed products, or through enrolment in clinical trials. We believe that we or our clients may be able to utilize these programs to provide psychedelics-based therapies to consumers who might otherwise face the risk of harm from the illegal drug supply or who would otherwise be unable to access potentially life-saving non-approved psychedelics-based therapies.

However, there can be no assurance that these programs continue or that they will provide the benefits that we anticipate. The SSPs are limited in scope and to date have focused on providing a safer supply of opioids and other drugs that present a severe risk of overdose and death. To our knowledge, the SSPs have not been used to prescribe medicinal psychedelics to consumers and may never be used for this purpose. With respect to the SAP, the regulatory authority supporting the program is discretionary. In addition, access to restricted drugs, such as psychedelics, through the SAP is prohibited. However, in December 2020, Health Canada, the body that administers the SAP, published its intention to reverse the regulatory prohibition that prevents special access for restricted drugs. If and when that prohibition is removed the authorities may still choose not to authorize psychedelics-based medicines through the program. A decision to authorize or deny a request is made on a case-by-case basis by taking into consideration the nature of the applicable medical emergency, the availability of marketed alternatives and the information provided in support of the request regarding the use, safety and efficacy of the drug. The SAP is not intended to be a mechanism for circumventing drug clinical development or the regulatory review of a submission for marketing. Access to any drug through the SAP is intended to be limited in duration and quantity to meet emergency needs only. In the event that a drug submission is under regulatory review, access will be limited until that review is complete and the drug is marketed. Accordingly, psychedelics-based medicines may not be authorized under the SAP, and even if they are, their availability under the program may be very limited, both in terms of the breadth and duration of access. Moreover, our clients will be under no obligation to sell an unauthorized drug through the SAP and Health Canada cannot compel a manufacturer to do so.

Additionally, the use of the programs described above entails risks. Drugs accessed through the SAP do not undergo the scrutiny of a benefit-risk assessment that is part of the regulatory framework for a new drug submission or a clinical trial application. These drugs are exempt from the Canadian Food and Drugs Act and its regulations. The decisions to authorize a drug through the SAP are based on a practitioner's rationale about the use of the drug for the medical emergency and how it would benefit their patient based on the patient's clinical history. Accordingly, an authorization through the SAP does not constitute an opinion that a drug is safe, efficacious or of high quality. To the extent that our clients have not completed the clinical development progress and they make drugs using our raw materials or API available through the SAP, we may directly or indirectly face a greater than average risk of product liability exposure.

To the extent that the SSPs or SAP do not provide the benefits to our business that we expect, such outcome may have a material adverse effect on our business, financial condition and results of operations.

The manufacture of our psychotropics-based products is complex. We may encounter various difficulties in production, which could delay or entirely halt our ability to supply raw materials or API for research or clinical trials or finished drug products for commercial sale.

The process of manufacturing API based on psychotropics materials is complex, highly regulated, and subject to multiple risks. As an organization, we have no experience in cultivating and refining psychedelics-based products, we have not yet manufactured any such products and we may be unsuccessful in our efforts to do so. We can make no assurances that our efforts will result in commercially viable products. Our manufacturing operations will be susceptible to product loss due to contamination, equipment failure, improper installation or operation of equipment, vendor or operator error, inconsistency in yields, variability in product characteristics and difficulties in scaling the production process. Even minor deviations from normal manufacturing processes could result in reduced production yields, product defects, other supply disruptions and higher costs. For example, if microbial, viral or other contaminations are discovered in our products or in the manufacturing facilities in which our products are cultivated, extracted and purified, our manufacturing facilities may need to be closed for an extended period of time to investigate and remedy the contamination.

In the event that one of our clients begins preparation for later-stage clinical trials and potential commercialization, we will need to take steps to increase the scale of production of our products. We have not yet scaled up the manufacturing process for any of our products. There are risks associated with process development and large-scale manufacturing for clinical trials or commercial scale including, among others, cost overruns, potential problems with process scale-up, process reproducibility, stability issues, compliance with current Good Manufacturing Practices, or cGMP, requirements, lot consistency and timely availability of raw materials. The manufacturing of commercial quality drug product has long lead times, is very expensive and requires significant efforts including, but not limited to, scale-up of production to anticipated commercial scale, process characterization and validation, analytical method validation, identification of critical process parameters and product quality attributes, and multiple process performance and validation runs. We may be unable to successfully increase the manufacturing capacity for any of our products in a timely or cost-effective manner, or at all. In addition, quality issues may arise during scale-up or commercial activities, including, for example, contaminations and crop failure.

Any performance failure on our part could delay our client's clinical development or receipt of marketing approval. If we cannot perform as agreed with our clients, our clients may be compelled to terminate our relationship. The loss of client relationships or harm to our reputation from such performance failures would have an adverse impact on our business, financial condition and results of operations.

We face multiple risks in establishing and growing our contract research services offerings and we may not be successful in achieving profitability with respect to this aspect of our business.

We intend to offer contract-based drug discovery and research services to academic institutions and biopharmaceutical companies in the psychedelics space. We believe that our management team and employees have the background and expertise necessary to engage in innovative research and collaborations with key players to bring new psychedelics-based solutions into development and use. However, as an organization, we have no experience in conducting research and development activities with respect to psychedelics-based products and we may be unsuccessful in our efforts to do so. We face multiple risks in our efforts to establish and grow this aspect of our business. The economic factors and industry trends that affect biopharmaceutical companies will also affect our contract research services business. Biopharmaceutical companies continue to seek long-term strategic collaborations with global clinical research organizations with favorable pricing terms. Competition for these collaborations is intense and we may decide to forego an opportunity or we may not be selected, in which case a competitor may enter into the collaboration and our business with the client, if any, may be limited. In addition, if the biopharmaceutical industry reduces its contract research services activities or reduces its outsourcing of research and development projects or such outsourcing fails to grow at projected rates, our operations and financial condition could be materially and adversely affected. We may also be negatively impacted by consolidation and other factors in the biopharmaceutical industry, which may slow decision making by our clients or result in the delay or cancellation of research and development activities. Our commercial services may be affected by reductions in new drug launches and increases in the number of drugs losing patent protection. All of these events could adversely affect our business, financial condition or results of operations.

We expect that most of the contracts we enter into with clients for our research services will be terminable by our clients upon a specified number of days' notice. Our clients may delay, terminate or reduce the scope of our contracts for a variety of reasons beyond our control, including but not limited to: lack of available financing, budgetary limits or changing priorities; actions by regulatory authorities; unexpected or undesired clinical results for products; shift of business to a competitor or internal resources; and product withdrawal following market launch. We also expect that most of our contacts will be either fee for service contracts or fixed-fee contracts. Our future financial results may be adversely impacted if we initially underprice our contracts or otherwise overrun our cost estimates and are unable to successfully negotiate a change order. Change orders typically occur when the scope of work we perform needs to be modified from that originally contemplated by our contract with the client. Modifications can occur, for example, when there is a change in a key assumption or parameter related to the research project or a significant change in timing. Where we are not successful in converting out-of-scope work into change orders under our current contracts, we bear the cost of the additional work. Such underpricing, significant cost overruns or delay in documentation of change orders could have a material adverse effect on our business, financial condition and results of operations.

Biopharmaceutical drug development is inherently uncertain. Even if we are able to sell our products and services to clients for research and development purposes, it is possible that our clients will not be successful in developing and obtaining regulatory approval for psychedelics-based medicines. If they are unable to do so, the market for our products and services will be limited.

We intend to cultivate, extract and purify medical-grade psilocybin and other psychedelics-based products and to offer them to appropriately licenced research institutions, biopharmaceutical companies and other parties who are engaged in discovery and development with respect to psychedelics-based medicines. These clients may include universities, large cap pharmaceutical companies, biotechnology companies of all sizes and non-profit and government organizations, and they may purchase our products in order to develop, obtain regulatory approval for and commercialize therapies for a range of conditions, including but not limited to major depressive disorder, post-traumatic stress disorder, substance addiction, and other conditions. While we believe that we will be able to obtain significant revenues from the sale of our products for research and development purposes, we estimate that the vast majority of the economic value of the relationships we aim to establish with these potential clients is in the downstream revenues that may result if they are successful in obtaining regulatory approval for and commercializing psychedelics-based medicines. As a result, our future growth is dependent on the ability of our potential clients to successfully develop and commercialize these therapies. Due to our reliance on the success of our client's development and commercialization efforts, the risks relating to product development, regulatory clearance, authorization or approval and commercialization apply to us derivatively through the activities of our clients. We are making significant investments in our manufacturing capabilities and developing our extraction and purification techniques because we believe in the vast potential of psychedelics-based medicines to treat a range of conditions. However, there can be no assurance that our clients will successfully develop, secure marketing approvals for and commercialize any drug candidates based on psychedelics. As a result, we may not realize the intended benefits of our investments in our business and may not be able to sell sufficient quantities of our products to achieve and maintain profitability. To date, we have not yet sold any products and only a limited number of psychedelics-based medicines have been approved by Health Canada and the FDA.

Due to the uncertain, time-consuming and costly clinical development and regulatory approval process, our clients may not successfully develop any drug candidates with the psychedelics-based materials or API that we provide, or our clients may choose to discontinue the development of these drug candidates for a variety of reasons. Our clients' ability to successfully develop psychedelics-based medicines will depend on many factors, including:

- their ability to raise required capital on acceptable terms, or at all;
- timely completion of their preclinical studies and clinical trials, which may be significantly slower or cost more than they anticipate;
- their ability to enroll subject to their clinical studies, particularly given the untested nature of the product space, or their ability to retain subjects who have enrolled in a clinical study;
- delays in developing and testing, or inability to develop and test, any clinical outcome assessments to the extent necessary for the FDA and equivalent foreign regulatory authorities to agree to their use as endpoints utilized in a clinical trial to support labeling claims;
- the prevalence, duration and severity of potential side effects or other safety issues experienced with their psychedelics-based product candidates, if any, or experienced by competitors who are developing psychedelics-based medicines or who are targeting the same indications in the mental health, addiction or central nervous system disease spaces;
- determinations by regulators regarding the potential for abuse of psychedelics-based medicines or products they contain;
- clinical trials of their product candidates may produce negative or inconclusive results, and they may decide, or regulators may require them, to conduct additional clinical trials or abandon drug development programs;

- our clients' ability to demonstrate to the satisfaction of Health Canada, the FDA or an equivalent regulatory authority that their psychedelics-based product candidates are safe and effective for the requested indications;
- the timely receipt of necessary marketing approvals from the FDA and equivalent foreign regulatory authorities;
- their ability to successfully develop an effective commercial strategy in the psychedelics-based medicines and thereafter commercialize our product candidates in the United States and internationally, if approved for marketing, reimbursement, sale and distribution in such countries and territories;
- acceptance by physicians, payors and patients of the benefits, safety and efficacy of their psychedelics-based product candidates, if approved;
- obtainment and maintenance of coverage, adequate pricing and adequate reimbursement from third-party payors, including government payors;
- their ability to establish and enforce intellectual property rights in and to their product candidates;
- any adverse impacts to the U.S. and global market for pharmaceutical products as a result of the COVID-19 pandemic; and
- business interruptions resulting from geo-political actions, including war and terrorism, natural disasters including earthquakes, typhoons, floods and fires, pandemics, or failures or significant downtime of our information technology systems resulting from cyber-attacks on such systems or otherwise.

The risk of failure for our clients' psychedelics-based product candidates is high. The risk of failure is substantial with respect to any biopharmaceutical development efforts, but risk may be exacerbated by the novel area in which we and our clients will work. Clinical development failure can occur at any stage of testing, and there are any number of events that could delay or prevent our clients' ability to receive regulatory approval for their product candidates utilizing our psychedelics-based raw materials, APIs or finished drug products. If our clients' products entail serious side effects, they could limit the dosing of such products, limit their frequency of use, limit the targeted patient population or abandon the development of such products altogether. Regulatory authorities could also require additional warnings in the product labeling. We and our clients could be sued and held liable for harm caused to clinical trial subjects or patients.

Even if our clients eventually complete clinical testing and receive approval from Health Canada, the FDA or other equivalent agencies for psychedelics-based medicines that utilize our products, the applicable regulatory agency may grant approval or other marketing authorization contingent on the performance of costly additional clinical trials, including post-market clinical trials. The applicable regulatory authority may also approve the psychedelics-based product for a more limited indication or a narrower patient population than our client originally requested. Any such determinations by the applicable regulatory authority would delay or limit our ability to sell commercial-scale quantities of our products. Additionally, even if approved, our clients will be subject to post-approval regulations, and any failure to remain in compliance with these regulations may impair their ability to commercialize the applicable product candidate, which will in turn materially diminish the market for our medical-grade psychedelics materials and APIs.

We and our clients are also subject to industry-wide regulatory risk. The number of new drug applications, or NDAs, and biologics licence applications, or BLAs, approved by Health Canada, the FDA and other equivalent agencies varies significantly over time and if there were to be an extended reduction in the number of NDAs and BLAs approved, the industry would contract and our business would be materially harmed. These regulatory agencies could also take an adverse position to the use of psychedelics-based therapies as a category, in which case our clients' regulatory pathway could narrow and our ability to commercialize our psychedelics-based raw materials, APIs and finished drug products could decline.

Our client's failure to effectively advance, market and sell suitable drug candidates with the psychedelics-based raw materials, APIs and finished drug products we provide could have a material adverse effect on our business, financial condition, results of operations and prospects, and cause the market price of our common shares to decline.

We face substantial competition, which may result in others commercializing psychedelics-based products and services before or more successfully than we do, thus rendering our products and services non-competitive, obsolete or reducing the size of our market. Our customers will also face significant competition from other developers of psychedelics-based medicines and from companies pursing alternative treatments for the same indications.

The psychedelics-based product manufacturing and contract research business is an emerging industry with increasing levels of competition. We believe that, due to the urgent need for new and innovative treatments for mental health conditions and the evidence-based studies showing the impact of psychedelics as a treatment for mental health conditions, there is significant potential that psychedelics as a treatment for these conditions will become more accepted in the medical community. As such, we expect to compete with other similar businesses who will are or will begin to supply medical-grade psychedelic raw materials, APIs and finished drug products and/or contract research services to clients such as universities and biopharmaceutical companies to formulate a wide range of products. We expect to face intense competition from new or existing market participants, some of which may have greater financial resources. Increased competition by larger and better financed competitors could materially and adversely affect our business, financial condition and results of operations.

We are aware of a number of companies actively pursuing the development and contract manufacturing of psychedelics-based products and the provision of contract research services in the psychedelics space. For example, Numinus Wellness Inc. is a Canada-based health care company focused on creating wellness solutions centered on psychedelic therapies. Numinus is licenced in Canada to test, possess, buy and sell methylenedioxymethamphetamine, or MDMA, psilocybin, psilocin, dimethyltryptamine, or DMT, and mescaline. Additionally, HAVN Life Sciences Inc. is a Canadian biotechnology company pursuing standardized extraction of psychoactive compounds, the development of natural health care products and mental-health treatments. These companies have greater experience than we do in the psychedelics manufacturing and research services industries and as organizations they are more advanced in establishing and growing their businesses than we are. There can be no assurance that our competitors are not currently developing, or will not in the future develop, products that are equally or more economically attractive as our products. The emergence and licensing of additional U.S.-domiciled manufacturers of psychedelics-based raw ingredients or APIs may decrease our clients' ability to obtain import permits to import our raw ingredients or APIs. The success of our competitors and their products and technologies relative to our technological capabilities and competitiveness, and the increase in the U.S. domestic supply of psychedelics-based raw materials or APIs, could have a material adverse effect on our business, financial condition and results of operations.

Many other companies are developing or commercializing therapies to treat the same diseases or indications for which our products may be useful. As a result, our clients will face significant competition in their efforts to develop, obtain regulatory approval for and commercialize psychedelics-based therapies. This competition will take the form of other companies pursuing similar psychedelics-based therapies, as well as from other biopharmaceutical companies pursuing therapies for the same indications using alternative, more established approaches. For example, we believe that psychedelics-based medicines may be effective in treating major depressive disorders. There are a number of companies that currently market and sell products or therapies, or are pursuing the development of products or therapies, for the treatment of depression, including antidepressants such as selective serotonin reuptake inhibitors and serotonergic norepinephrine reuptake inhibitors, antipsychotics, cognitive behavioral therapy, or CBT, repeat transcranial magnetic stimulation, or rTMS, electroconvulsive therapy, or ECT, vagus nerve stimulation, or VNS, and deep brain stimulation, or DBS, among others. Many of these pharmaceutical, biopharmaceutical and biotechnology competitors have established markets for their therapies and have substantially greater financial, technical, human and other resources than our clients do and may be better equipped than our clients to develop, manufacture and market superior products or therapies. In addition, many of these competitors have significantly greater experience than our clients may have in undertaking preclinical studies and human clinical trials of new therapeutic substances and in obtaining regulatory approvals of human therapeutic products. Accordingly, competitors to our clients may develop therapies that are more effective, more convenient, more widely used and less costly or have a better safety profile than our clients' therapies and these competitors may also be more successful than our clients are in marketing their therapies.

The biotechnology and pharmaceutical industries are intensely competitive and subject to rapid and significant technological change. We expect that our and our client's competitors will include large, well-established pharmaceutical companies, natural health products companies, biotechnology companies, and academic and research institutions. Many of these competitors may have greater name recognition and more extensive collaborative relationships than

we or our clients have. Smaller and earlier-stage companies may also prove to be significant competitors to us and/or our clients, particularly through collaborative arrangements with large, established companies. Our competitors also compete with us in recruiting and retaining qualified scientific, management and commercial personnel. If we are unable to compete effectively in the contract manufacturing and services space against other companies providing such psychedelics-based products and services, or if our clients are unable to complete effectively against other companies pursuing psychedelics-based medicines or other approaches to the treatment of the same indications as our clients, then such failures would be likely to have a material impact on our business, financial condition and results of operations.

We face competition from unlicensed, unregulated participants.

Despite Canadian federal and state-level legalization of psychedelics for research purposes and the potential distribution of psychedelics through programs such as the SSPs and SAP, illicit or "black-market" operations remain abundant and may present substantial competition to us and our clients. In particular, illicit operations, despite being largely clandestine, are not required to comply with the extensive regulations that we and our clients must comply with to conduct business, and accordingly may have significantly lower costs of operation. As a result, we and our clients face competition from black market sources of psychedelics and psychedelics-based products, which are unlicensed and unregulated, and which may sell products that are deemed more desirable than ours or our clients' by certain consumers, including products with higher concentrations of active ingredients or using delivery methods that we and our clients are not permitted to use. Any inability or unwillingness of law enforcement authorities to enforce existing laws prohibiting the unlicensed cultivation and sale of psychedelics and psychedelics-based products could result in the perpetuation of the black market for psychedelics and/or have a material, adverse effect on the perception of psychedelics use. Any or all these events could have a material, adverse effect on our business, financial condition and results of operations.

Our employees, independent contractors and consultants may engage in misconduct or other improper activities, including noncompliance with regulatory standards and requirements, which could have a material adverse effect on our business.

We are exposed to the risk that our employees, independent contractors and consultants may engage in fraudulent or other illegal activity or misconduct. Misconduct by these parties could include intentional, reckless and/or negligent conduct or disclosure of unauthorized activities that violate, among other things: (i) the terms and conditions of our Dealer's Licence issued under Part J of the Food and Drug Regulations; (ii) other government regulations; (iii) manufacturing standards; (iv) federal and provincial healthcare laws and regulations; or (v) laws that require the true, complete and accurate reporting of financial information or data. In particular, sales, marketing and business arrangements in the healthcare industry are subject to extensive laws and regulations intended to prevent fraud, kickbacks, self-dealing, and other abusive practices. Employee misconduct could also involve the improper use of information obtained in the course of our business, which could result in regulatory sanctions and serious harm to our reputation. If any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, those actions could have a substantial impact on our business and results of operations, including the imposition of substantial fines or other sanctions. We believe that the risk of employee misconduct is heightened given that our operations will involve the cultivation or manufacture of psychedelics substantives, including initially the cultivation of psychedelic mushrooms and products derived therefrom.

It is not always possible for us to identify and deter misconduct by our employees and other associated persons, and the precautions taken by us to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. Additionally, we are subject to the risk that a person could allege fraud or other misconduct by our employees and other associated persons, even if none occurred. If actions by regulatory authorities are instituted against us with respect to fraud, kickbacks or other illegal practices, and we are not successful in defending ourselves or asserting our rights, those actions could have a significant impact on our business, including loss our of Dealer's Licence, the imposition of civil, criminal and administrative penalties, damages, monetary fines, contractual damages, reputational harm, diminished profits and future earnings, and curtailment of our operations, any of which could have a material adverse effect on our business, financial condition and results of operations.

If our operating facility becomes damaged or inoperable or we are required to vacate our facility, our ability to conduct and pursue our research and development efforts may be jeopardized.

We expect to derive the majority of our revenue based upon production of psychedelics-based compounds, formulations and raw precursor materials, scientific and engineering research and development and testing conducted at a single facility located outside of Victoria, British Columbia. Our facility and equipment could be harmed or rendered inoperable or inaccessible by natural or man-made disasters or other circumstances beyond our control, including fire, earthquake, power loss, communications failure, war or terrorism, or another catastrophic event, such as a pandemic or similar outbreak or public health crisis, which may render it difficult or impossible for us to support our clients and conduct our manufacturing operations for some period of time. The inability to address system issues could develop if our facility is inoperable or suffers a loss of utilization for even a short period of time, may result in the loss of clients or harm to our reputation, and we may be unable to regain those clients or repair our reputation in the future. Furthermore, our facility and the equipment we use to perform our cultivation, research and development work could be unavailable or costly and time-consuming to repair or replace. It would be difficult, time-consuming and expensive to rebuild our facility, to locate and qualify a new facility or license or transfer our proprietary technology to a third party. Even in the event we are able to find a third party to assist in cultivation, research and development efforts, we may be unable to negotiate commercially reasonable terms to engage with the third party. We carry insurance for damage to our property and the disruption of our business, but this insurance may not cover all of the risks associated with damage or disruption to our business, may not provide coverage in amounts sufficient to cover our potential losses and may not continue to be available to us on acceptable terms, if at all.

We and our clients may face risks due to the ongoing COVID-19 pandemic.

In December 2019, a novel coronavirus, SARS-CoV-2, causing a respiratory disease known as COVID-19, emerged in Wuhan, China. On January 30, 2020, the World Health Organization declared the outbreak a global health emergency, and on March 11, 2020, the spread of COVID-19 was declared a pandemic by the World Health Organization. The pandemic has caused companies and various international jurisdictions to impose restrictions such as quarantines, business closures and travel restrictions. While these effects are expected to be temporary and the administration of effective vaccines has shown progress in some areas in significantly lowering the number of active infections, the duration of the business disruptions internationally and related financial impact cannot be reasonably estimated at this time. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration 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 our business. However, depending on the length and severity of the pandemic, COVID-19 could impact our operations, could cause delays in our efforts to scale up our contract manufacturing and research offerings, could postpone certain marketing activities, and could impair our ability to raise funds.

We have requested that most of our employees, including all of our administrative employees, work remotely and have restricted on-site staff to only those personnel who must perform essential on-site activities such as activities in our cultivation areas and research and development laboratories. Our increased reliance on employees working from home may negatively impact productivity, or disrupt, delay, or otherwise adversely impact our business. In addition, this could increase our cybersecurity risk, create data accessibility concerns, and make us more susceptible to communication disruptions, any of which could adversely impact our business operations or delay necessary interactions with local and federal regulators, ethics committees and other important agencies and contractors.

Our clients may face disruptions resulting from the COVID-19 pandemic that could adversely impact their business and operations, including, among other things, their ability to initiate and complete preclinical studies or clinical trials; their ability to procure items that are essential for their research and development activities, such as, for example, laboratory supplies for their preclinical studies and planned clinical trials, or animals that are used for preclinical testing; availability of clinical trial study personnel and site access; and their ability to successfully commercialize our product candidates, if approved. With respect to our clients' clinical trial activities, the COVID-19 pandemic may result in the interruption or modification of clinical trial subject visits and study procedures, as well as confounding of efficacy assessments or missing data as a result of direct patient infection, which may impact the integrity or acceptance by the Health Canada, the FDA or other regulatory authorities of subject data, clinical study endpoints, and overall study interpretability. Any such disruptions faced by our clients would be likely to have an adverse impact on our business, financial condition and results of operations.

We cannot be certain what the overall impact of the COVID-19 pandemic will be on our business, and it has the potential to materially and adversely affect our business, financial condition, results of operations and prospects. To the extent the COVID-19 pandemic adversely affects our business, financial condition and results of operations, it may also have the effect of heightening many of the other risks described in this "Risk Factors" section.

Our business could expose us to potential product liability and other liability risks.

We do not currently carry any product liability insurance coverage, and may not be able to qualify for such types of insurance due to the early stage of development of the psychedelics industry. Our business could expose us to potential product liability, recalls and other liability risks that are inherent in the sale of pharmaceutical materials and finished products. We can provide no assurance that such potential claims will not be asserted against us. A successful liability claim or series of claims brought against us could have a material adverse effect on our business, financial condition and results of operations. If we decide to obtain product liability insurance, we cannot provide any assurances that we will be able to obtain or maintain adequate product liability insurance of on acceptable terms, if at all, or that such insurance will provide adequate coverage against potential liabilities. Claims or losses in excess of any product liability cover that may be obtained by us could have a material adverse effect on our business, financial condition and results of operations.

In addition, manufacturers and distributors of pharmaceutical products are sometimes subject to the recall or return of their products for a variety of reasons, including product defects, such as contamination, unintended harmful side effects or interactions with other substances, packaging safety and inadequate or inaccurate labeling disclosure. If any of our products are recalled due to an alleged product defect or for any other reason, we could be required to incur the unexpected expense of the recall and any legal proceedings that might arise in connection with the recall. We may lose a significant amount of sales and may not be able to replace those sales at an acceptable margin or at all. In addition, product recall may require significant management attention. Although we will implement detailed procedures for testing our products, there can be no assurance that any quality, potency or contamination problems will be detected in time to avoid unforeseen product recalls, regulatory action or lawsuits. A recall for any of the foregoing reasons could lead to decreased demand for our products and could have a material adverse effect on the results of operations and financial condition of our business. Additionally, product recalls may lead to increased scrutiny of our operations by regulatory agencies, requiring further management attention and potential legal fees and other expenses.

We may expend our limited resources to pursue a particular product and fail to capitalize on products that may be more profitable or for which there is a greater likelihood of success.

Because we have limited financial and managerial resources, we will be compelled to focus our initial cultivation, research and development efforts on a limited number of psychedelics-based products and research projects for our clients who are developing psychedelics-based medicines. As a result, we may forego or delay pursuit of opportunities with other products or contract research offerings that later prove to have greater commercial potential. Our resource allocation decisions may cause us to fail to capitalize on viable commercial products or services or profitable market opportunities. Our spending on current and future manufacturing and contract research efforts may not yield any commercially viable products or services. If we do not accurately evaluate the commercial potential or target market for a particular product or service offering, we may relinquish valuable rights to related technology or intellectual property through collaboration, licensing or other royalty arrangements in cases in which it would have been more advantageous for us to retain sole rights to such product or service. Failure to allocate resources or capitalize on strategies in a successful manner will have an adverse impact on our business.

We may choose not to continue developing or commercializing any of our product candidates at any time during development or after commercialization, which would reduce or eliminate our potential return on investment for those product candidates.

At any time, we may decide to discontinue the development or commercialization of any of our products or product candidates for a variety of reasons, including the appearance of new technologies that render our product obsolete, competition from a competing product or changes in or inability to comply with applicable regulatory requirements. If we terminate a program in which we have invested significant resources, we will not receive any return on our investment and we will have missed the opportunity to allocate those resources to potentially more productive uses.

Risks Related to Government Regulation

The business to be conducted by us and our clients will be subject to extensive governmental regulation, and our or our clients' inability to comply with these regulations, which are complex and relate to various jurisdictions and areas of law, would result in significant adverse consequences to our business.

Various Canadian and U.S. federal, state, provincial and local laws govern our business in the jurisdictions in which we operate or currently plan to operate, and to which we export or currently plan to export our products, including laws relating to health and safety, the conduct of our operations, and the production, storage, sale and distribution of our products. Complying with these laws requires that we and our clients comply concurrently with complex federal, state, foreign, provincial and/or local laws. These laws change frequently and may be difficult to interpret and apply. To ensure our compliance with these laws, we will need to invest significant financial and managerial resources. It is impossible for us to predict the cost of such laws or the effect they may have on our future operations. A failure to comply with these laws could negatively affect our business and harm our reputation. Changes to these laws could negatively affect our competitive position and the markets in which we operate, and there is no assurance that various levels of government in the jurisdictions in which we operate will not pass legislation or regulation that adversely impacts our business.

In addition, even if we or third parties were to conduct activities in compliance with Canadian laws, U.S. federal, state or local laws or the laws of other countries and regions in which we conduct activities, certain violations of those laws may lead to enforcement proceedings that could involve significant restrictions or criminal or civil penalties being imposed upon us or third parties, while diverting the attention of key executives. Such proceedings could have a material adverse effect on our business, revenue, operating results and financial condition as well as on our reputation and prospects, even if such proceedings conclude successfully in our favor. In the extreme case, such proceedings could ultimately involve the criminal prosecution of our key executives, the seizure of corporate assets, and consequently, our inability to continue business operations. Any such proceedings brought against us may adversely affect our operations and financial performance.

The psychedelic drug industry is a fairly new industry and we cannot predict the impact of the ever-evolving compliance regime in respect of this industry. Similarly, we cannot predict the time required to secure all appropriate regulatory approvals for future products, or the extent of testing and documentation that may, from time to time, be required by governmental authorities. The impact of compliance regimes, any delays in obtaining, or failure to obtain regulatory approvals as needed may significantly delay or impact the development of markets, its business and products, and sales initiatives and could have a material adverse effect on our business, financial condition and results of operations.

Our products and services, and the product candidates and approved products developed and marketed by our clients, will be subject to controlled substance laws and regulations in the territories in which the product or service will be manufactured, developed, tested and marketed, and failure to comply with these laws and regulations, or the cost of compliance with these laws and regulations, may adversely affect the results of our business operations, both during clinical development and post approval, and our financial condition.

In Canada, certain psychotropic drugs, including lysergic acid diethylamide, or LSD, MDMA, DMT and psilocybin, are regulated under the Controlled Drugs and Substances Act, or CDSA. The CDSA classifies regulated drug substances into five schedules, with Schedule I containing the highest risk substances. Certain psychedelic substances, including psilocybin, psilocin, mescaline and DMT, are classified as Schedule III drugs. The CDSA prohibits the possession of a Schedule III drug absent authorization under the CDSA or a related regulation (either via a license or an authorized exemption). Health Canada has not approved psilocybin as a drug for any indication and it is illegal to possess Schedule III substances without a prescription. Under Section 56(1) of the CDSA, the Minister of Health has the ability to grant exemptions to these restrictions if the Minister deems them necessary for a medical or scientific purpose, or otherwise in the public interest. It is not clear exactly how and when the Section 56(1) exemption may be granted for psychedelics. To date, a limited number of Section 56 exemptions for psilocybin access or research have been granted in Canada. Further, a Dealer's Licence for psychedelic drugs can be obtained from Health Canada under Part J of the Food and Drug Regulations allowing for the possession, processing, sending, sale, transportation and delivery of products containing a controlled substance such as psilocybin. Only a very limited number of Dealer's Licences for psychedelics have been granted in Canada.

In the United States, these substances are classified under the Controlled Substances Act (21 U.S.C. § 811), or the CSA, and the Controlled Substances Import and Export Act, or the CSIEA, and as such, medical and recreational use is illegal under the U.S. federal laws. Under the CSA, the Drug Enforcement Agency, or DEA, regulates chemical compounds with a potential for abuse as Schedule I, II, III, IV or V substances. Schedule I substances by definition have a high potential for abuse, have no currently "accepted medical use" in the United States, lack accepted safety for use under medical supervision, and may not be prescribed, marketed or sold in the United States. Pharmaceutical products approved for use in the United States may be listed as Schedule II, III, IV or V, with Schedule II substances considered to present the highest potential for abuse or dependence and Schedule V substances the lowest relative risk of abuse among such substances. Schedule I and II drugs are subject to the strictest controls under the CSA, including manufacturing and procurement quotas, security requirements and criteria for importation. In addition, dispensing of Schedule II drugs is further restricted. For example, they may not be refilled without a new prescription and may have a black box warning. Most, if not all, state laws in the United States classify psilocybin, LSD, MDMA and DMT and as Schedule I controlled substances. For any product containing any of these substances to be available for commercial marketing in the United States, the applicable substance must be rescheduled, or the product itself must be scheduled, by the DEA to Schedule II, III, IV or V. Commercial marketing in the United States will also require scheduling-related legislative or administrative action.

Scheduling determinations by the DEA are dependent on FDA approval of a substance or a specific formulation of a substance for medical use. Therefore, while psilocybin and the other psychedelic substances we may cultivate and manufacture are Schedule I controlled substances, products developed by our clients that are approved by the FDA for medical use in the United States that contain psilocybin or another such substance must be placed in Schedules II-V prior to commercialization, since approval by the FDA satisfies the "accepted medical use" requirement. If and when a product candidate developed by one of our clients receives FDA approval, the DEA will make a scheduling determination and place it in a schedule other than Schedule I in order for it to be prescribed to patients in the United States. This scheduling determination will be dependent on FDA approval and the FDA's recommendation as to the appropriate schedule. During the review process, and prior to approval, the FDA may determine that it requires additional data, either from non-clinical or clinical studies, including with respect to whether, or to what extent, the substance has abuse potential. This may introduce a delay into the approval and any potential rescheduling process. This scheduling determination will require the DEA to conduct notice and comment rule making including issuing an interim final rule. Such action will be subject to public comment and requests for hearing which could affect the scheduling of these substances. There can be no assurance that the DEA will make a favorable scheduling decision. Even assuming categorization as a Schedule II or lower controlled substance (i.e., Schedule III, IV or V), at the federal level, such substances would also require scheduling determinations under state laws and regulations. Even assuming that the applicable therapeutic candidate approved and scheduled by regulatory authorities to allow their commercial marketing, the APIs in such therapeutic candidates would likely continue to be Schedule I, or the state or foreign equivalent.

The laws and regulations generally applicable to controlled substances may change in ways currently unforeseen. Any amendment to or replacement of existing laws or regulations, including the classification or re-classification of the substances we are developing or working with, which are matters beyond our control, may cause our business, financial condition, results of operations and prospects to be adversely affected or may cause us to incur significant costs in complying with such changes or it may be unable to comply therewith.

Even if therapies containing psychedelics substances receive scheduling determinations that allow them to be approved and commercialized, our raw materials and APIs and the finished products into which they are incorporated will remain subject to extensive regulation as controlled substances.

Controlled substances are subject to Health Canada and DEA regulations relating to manufacturing, storage, distribution and physician prescription procedures, which regulations may be applicable to us or our clients. Moreover, even if the finished dosage form of a psychedelics-based medicine developed by one of our clients is approved by the FDA, and if such product is listed by the DEA as a Schedule II, III, or IV controlled substance, its manufacture, importation, exportation, domestic distribution, storage, sale and legitimate use will continue to be subject to a significant degree of regulation by the DEA. The regulations that are relevant to our and our clients' efforts to research, develop, obtain approval for an commercialize psychedelics-based therapies in the United States include the following:

- ***DEA registration and inspection of facilities.*** Facilities conducting research, manufacturing, distributing, importing or exporting, or dispensing controlled substances must be registered (licenced) to perform these activities and have the security, control, recordkeeping, reporting and inventory mechanisms required by

the DEA to prevent drug loss and diversion. All these facilities must renew their registrations annually, except dispensing facilities, which must be renewed every three years. The registration process involves a written application and a field inspection by the DEA. The DEA conducts periodic inspections of certain registered establishments that handle controlled substances. Our and our client's obtaining and maintaining the necessary registrations may result in delay of the importation, manufacturing or distribution of the applicable raw materials, API or finished drug product. Furthermore, failure to maintain compliance with the CSA, particularly noncompliance resulting in loss or diversion by us or our clients, can result in regulatory action that could have a material adverse effect on our business, financial condition and results of operations. The DEA may seek civil penalties, refuse to renew necessary registrations, or initiate proceedings to restrict, suspend or revoke those registrations. In certain circumstances, violations could lead to criminal proceedings.

- ***State-controlled substances laws.*** Individual U.S. states have also established controlled substance laws and regulations. Though state-controlled substances laws often mirror federal law, because the states are separate jurisdictions, they may separately schedule a controlled substance or product containing a controlled substance. While some states automatically schedule a drug based on federal action, other states schedule drugs through rule making or a legislative action. State scheduling may delay commercial sale of any product for which we obtain federal regulatory approval and adverse scheduling could have a material adverse effect on the commercial attractiveness of such product. We or our clients must also obtain separate state registrations, permits or licences in order to be able to obtain, handle, and distribute controlled substances for clinical trials or commercial sale, and failure to meet applicable regulatory requirements could lead to enforcement and sanctions by the states in addition to those from the DEA or otherwise arising under federal law.

- ***Clinical trials.*** To the extent an investigational therapy contains a controlled substance, to conduct clinical trials in the United States prior to approval, each of our clients' research sites must submit a research protocol to the DEA and obtain and maintain a DEA researcher registration that will allow those sites to handle and dispense the controlled substance and to obtain the product from us. The DEA submits research protocols to the FDA for review and approval. The FDA may ask a research registrant to modify its research protocols in order to obtain registration. If the DEA delays or denies the grant of a researcher registration to one or more research sites, or if the FDA delays, denies or requests modifications to the research protocol, the clinical trial could be significantly delayed, and our clients could lose clinical trial sites.

- ***Importation.*** The DEA requires authorized registrants to obtain an import permit in order to import any substances on Schedules I and II for analytic, research, or commercial purposes. The failure by our clients to obtain the necessary import authority, including specific quantities, could have a material adverse effect on our business, results of operations and financial condition. In addition, an application for a Schedule I or II importer registration must be published in the Federal Register, and there is a waiting period for third-party comments to be submitted. It is possible that adverse comments may delay the grant of an importer registration. Our clients will not be allowed to import the drug for commercial purposes unless the DEA determines that there is inadequate domestic competition among domestic manufacturers for the substance as defined by the DEA. Moreover, the DEA has never permitted Schedule I controlled substances, including psilocybin and psilocin, to be imported for commercial purposes, only for scientific and research needs. If, by the time a drug that incorporates psychedelic substances is approved for commercial marketing in the United States, sufficient domestic manufacturers for the raw material exist, our clients may not be authorized to import our APIs for conversion into therapeutic products for commercial purposes.

- ***Manufacture in the United States.*** If, because of a Schedule II-V classification or voluntarily, we were to conduct manufacturing or repackaging/relabeling in the United States, we would be subject to the DEA's annual manufacturing and procurement quota requirements. Manufacturers that seek to manufacture Schedule I or II controlled substances in bulk, and manufacturers that wish to convert bulk Schedule I or II controlled substances into dosage form or other substances are required to comply with individually-allotted manufacturing and procurement quotas. Additionally, regardless of the scheduling of a finished, approved therapeutic product, if the API used in the final dosage form is a Schedule I or II controlled substance, it would be subject to such quotas as the API could remain listed on Schedule I or II. Although the DEA increased the United States' overall annual production quotas for certain psychedelic substances in 2021 and has proposed increased national quotas for 2022, annual quotas allocated for our clients

for the API in a particular therapeutic product may not be sufficient to complete clinical trials or meet commercial demand. Consequently, any delay or refusal by the DEA in establishing or increasing our clients' procurement and/or production quotas for controlled substances could delay or stop our client's clinical trials or product launches, which could have a material adverse effect on our business, financial position and results of operations.

- ***Distribution in the United States.*** If a particular approved therapy is scheduled as Schedule II, III, IV or V, our clients would also need to identify wholesale distributors with the appropriate DEA registrations and authority to distribute the approved therapy. These distributors would need to obtain Schedule II, III, IV or V distribution registrations. This limitation in the ability to distribute an approved therapy more broadly may limit commercial uptake and could negatively impact our client's prospects. The failure to obtain, or delay in obtaining, or the loss of any of those registrations could result in increased costs to us. In addition, if an approved therapy is determined to have a high potential for abuse, it could be required to be administered at clinical trial sites, which could limit commercial uptake. Furthermore, state and federal enforcement actions, regulatory requirements, and legislation intended to reduce prescription drug abuse, such as the requirement that physicians consult a state prescription drug monitoring program, may make physicians less willing to prescribe, and pharmacies to dispense, Schedule II-V products.

Violations of any federal, state or foreign laws and regulations could result in significant fines, penalties, administrative sanctions, convictions or settlements arising from civil proceedings conducted by either the federal government or private citizens, or criminal charges and penalties, including, but not limited to, disgorgement of profits, cessation of business activities, divestiture, or prison time. This could have a material adverse effect on us, including by impacting our or our clients' reputation and ability to conduct business. Any such impact could in turn adversely affect our financial position, operating results, profitability or liquidity or the market price of our common shares. In addition, it is difficult for us to estimate the time or resources that would be needed for the investigation or defense of any such matters or our final resolution because, in part, the time and resources that may be needed are dependent on the nature and extent of any information requested by the applicable authorities involved, and such time or resources could be substantial. It is also illegal to aid or abet such activities or to conspire or attempt to engage in such activities. An investor's contribution to and involvement in such activities may result in federal civil and/or criminal prosecution, including, but not limited to, forfeiture of his, her or its entire investment, fines and/or imprisonment.

Our operations require that we receive and maintain licensing from Health Canada.

To legally possess and conduct anticipated activities with controlled substances in Canada, entities must first obtain a controlled substances Dealer's Licence. A Dealer's Licence authorizes the holder to possess controlled substances and to conduct activities specified by the licence, such as production, packaging, sale, sending, transportation, delivery, laboratory analysis, research and development, clinical studies, import/export or distribution. Licence holders are responsible for compliance with licence specification, the CDSA and its regulations, as well as compliance with other applicable federal, provincial, and territorial legislation and municipal by-laws. The issued licence dictates activities, conditions, and restrictions for the licence holder depending on licence permissions, and the licence holder must strictly adhere to these parameters.

A party can apply for a Dealer's Licence under the Food and Drug Regulations (Part J). In order to qualify as a licenced dealer, a party must meet all regulatory requirements mandated by the regulations including having compliant facilities and security requirements, compliant materials and staff that meet the qualifications under the regulations of a senior person in charge and a qualified person in charge. Assuming compliance with all relevant laws (e.g., the CDSA, Food and Drug Regulations) and subject to any restrictions placed on the licence by Health Canada, an entity with a Dealer's Licence may produce, assemble, sell, provide, transport, send, deliver, import or export a restricted drug (as listed in Part J in the Food and Drug Regulations), including, for example, psilocybin and psilocin.

There may be further changes and amendments to the CDSA and the regulations regarding the issuance of Dealer Licences and the current regulatory landscape may be subject to change at any time. We can provide no assurance that we will maintain a Dealer's Licence, that it will permit us to undertake all of the activities necessary to sell our products and become profitable, or that it will not be revoked.

Licensing programs relating to controlled substances are strict and penalties for contravention of these laws 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 we operate, or private citizens or criminal charges. The loss of these necessary licenses and permits would have a materially adverse effect on our business, financial condition and results of operations.

Our potential clients in the United States must register with the DEA in order to import, conduct research and develop new drugs using Schedule I or II controlled substances.

The cultivation, manufacture, distribution and possession of U.S. Schedule I or II controlled substances violates federal law in the United States unless a U.S. federal agency, such as the DEA, grants a registration for a specific use, such as import and/or research, of a specific controlled substance. Significant regulatory disclosure, oversight, and reporting are required to possess these substances, both to test and conduct preclinical and clinical trials and to develop and sell products whose active ingredients contain a controlled substance. U.S. manufacturers of Schedule I or II controlled substances must apply for the issuance of procurement quotas in order to convert bulk substances on Schedule I or II into finished dosage forms or other substances. The procurement quota establishes the maximum amount of a Schedule I or II substance that a facility may procure in a given year, and that quota cannot be exceeded without an amendment to the quota from the DEA. Accordingly, any U.S. manufacturers to which we sell our psychedelics-based raw materials or API, and who wish to convert these into finished dosage form or other substances, must obtain and remain in compliance with these registration and quota requirements. These requirements may sharply limit the available market in the United States for our products. If the U.S. market is smaller than we anticipate, or if U.S. regulators determine to grant fewer registrations, impose more stringent requirements on existing registrants, or limit procurement quotas for the controlled substances we manufacture, these events could have a material and adverse impact on our business, financial condition and results of operations.

The registration of additional United States-based manufacturers of the raw materials or APIs we create may hinder our ability to sell into the United States.

The United States has a policy of prioritizing U.S. domestically-manufactured scheduled substances over foreign ones. The DEA establishes an aggregate production quota for Schedule I or II controlled substances based on the amount of Schedule I or II controlled substances necessary to be manufactured in or imported into the United States in a given year to provide for the estimated medical, scientific, research and industrial needs of the United States, for lawful export requirements, and for the establishment and maintenance of reserve stocks. Individual manufacturing quotas are issued to registered manufacturers who wish to manufacture a quantity of specific Schedule I or II controlled substances. Import permits are only granted if the DEA finds that the United States' domestic supply of any controlled substance is inadequate for scientific studies or finds that competition among domestic manufacturers of the controlled substance is inadequate and will not be rendered adequate by the registration of additional manufacturers. The aggregate U.S. production quotas for psilocybin, psilocyin, MDMA, and DMT among other psychedelics, were increased significantly in 2021. The DEA's final aggregate production quotas for 2022 may be even higher. As a result of the increased quotas, DEA may register additional U.S. domestic manufacturers of the raw materials or APIs we manufacture, or increase individual manufacturing quotas for those raw materials or APIs. If DEA does increase U.S. domestic supply of the APIs we manufacture, our market share in the United States may be significantly decreased or eliminated, which would have a material and adverse impact on our business, financial condition and results of operations.

The import of our products into the United States relies on the compliance of our clients abroad and the authorization of their governing jurisdictions.

Because we intend to manufacture APIs for sale to clients conducting research and product development in jurisdictions foreign to Canada, we must rely on those foreign clients to obtain the necessary approvals from their respective governing bodies in order to import our products to their facilities. For instance, in the United States, only certain DEA registrants may apply for import permits related to Schedule I substances. Those import permits may be subject to procurement quotas, which DEA has the full discretion to issue or increase. U.S. registrants must coordinate with applicable ports of entry to notify border agents of incoming shipments of Schedule I substances and must also provide for the secure transport of shipments of our products to their facilities. The DEA must approve our client's security plans, including their provisions related to secure transport. If a shipment is rejected by U.S. Customs for any reason, our U.S. client will have to re-apply for an import permit for that shipment, possibly significantly delaying shipping times. Our clients' inability to secure DEA authorization to import our APIs, could have a material and adverse impact on our business, financial condition and results of operations. Delays in transport of our products to

their destinations may have a significant adverse impact on research protocols or clinical trials, potentially damaging relationships with our customers, and having a material and adverse impact on our business, financial condition and results of operations.

Changes in the regulatory status of psychedelic substances will present additional risks to our business and will create additional regulatory costs and challenges.

Any changes in applicable laws and regulations could have an adverse effect on our operations. The psychedelic drug industry is a fairly new industry and we cannot predict the impact of the ever-evolving compliance regime in respect of this industry. Similarly, we cannot predict the time required to secure all appropriate regulatory approvals for future products and services, or the extent of testing and documentation that may, from time to time, be required by governmental authorities. The impact of compliance regimes, any delays in obtaining, or failure to obtain regulatory approvals may significantly delay or impact the development of markets, our business and products, and sales initiatives and could have a material adverse effect on the business, financial condition and operating results of our business.

For example, if psilocybin and/or psilocin is rescheduled under the CSA as a Schedule II or lower controlled substance (i.e., Schedule III, IV or V), the ability to conduct research on psilocybin and psilocin would most likely be improved. However, rescheduling psilocybin and psilocin may materially alter enforcement policies across many federal agencies, primarily the FDA and DEA. The FDA is responsible for ensuring public health and safety through regulation of food, drugs, supplements, and cosmetics, among other products, through its enforcement authority pursuant to the Federal Food, Drug, and Cosmetic Act, or the FDCA. The FDA's responsibilities include regulating the ingredients as well as the marketing and labeling of drugs sold in interstate commerce. Because it is currently illegal under federal law to produce and sell psilocybin and psilocin, and because there are no federally recognized medical uses, the FDA has historically deferred enforcement related to psilocybin and psilocin to the DEA. If psilocybin and psilocin were to be rescheduled to a federally controlled, yet legal, substance, the FDA would likely play a more active regulatory role. The DEA would continue to be active in regulating manufacturing, distribution and dispensing of such substances. The potential for multi-agency enforcement post-rescheduling could threaten or have a materially adverse effect on our business.

Despite the current status of psilocybin and psilocin as Schedule I controlled substances in the United States, there may be changes in the status of psilocybin or psilocin under the laws of certain U.S. cities or states. For instance, the city and county of Denver voted in 2019 to make the enforcement of any laws imposing criminal penalties for the personal use and personal possession of psilocybin mushrooms the lowest law enforcement priority in the city and county of Denver, and in Oregon, Measure 109 was passed in November 2020 directing the Oregon Health Authority, or OHA, after a two-year development period, to license and regulate the manufacturing, transportation, delivery, sale and purchase of psilocybin products and the provision of psilocybin services. Other jurisdictions in Canada and the United States may proceed to authorize decriminalization to varying extents and employing varying regulatory frameworks. The decriminalization of psilocybin or psilocin, or other psychedelic substances, without regulatory oversight, or with inadequate or ineffective regulatory oversight, may lead to the setup of clinics without proper therapeutic infrastructure or adequate clinical research, which could put patients at risk and bring reputational and regulatory risk to the entire industry, making it harder for us to successfully operate our business. Furthermore, the legalization of psilocybin or psilocin could also impact our commercial sales if our clients receive regulatory approval as it would reduce the barrier to entry and could increase their competition.

The success of our business is dependent on our activities being permissible under applicable laws and any reform of controlled substances laws or other laws may have a material impact on our business and success. There is no assurance that activities of our business will continue to be legally permissible.

We have to comply with current Good Manufacturing Practices regulations applicable to our psychedelics-based products manufacturing operations.

Health Canada and the FDA and other equivalent regulatory bodies in other jurisdictions ensure the quality of drug products by carefully monitoring drug manufacturers' compliance with cGMP regulations. These regulations govern manufacturing processes and procedures (including record keeping) and the implementation and operation of quality systems to control and assure the quality of investigational products and products approved for sale, and they are enforced through Health Canada's and the FDA's inspection programs. If Health Canada or the FDA determines that we are not in compliance with applicable laws and regulations, including those governing cGMPs,

Health Canada or the FDA may not approve new drug applications or submissions, or NDAs or NDSs, submitted by our clients and containing products manufactured by us until the deficiencies are corrected. Correcting any such deficiencies may be costly and time-consuming, and it may harm our client relationships and status in the marketplace. Moreover, our failure to comply with regulations application to our manufacturing facilities could result in sanctions being imposed on us or our clients, including clinical holds, fines, injunctions, civil penalties, seizures or recalls of product candidates or products, operating restrictions and criminal prosecutions, any of which could significantly and adversely affect the demand for our or our clients' products. In addition, approved products and the facilities at which they are manufactured are required to maintain ongoing compliance with extensive FDA requirements and the requirements of other similar agencies, including ensuring that quality control and manufacturing procedures conform to cGMP requirements. As such, we are subject to continual review and periodic inspections to assess compliance with cGMPs.

Even if therapeutic product candidates obtain regulatory approval, our clients will be subject to ongoing obligations and continued regulatory review, which may result in significant additional expense to them and may decrease the quantity of our products and services that they purchase. Additionally, any such therapeutic candidates, if approved, could be subject to labeling and other restrictions and market withdrawal, which would also decrease the quantity of our products and services that our clients purchase.

If Health Canada, the FDA or another equivalent regulatory authority approves a client's psychedelics-based therapeutic candidate, the manufacturing processes, labeling, packaging, distribution, adverse event reporting, storage, advertising, promotion and recordkeeping for the therapy and underlying therapeutic substance will be subject to extensive and ongoing regulatory requirements. These requirements include submissions of safety and other post-marketing information and reports, registration, as well as continued compliance with cGMPs and with good clinical practices, or GCPs, for any clinical trials that our clients conduct post-approval, all of which may result in significant expense to them and limit their ability to commercialize such therapies. Any such limits on their ability to commercialize approved therapies may cause them to purchase fewer of our products and services, which will adversely impact our business, financial condition and results of operations. Additionally, a company may not promote "off-label" uses for its drug products. An off-label use is the use of a product for an indication that is not described in the product's FDA-approved label in the United States or for uses in other jurisdictions that differ from those approved by the applicable regulatory agencies. Physicians, on the other hand, may prescribe products for off-label uses. Although the FDA and other regulatory agencies do not regulate a physician's choice of drug treatment made in the physician's independent medical judgment, they do restrict promotional communications from companies or their sales force with respect to off-label uses of products for which marketing clearance has not been issued.

Later discovery of previously unknown problems with any approved therapeutic product candidate, including adverse events of unanticipated severity or frequency, or with respect to a CMO's manufacturing processes, or failure to comply with regulatory requirements, may result in, among other things:

- restrictions on the labeling, distribution, marketing or manufacturing of an approved therapy or any of the client's future therapeutic candidates, withdrawal of the product from the market, or product recalls;
- untitled and warning letters, or holds on clinical trials;
- refusal by Health Canada, the FDA or other equivalent foreign regulatory authorities to approve pending applications or supplements to approved applications our clients filed or suspension or revocation of license approvals;
- requirements to conduct post-marketing studies or clinical trials;
- restrictions on coverage by third-party payors;
- fines, restitution or disgorgement of profits or revenue;
- suspension or withdrawal of marketing approvals;
- product seizure or detention, or refusal to permit the import or export of the product; and
- injunctions or the imposition of civil or criminal penalties.

Any such outcomes would diminish our client's ability to successfully commercialize the applicable therapeutic products, which in turn would cause them to purchase fewer of our products and services.

In addition, any regulatory approvals that our clients receive for a therapeutic product candidate may also be subject to limitations on the approved indicated uses for which the therapy may be marketed or to the conditions of approval, or contain requirements for potentially costly post-marketing testing, including Phase IV clinical trials, and surveillance to monitor the safety and efficacy of such therapeutic product candidates.

If there are changes in the application of legislation, regulations or regulatory policies, or if problems are discovered with a client's investigational therapy or our manufacture of an underlying therapeutic substance, or if we, our client or one of their distributors, licensees or co-marketers fails to comply with regulatory requirements, the regulators could take various actions. These include imposing fines on our client or on us, if applicable, imposing restrictions on the therapeutic or its manufacture and requiring our client to recall or remove the therapeutic from the market. The regulators could also suspend or withdraw marketing authorizations, requiring our client to conduct additional clinical trials, change the therapeutic labeling or submit additional applications for marketing authorization. If any of these events occurs, our client's ability to sell the applicable therapeutic product may be impaired, and they may incur substantial additional expense to comply with regulatory requirements. This could cause our client to purchase fewer of our products and services, which could materially adversely affect our business, financial condition and results of operations.

We may become subject to U.S. federal and state forfeiture laws which could negatively impact our business operations.

Violations of any U.S. federal laws and regulations could result in significant fines, penalties, administrative sanctions, convictions or settlements arising from civil proceedings conducted by either the federal government or private citizens, or criminal charges, including, but not limited to, seizure of assets, disgorgement of profits, cessation of business activities or divestiture. As an entity that conducts business involving psilocybin and psilocin, we are potentially subject to federal and state forfeiture laws (criminal and civil) that permit the government to seize the proceeds of criminal activity. Civil forfeiture laws could provide an alternative for the federal government or any state (or local police force) that wants to discourage residents from conducting transactions with psilocybin- and psilocin-related businesses but believes criminal liability is too difficult to prove beyond a reasonable doubt. Also, an individual can be required to forfeit property considered to be the proceeds of a crime even if the individual is not convicted of the crime, and the standard of proof in a civil forfeiture matter is lower than the standard in a criminal matter. Depending on the applicable law, whether federal or state, rather than having to establish liability beyond a reasonable doubt, the federal government or the state, as applicable, may be required to prove that the money or property at issue is proceeds of a crime only by either clear and convincing evidence or a mere preponderance of the evidence.

If our products are diverted into criminal channels of commerce, investors located in jurisdictions where psychedelic substances remain illegal may be at risk of prosecution under conspiracy, aiding and abetting, and money laundering statutes, and be at further risk of losing their investments or proceeds under forfeiture statutes. Many jurisdictions remain fully able to take action to prevent the proceeds of psychedelics businesses from entering their state. Our investors and prospective investors should be aware of these potentially relevant laws in considering whether to invest in us.

Risks Related to Commercialization

Drug manufacturers who obtain FDA approval for their new drugs must prove that domestic supplies are inadequate in order to import a foreign API on Schedule I or II to be used in commercial drug manufacturing.

If a U.S. drug manufacturer wishes to use our product as the API in an FDA-approved drug for commercial manufacture, it will need to obtain DEA approval for the importation of our product. DEA will not approve an import permit request unless it is shown that the import is necessary to provide for the US's medical needs and competition among domestic manufacturers of the substance is inadequate. Depending on the existence, at that time, of domestic registered manufacturers with the capability of producing the same APIs as us, DEA may not agree that domestic

manufacture is inadequate and may refuse our customers' requests for import permits. In such cases, we may not be able to supply the drug manufacturer APIs unless we were to open a U.S. manufacturing facility. Such an undertaking would require considerable additional time and resources and may not materialize at all.

If we are unable to build a sales and marketing team to reach our potential clients, our business may be adversely affected.

We do not currently have a dedicated sales and marketing team. Our initial efforts to build brand and product awareness are expected to focus primarily on scientific writing and publications. Subject to the easing of restrictions related to COVID-19, we may complement this strategy with research and development staff attending a variety of scientific conferences in an effort bolster our business development pipeline. However, we may need to expand our commercial organization in order to effectively market our products and services to new clients. Competition for employees capable of negotiating and entering into contract manufacturing and supply agreements with pharmaceutical and biotechnology companies is intense. We may not be able to attract and retain personnel or be able to build an efficient and effective sales organization, which could negatively impact sales and market acceptance of our products and services and limit our revenue growth and potential profitability. In addition, the time and cost of establishing a specialized sales, marketing and service force for a particular product or service may be difficult to justify in light of the revenue generated or projected. Our expected future growth will impose significant added responsibilities on members of management, including the need to identify, recruit, maintain and integrate additional employees. Our future financial performance and our ability to successfully sell our programs and to compete effectively will depend, in part, on our ability to manage this potential future growth effectively, without compromising quality.

Our psychedelics-based products and services may not meet the expectations of our prospective clients, which means our business, financial condition, results of operations and prospects could suffer.

Our success depends on, among other things, the market's confidence that our manufacturing operations are capable of producing high-end materials, APIs and finished drug products in a cost-efficient manner and that our contract research services will facilitate improved pharmaceutical and biotechnology product development in the psychedelics-based medicines space. To date, we have not yet cultivated significant quantities of psychedelic mushrooms or produced a refined API or finished drug product, much less had a client's product candidate using our materials receive regulatory approval. We have also not yet undertaken a significant contract research project for a client. Accordingly, in order to successfully commercialize our products and services we will need to build confidence in the market that we have the facility, equipment and expertise to provide premium contract manufacturing and research services in the psychedelics space. There can be no guarantee that our product and service offerings will meet the expectations of research institutions and of pharmaceutical and biotechnology companies. If we are unable to effectively build client relationships and their confidence in our operations, our ability to commercialize or products and services will be materially and adversely impacted.

If we are unable to support anticipated growth in demand for our contract manufacturing and research services, including ensuring that we have adequate teams and facilities to meet increased demand, or if we are unable to successfully manage our anticipated growth, our business could suffer.

We have only recently begun initiating the development of our contract manufacturing and research services, and accordingly our personnel resources are currently very limited. We anticipate significant growth in the number of programs under contract for which we are conducting manufacturing or research discovery activities. As we secure additional programs under contract, our operational capacity to execute such manufacturing and research activities may become strained. As a result, our strategy requires us to successfully scale our teams and facilities to meet future demand for our solutions. Our ability to grow our capacity will depend on our ability to expand our workforce and our facilities, and increase efficiency through automation and software solutions. We may also need to purchase additional equipment, some of which can take several months or more to procure and set up. There is no assurance that any of these increases in scale, expansion of personnel, equipment, software and computing capacities or process enhancements will be successfully implemented and in a timely manner. As limited facilities with appropriate capabilities are available in British Columbia, such facilities require purpose-built buildings often with rezoning requirements. Such projects are typically long in duration and subject to delays. Failure to manage this growth could result in delays, higher costs,

declining quality, and slower responses to competitive challenges. A failure in any one of these areas could make it difficult for us to meet market expectations for our psychedelics-based products and services and could damage our reputation and the prospects for our business.

Even if our clients are successful in developing and obtaining regulatory approval for their product candidates, they may not be as successful as we anticipate in commercializing psychedelics-based medicines. If market acceptance of this class of products is limited, our business, financial results and operations may be adversely affected.

In addition, even if these product candidates receive regulatory approval in the United States, our clients may never obtain approval or commercialize such drugs outside of the United States, which would limit their full market potential and therefore our ability to realize their potential downstream value. Furthermore, approved drugs may not achieve broad market acceptance among physicians, patients, the medical community and third-party payors, in which case revenue generated from their sales would be limited. Likewise, our clients have to make decisions about which clinical stage and pre-clinical product candidates to develop and advance, and our clients may not have the resources to invest in all of the product candidates that contain antibodies discovered using our platform, or clinical data and other development considerations may not support the advancement of one or more drug candidates. Decision-making about which product candidates to prioritize involves inherent uncertainty, and our clients' development program decision-making and resource prioritization decisions, which are outside of our control, may adversely affect the potential value of those client relationships. Additionally, if one more of our clients is involved in a business combination, the client might deemphasize or terminate the development or commercialization of any product candidate that utilizes an antibody that we have discovered. If one of our clients terminates its agreement with us, we may find it more difficult to attract new clients.

Risks Related to Our Reliance on Third Parties

We face significant risks related to key third-party relationships.

We plan to enter into agreements with third parties with respect to our operations. Such relationships could present unforeseen obstacles or costs and may involve risks that could adversely affect us, including significant amounts of management time that may be diverted from operations in order to pursue and maintain such relationships. There can be no assurance that such third parties will achieve the expected benefits or that we will be able to consummate any future relationships on satisfactory terms, or at all. Any of the foregoing could have a material adverse effect on our business, financial condition and results of operations. Any violation of any applicable laws and regulations, such as the CDSA and CSA, or of similar legislation in the jurisdictions in which it operates, could result in such third parties to suspend or withdraw their services. The termination or cancellation of any such agreements or the failure of our business and/or the other parties to these arrangements to fulfill their obligations could have a material adverse effect on our business, financial condition and results of operations. In addition, disagreements between us and any of third parties could lead to delays or time consuming and expensive legal proceedings, which could have a material adverse effect on our business, financial condition and results of operations.

Risks Related to Intellectual Property

Failure to obtain or register intellectual property rights used or proposed to be used in our business could result in a material adverse impact on our business.

If we are unable to register or, if registered, maintain effective patent rights for certain of our psychedelics-based products and proprietary cultivation and refinement methods, we may not be able to effectively compete in the market. If we are not able to protect our proprietary information and know-how, such proprietary information may be used by others to compete against us. We may not be able to identify infringements of our patents (if and when granted), and, accordingly, the enforcement of our intellectual property rights may be difficult. Once such infringements are identified, enforcement could be costly and time consuming. Third party claims of intellectual property infringement, whether or not reasonable, may prevent or delay our development and commercialization efforts.

Our success will depend in part upon our ability to protect our intellectual property and proprietary technologies and upon the nature and scope of the intellectual property protection we receive. The ability to compete effectively and to achieve partnerships will depend on our ability to develop and maintain proprietary aspects of our products and methods and to operate without infringing on the proprietary rights of others. The presence of such proprietary

rights of others could severely limit our ability to develop and commercialize our products and methods and to conduct our existing research into psychedelics cultivation, extraction and purification, and could require financial resources to defend litigation, which may be in excess of our ability to raise such funds. There is no assurance that our patent applications submitted, if any, or those that we intend to acquire will be approved in a form that will be sufficient to protect our proprietary products and technology and gain or keep any competitive advantage that we may have or, once approved, will be upheld in any post-grant proceedings brought by any third parties.

The patent positions of biotechnology companies can be highly uncertain and involve complex legal, scientific and factual questions for which important legal principles remain unresolved. Patents that may be issued to us may be challenged, invalidated or circumvented. To the extent our intellectual property offers inadequate protection, or is found to be invalid or unenforceable, we will be exposed to a greater risk of direct competition. If our intellectual property does not provide adequate protection against our competitors, our competitive position could be adversely affected, as could our business, financial condition and results of operations. Both the patent application process and the process of managing patent disputes can be time consuming and expensive, and the laws of some foreign countries may not protect our intellectual property rights to the same extent as do the laws of Canada and the United States. We will be able to protect our intellectual property from unauthorized use by third parties only to the extent that our proprietary technologies, key products, and any future products are covered by valid and enforceable intellectual property rights, including patents, or are effectively maintained as trade secrets, and provided we have the funds to enforce our rights, if necessary.

Changes in patent law and its interpretation could diminish the value of potential patents in general, thereby impairing our ability to protect our product candidates.

We may become dependent on intellectual property rights. Obtaining and enforcing patents in our industry involves technological and legal complexity, and obtaining and enforcing these potential patents is costly, time consuming and inherently uncertain. The U.S. Supreme Court has ruled on several patent cases in recent years, either narrowing the scope of patent protection available in certain circumstances or weakening the rights of patent owners in certain situations. In addition to increasing uncertainty with regard to our ability to obtain patents in the future, this combination of events has created uncertainty with respect to the value of patents, once obtained. Depending on decisions by the U.S. Congress, the federal courts, and the United States Patent and Trademark Office the laws and regulations governing patents could change in unpredictable ways that could weaken our ability to obtain new patents or to enforce existing patents.

Litigation regarding patents, patent applications, and other proprietary rights may be expensive, time consuming and cause delays in the development of our proprietary products and methods.

To protect our competitive position, we may from time to time need to resort to litigation in order to enforce or defend any patents or other intellectual property rights owned by or licensed to us, or to determine or challenge the scope or validity of patents or other intellectual property rights of third parties. Enforcement of intellectual property rights is difficult, unpredictable and expensive, and many of our adversaries in these proceedings may have the ability to dedicate substantially greater resources to prosecuting these legal actions than we can. We may fail in enforcing our rights, in which case our competitors and other third parties may be permitted to use our proprietary products and methods without payment to us.

In addition, litigation involving our patents carries the risk that one or more of our patents will be subject to an adverse court ruling. Such an adverse court ruling could allow third parties to commercialize our proprietary products and methods, and then compete directly with us, without payment to us. Proceedings involving our patents or patent applications or those of others could result in adverse decisions regarding:

- the patentability of our inventions relating to our products and methods; and
- the enforceability, validity, or scope of protection offered by our patents relating to our products and methods.

If we were to initiate legal proceedings against a third party to enforce a patent covering one of our investigational therapies, the defendant could counterclaim that our patent is invalid or unenforceable. In patent litigation in the United States or in Europe, defendant counterclaims alleging invalidity or unenforceability are commonplace. A claim for a validity challenge may be based on failure to meet any of several statutory requirements, for example,

lack of novelty, obviousness or non-enablement. A claim for unenforceability assertion could be an allegation that someone connected with prosecution of the patent withheld relevant information from the USPTO or made a misleading statement, during prosecution. Third parties may also raise challenges to the validity of our patent claims before administrative bodies in the United States or abroad, even outside the context of litigation. Such mechanisms include re-examination, post-grant review, *inter partes* review, interference proceedings, derivation proceedings, and equivalent proceedings in foreign jurisdictions (i.e., opposition proceedings). Such proceedings could result in the revocation of, cancellation of, or amendment to our patents in such a way that they no longer cover our proprietary products or methods. The outcome following legal assertions of invalidity and unenforceability during patent litigation or other proceedings is unpredictable. With respect to the validity question, for example, we cannot be certain that there is no invalidating prior art, of which we and the patent examiner were unaware during prosecution. If a defendant or third party were to prevail on a legal assertion of invalidity or unenforceability, we would lose at least part, and perhaps all, of the patent protection on our products or methods. Such a loss of patent protection could have a material adverse impact on our business, financial condition, results of operations and prospects.

If we are unable to avoid infringing the patent rights of others, we may be required to seek a license, defend an infringement action, or challenge the validity of the patents in court. Regardless of the outcome, patent litigation is costly and time consuming. In some cases, we may not have sufficient resources to bring these actions to a successful conclusion. In addition, if we do not obtain a license, develop or obtain non-infringing technology, fail to defend an infringement action successfully or have infringed patents declared invalid, we may:

- incur substantial monetary damages;
- encounter significant delays in bringing our key products and services to market; and
- be precluded from participating in the manufacture, use or sale of our key products or methods requiring licenses.

Even if we are successful in these proceedings, we may incur substantial costs and divert management time and attention in pursuing these proceedings, which could have a material adverse effect on our business.

Obtaining and maintaining our patent protection depends on compliance with various procedural, document submission, fee payment and other requirements imposed by governmental patent agencies, and our patent protection could be reduced or eliminated for non-compliance with these requirements.

Periodic maintenance and annuity fees on any issued patent are due to be paid to the USPTO and foreign patent agencies in several stages over the lifetime of the patent. The USPTO and various foreign governmental patent agencies also require compliance with a number of procedural, documentary, fee payment and other similar provisions during the patent application process. While an inadvertent lapse can in many cases be cured by payment of a late fee or by other means in accordance with the applicable rules, there are situations in which noncompliance can result in abandonment or lapse of the patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. Non-compliance events that could result in abandonment or lapse of a patent or patent application include failure to respond to official actions within prescribed time limits, non-payment of fees and failure to properly legalize and submit formal documents. If we fail to maintain the patents and patent applications covering our proprietary products and methods, third parties, including our competitors might be able to enter the market with similar or identical products or methods, which would have a material adverse effect on our business, financial condition, results of operations and prospects.

We may be subject to claims by third parties asserting that our employees or we have misappropriated their intellectual property, or claiming ownership of what we regard as our own intellectual property.

Many of our consultants, advisors and employees, including our senior management, were previously employed at other biotechnology or pharmaceutical companies, including our competitors and potential competitors. Some of these individuals executed proprietary rights, non-disclosure and non-competition agreements in connection with such previous employment. Although we intend that our consultants, advisors and employees do not use proprietary information or know-how of their former employers while working for us, we may be subject to claims that we or these individuals have used or disclosed confidential information or intellectual property, including trade secrets or other proprietary information, of any such individual’s former employer. Litigation may be necessary to defend against these claims.

If we fail in prosecuting or defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights or personnel or sustain damages. Such intellectual property rights could be awarded to a third party, and we could be required to obtain a license from such third party to commercialize our therapies. Such a license may not be available on commercially reasonable terms or at all. Even if we successfully prosecute or defend against such claims, litigation could result in substantial costs and distract our management from its day-to-day activities.

In addition, while it is our policy to require our employees and contractors who may be involved in the conception or development of intellectual property to execute agreements assigning such intellectual property to us, we may be unsuccessful in executing such an agreement with each party who, in fact, conceives or develops intellectual property that we regard as our own. The assignment of intellectual property rights may not be self-executing, or the assignment agreements may be breached, and we may be forced to bring claims against third parties, or defend claims that they may bring against us, to determine the ownership of what we regard as our intellectual property. Such claims could have a material adverse effect on our business, financial condition, results of operations, and prospects.

Confidentiality agreements with employees and others may not adequately prevent disclosure of trade secrets and protect other proprietary information.

We consider proprietary trade secrets, confidential know-how and unpatented know-how to be important to our business. We rely on trade secrets or confidential know-how to protect our technology, especially where patent protection is believed to be of limited value. However, trade secrets and confidential know-how are difficult to maintain as confidential.

To protect this type of information against disclosure or appropriation by third parties and our competitors, our policy is to require our employees, consultants, contractors and advisors to enter into confidentiality agreements with us. However, we cannot guarantee that we have entered into such agreements with each party that may have or have had access to our trade secrets or confidential know-how. Also, current or former employees, consultants, contractors and advisers may unintentionally or willfully disclose our trade secrets and confidential know-how to our competitors and other third parties or breach such agreements, and we may not be able to obtain an adequate remedy for such breaches. Enforcing a claim that a third party obtained illegally and is using trade secrets or confidential know-how is difficult, expensive, time-consuming and unpredictable. The enforceability of confidentiality agreements may vary from jurisdiction to jurisdiction. Furthermore, if a competitor or other third party lawfully obtained or independently developed any of our trade secrets or confidential know-how, we would have no right to prevent such competitor or other third party from using that technology or information to compete with us, which could harm our competitive position. Additionally, if the steps taken to maintain our trade secrets are deemed inadequate, we may have insufficient recourse against third parties for misappropriating the trade secret. If any of our trade secrets were to be disclosed to or independently developed by a competitor or other third party, our competitive position would be materially and adversely harmed.

Failure to obtain or maintain trade secrets or confidential know-how trade protection could adversely affect our competitive position. Moreover, our competitors may independently develop substantially equivalent proprietary information and may even apply for patent protection in respect of the same. If successful in obtaining such patent protection, our competitors could limit our use of our trade secrets or confidential know-how.

If our trademarks and trade names are not adequately protected, then we may not be able to build name recognition in our markets of interest and our business may be adversely affected.

Our registered or unregistered trademarks or trade names may be challenged, infringed, circumvented or declared generic or determined to be infringing on other marks. We may not be able to protect our rights to these trademarks and trade names, which we need to build name recognition by potential partners or clients in our markets of interest. If we are unable to establish name recognition based on our trademarks and trade names, then we may not be able to compete effectively and our business may be adversely affected. If other entities use trademarks similar to ours in different jurisdictions, or have senior rights to ours, it could interfere with our use of our current trademarks throughout the world.

Our reliance on third parties requires us to share our trade secrets, which increases the possibility that a competitor will discover them.

Because we rely on third parties, we may share trade secrets with them. We seek to protect our proprietary technology in part by entering into confidentiality agreements and other similar agreements prior to disclosing proprietary information. These agreements typically restrict the ability to publish data potentially relating to our trade secrets. Our academic and clinical collaborators typically have rights to publish data, provided that we are notified in advance and may delay publication for a specified time in order to secure intellectual property rights arising from the collaboration. In other cases, publication rights are controlled exclusively by us, although in some cases we may share these rights with other parties. We may also conduct joint research and development programs which may require us to share trade secrets under the terms of research and development collaborations or similar agreements. Despite our efforts to protect our trade secrets, our competitors may discover our trade secrets, either through breach of these agreements, independent development or publication of information including our trade secrets in cases where we do not have proprietary or otherwise protected rights at the time of publication. A competitor's discovery of our trade secrets may impair its competitive position and could have a material adverse effect on our business and financial condition.

Risks Related to Tax Laws

Changes in tax laws could have a material adverse effect on our business.

There can be no assurance that the Canadian and U.S. federal income tax treatment of our business or an investment in us will not be modified, prospectively or retroactively, by legislative, judicial or administrative action, in a manner adverse to us or holders of common shares.

If we or one of our non-U.S. subsidiaries is a CFC, there could be materially adverse U.S. federal income tax consequences to certain U.S. Holders of our common shares.

Each "Ten Percent Shareholder" (as defined below) in a non-U.S. corporation that is classified as a controlled foreign corporation, or a CFC, for U.S. federal income tax purposes generally may be required to include in income for U.S. federal tax purposes some or all of such Ten Percent Shareholder's pro rata share of the CFC's income even if the CFC has made no distributions to its shareholders. In addition, a Ten Percent Shareholder that realizes gain from the sale or exchange of shares in a CFC may be required to classify a portion of such gain as dividend income rather than capital gain. A Ten Percent Shareholder in a CFC also has reporting obligations with respect to the ownership of the stock in the CFC. Failure to comply with these reporting obligations may subject a Ten Percent Shareholder to significant monetary penalties and may prevent the statute of limitations with respect to such Ten Percent Shareholder's U.S. federal income tax return for the year for which reporting was due from starting.

A non-U.S. corporation generally will be classified as a CFC for U.S. federal income tax purposes if Ten Percent Shareholders own, directly or indirectly, more than 50% of either the total combined voting power of all classes of stock of such corporation entitled to vote or of the total value of the stock of such corporation. A "Ten Percent Shareholder" is a United States person (as defined by the Code) who owns or is considered to own 10% or more of the total combined voting power of all classes of stock entitled to vote or 10% or more of the total value of all classes of stock of such corporation.

The determination of CFC status is complex and includes attribution rules, the application of which is not entirely certain. We cannot provide any assurances that we will assist holders of our common shares in determining whether we or any of our non-U.S. subsidiaries are treated as a CFC or whether any holder of the common shares is treated as a Ten Percent Shareholder with respect to any such CFC or furnish to any Ten Percent Shareholders information that may be necessary to comply with the aforementioned reporting and tax payment obligations.

U.S. Holders should consult their tax advisors with respect to the potential adverse U.S. tax consequences of becoming a Ten Percent Shareholder in a CFC.

Our U.S. shareholders may suffer adverse tax consequences if we are characterized as a PFIC.

The rules governing passive foreign investment companies, or PFICs, can have adverse effects on U.S. Holders (as defined under "Material U.S. Federal Income Tax Considerations for U.S. Holders") for U.S. federal income tax purposes. Generally, if, for any taxable year, at least 75% of our gross income is passive income (such as interest

income), or at least 50% of the gross value of our assets (determined on the basis of a weighted quarterly average) is attributable to assets that produce passive income or are held for the production of passive income (including cash), we would be characterized as a PFIC for U.S. federal income tax purposes. The determination of whether we are a PFIC, which must be made annually after the close of each taxable year, depends on the particular facts and circumstances and may also be affected by the application of the PFIC rules, which are subject to differing interpretations. Our status as a PFIC will depend on the composition of our income and the composition and value of our assets (including goodwill and other intangible assets), which will be affected by how, and how quickly, we spend any cash that is raised in this offering or in any other financing transaction. Moreover, our ability to earn specific types of income that will be treated as non-passive for purposes of the PFIC rules is uncertain with respect to future years. Based upon the current and expected composition of our income and assets, we believe that we were a PFIC for the taxable year ended June 30, 2021 and could be treated as a PFIC for the current taxable year. The determination of whether we are a PFIC is a fact-intensive determination made on an annual basis applying principles and methodologies that in some circumstances are unclear and subject to varying interpretation. Accordingly, we cannot provide any assurances regarding our PFIC status for any current or future taxable years.

If we are a PFIC, a U.S. Holder would be subject to adverse U.S. federal income tax consequences, such as ineligibility for certain preferred tax rates on capital gains or on actual or deemed dividends, interest charges on certain taxes treated as deferred, and additional reporting requirements under U.S. federal income tax laws and regulations. A U.S. Holder may in certain circumstances mitigate adverse tax consequences of the PFIC rules by filing an election to treat the PFIC as a qualified electing fund, or QEF, or, if shares of the PFIC are "marketable stock" for purposes of the PFIC rules, by making a mark-to-market election with respect to the shares of the PFIC. However, U.S. Holders should be aware that there can be no assurance that we will satisfy the record keeping requirements that apply to a QEF, or that we will supply U.S. Holders with information that such U.S. Holders require to report under the QEF election rules, in the event that we are a PFIC and a U.S. Holder wishes to make a QEF election. Thus, U.S. Holders may not be able to make a QEF election with respect to their common shares. For more information, see the discussion below under "Material U.S. Federal Income Tax Considerations for U.S. Holders — PFIC Rules." You are urged to consult your tax advisors regarding the potential consequences to you if we were or were to become a PFIC, including the availability, and advisability, of, and procedure for making, any elections which may in certain circumstances mitigate the adverse tax consequences of the PFIC rules.

Tax authorities may disagree with our positions and conclusions regarding certain tax positions, resulting in unanticipated costs, taxes or non-realization of expected benefits.

A tax authority may disagree with tax positions that we have taken, which could result in increased tax liabilities. For example, the Canadian tax authority, the IRS or another tax authority could challenge our allocation of income by tax jurisdiction and the amounts paid between our affiliated companies pursuant to an intercompany arrangement or a transfer pricing policy, including amounts paid with respect to our intellectual property development. Similarly, a tax authority could assert that we are subject to tax in a jurisdiction where we believe we have not established a taxable connection, often referred to as a "permanent establishment" under international tax treaties, and such an assertion, if successful, could increase our expected tax liability in one or more jurisdictions. A tax authority may take the position that material income tax liabilities, interest and penalties are payable by us, in which case, we expect that we might contest such assessment. Contesting such an assessment may be lengthy and costly and if we were unsuccessful in disputing the assessment, the implications could increase our anticipated effective tax rate, where applicable.

We are subject to certain tax risks and treatments that could negatively impact our results of operations.

We may operate in the United States or through a U.S. subsidiary. If we or our subsidiaries are subject to U.S. corporate income tax, Section 280E of the Internal Revenue Code of 1986, as amended, or the Code, generally prohibits taxpayers from deducting or claiming tax credits with respect to expenses paid or incurred in carrying on any trade or business if such trade or business (or the activities which comprise such trade or business) consists of trafficking in controlled substances (within the meaning of Schedule I and II of the CSA) which is prohibited by U.S. federal law or the law of any state in which such trade or business is conducted. The application of Code section 280E generally causes such businesses to pay higher effective U.S. federal tax rates than similar businesses in other industries. Although the U.S. Internal Revenue Service, or IRS, issued a clarification allowing the deduction of certain expenses, the scope of such items is interpreted very narrowly and the bulk of operating costs and general administrative costs are not permitted to be deducted. There is no guarantee that any federal court will issue an interpretation of Section 280E favorable to psilocybin and psilocin businesses.

Risks Related to Our Bitcoin Holdings

Our bitcoin acquisition strategy exposes us to various risks associated with bitcoin.

In December 2021, our Board of Directors adopted our Treasury Reserve Policy, under which our treasury reserve assets will consist of (i) cash and cash equivalents and short-term investments ("Cash Assets") held by us that exceed working capital requirements; and (ii) bitcoin held by us, with bitcoin serving as the primary treasury reserve asset on an ongoing basis, subject to market conditions and anticipated needs of the business for Cash Assets.

We have only recently adopted this bitcoin acquisition strategy and are continually examining the risks and rewards of such a strategy. This strategy has not been tested over time or under various market conditions. Some investors and other market participants may disagree with this strategy or actions we undertake to implement it. If bitcoin prices fall or our bitcoin acquisition strategy otherwise proves unsuccessful, it would adversely impact our financial condition, results of operations, and the market price of our common shares.

If we change the means by which we hold our bitcoin assets, the accounting treatment for our bitcoin may correspondingly change. A change in the accounting treatment of our bitcoin holdings could have a material impact on our results of operations in future periods and could increase the volatility of our reported results of operations as well as affect the carrying value of our bitcoin on our balance sheet, which in turn could have a material adverse effect on our financial results and the market price of our common shares. Bitcoin is a highly volatile asset that has traded below $15,000 per bitcoin and above $65,000 per bitcoin on the Coinbase exchange (our principal market) in the 12 months preceding the date of this Form S-1 Registration Statement.

Bitcoin does not pay interest or other returns and so our ability to generate cash from our bitcoin holdings depends on sales. The impact of our bitcoin holdings on our financial results and the market price of our common shares will increase as we increase our overall holdings of bitcoin in the future.

The price of bitcoin may be influenced by regulatory, commercial, and technical factors that are highly uncertain, and fluctuations in the price of bitcoin are likely to influence our financial results and the market price of our common shares.

Fluctuations in the price of bitcoin are likely to influence our financial results and the market price of our common shares. Our financial results and the market price of our common shares would be adversely affected and our business and financial condition could be negatively impacted if the price of bitcoin decreased substantially, including as a result of:

- decreased user and investor confidence in bitcoin;
- negative publicity or events relating to bitcoin;
- negative or unpredictable media or social media coverage on bitcoin;
- public sentiment related to the actual or perceived environmental impact of bitcoin and related activities, including environmental concerns raised by private individuals and governmental actors related to the energy resources consumed in the bitcoin mining process;
- changes in consumer preferences and the perceived value of bitcoin;
- competition from other crypto assets that exhibit better speed, security, scalability, or other characteristics, or that are backed by governments, including the U.S. government;
- the identification of Satoshi Nakamoto, the pseudonymous person or persons who developed bitcoin, or the transfer of Satoshi's bitcoin;
- interruptions in service or failures of the principal markets for bitcoin;
- further reductions in mining rewards of bitcoin, including block reward halving events, which are events that occur after a specific period of time that reduce the block reward earned by "miners" who validate bitcoin transactions;
- transaction congestion and fees associated with processing transactions on the bitcoin network;

- changes in the level of interest rates and inflation, monetary policies of governments, trade restrictions, and fiat currency devaluations; and
- national and international economic and political conditions.

In addition, bitcoin and other digital assets are relatively novel and are subject to various risks and uncertainties that may adversely impact their price. The application of securities laws and other regulations to such assets is unclear in certain respects, and it is possible that regulators in the United States or foreign countries may create new regulations or interpret laws in a manner that adversely affects the price of bitcoin. For example, foreign government authorities have recently expanded their efforts to restrict certain activities related to bitcoin and other digital assets. In China, the People's Bank of China and the National Development and Reform Commission have outlawed cryptocurrency mining and declared all cryptocurrency transactions illegal within the country. In India, it has been reported that the Ministry of Corporate Affairs has circulated draft legislation that would prohibit mining, holding, selling, trading, or using cryptocurrencies in the country. In Iran, President Hassan Rouhani ordered a ban on all licensed and unlicensed mining of cryptocurrencies throughout the summer of 2021 in response to an increasing number of electricity blackouts. Moreover, the risks of engaging in a bitcoin-focused business strategy also are relatively novel and have created, and may create further, complications due to the lack of experience that third parties have with companies engaging in such a business, such as the unavailability of director and officer liability insurance on acceptable terms.

The growth of the digital assets industry in general, and the use and acceptance of bitcoin in particular, may also impact the price of bitcoin and is subject to a high degree of uncertainty. The pace of worldwide growth in the adoption and use of bitcoin may depend, for instance, on public familiarity with digital assets, ease of buying and accessing bitcoin, institutional demand for bitcoin as an investment asset, consumer demand for bitcoin as a means of payment, and the availability and popularity of alternatives to bitcoin. Even if growth in bitcoin adoption occurs in the near or medium-term, there is no assurance that bitcoin usage will continue to grow over the long-term.

Because bitcoin has no physical existence beyond the record of transactions on the bitcoin blockchain, a variety of technical factors related to the bitcoin blockchain could also impact the price of bitcoin. For example, malicious attacks by miners, inadequate mining fees to incentivize validating of bitcoin transactions, hard "forks" of the bitcoin blockchain into multiple blockchains, and advances in digital computing, algebraic geometry, and quantum computing could undercut the integrity of the bitcoin blockchain and negatively affect the price of bitcoin. The liquidity of bitcoin may also be reduced and damage to the public perception of bitcoin may occur, if financial institutions were to deny banking services to businesses that hold bitcoin, provide bitcoin-related services or accept bitcoin as payment, which could also decrease the price of bitcoin.

Changes in securities regulation may adversely impact the market price of our common shares.

Although bitcoin and other digital assets have experienced a surge of investor attention since bitcoin was invented in 2008, investors in the United States currently have limited means to gain exposure to bitcoin through traditional investment channels such as 401(k) retirement accounts, and instead generally must hold bitcoin through "hosted" wallets provided by digital asset service providers or through "unhosted" wallets that expose the investor to risks associated with loss or hacking of their private keys. Given the relative novelty of digital assets, general lack of familiarity with the processes needed to hold bitcoin directly, as well as the potential reluctance of financial planners and advisers to recommend direct bitcoin holdings to their retail customers because of the manner in which such holdings are custodied, some investors have sought exposure to bitcoin through investment vehicles that hold bitcoin and issue shares representing fractional undivided interests in their underlying bitcoin holdings. Although a number of investment vehicles currently offer this exposure to bitcoin, none of these investment vehicles currently offers its shares directly to the public in the United States, and such shares are offered only to "accredited investors" on a private placement basis. Investors who are not eligible to participate in these private placements may nevertheless purchase shares of these investment vehicles in the over-the-counter market, where such shares have historically traded at a premium to the net asset value ("NAV") of the underlying bitcoin. These premiums have at times been substantial.

One reason for the substantial premium to NAV exhibited by the trading prices of shares of some bitcoin investment vehicles may be because of the relative scarcity of traditional investment vehicles providing investment exposure to bitcoin. To the extent investors view the value of our common shares as providing such exposure, it is possible that the value of our common shares also includes a premium over the value of our bitcoin.

Another reason for the substantial premium to NAV exhibited by the trading prices of shares of some bitcoin investment vehicles is that such vehicles operate in a manner similar to closed-end investment funds as opposed to exchange-traded funds ("ETFs") and therefore do not continuously offer to create and redeem their shares at NAV in exchange for bitcoin. Although several bitcoin investment vehicles have attempted to list their shares on a U.S. national securities exchange to permit them to function in the manner of an ETF with continuous share creation and redemption at NAV, the SEC has generally declined to approve any such listing, citing concerns over the surveillance of trading in markets for the underlying bitcoin as well as concerns about fraud and manipulation in bitcoin trading markets. However, in October 2021, the SEC permitted the listing of the ProShares Bitcoin Strategy ETF (the "ProShares ETF"), an ETF that invests primarily in bitcoin futures contracts. Although this ETF allows investors to obtain managed exposure to bitcoin futures contracts, it does not invest directly in bitcoin. As a result, it is unclear as to whether or to what extent the existence of this ETF or other ETFs that invest in bitcoin futures contracts that may be listed in the future will have on any premium over the value of our bitcoin holdings that may be included in the value of our common shares. Shortly after the listing of the ProShares ETF, the SEC permitted the listing of the Valkyrie Bitcoin Strategy ETF (the "Valkyrie ETF") , another ETF that invests primarily in bitcoin futures contracts.

If the SEC were to further resolve its concerns regarding surveillance of and the existence of fraud and manipulation in the bitcoin trading markets, it is possible that the SEC would permit the listing of ETFs specializing in the direct acquisition and holding of bitcoin, allowing these funds to offer their shares directly to the public. In addition to greatly simplifying the task of gaining investment exposure to bitcoin, the listing of a bitcoin ETF with continuous share creation and redemption at NAV would be expected to eliminate the NAV premiums currently exhibited by shares of investment vehicles that trade in the over-the-counter market. To the extent that our common shares is viewed as an alternative-to-bitcoin investment vehicle and trades at a premium to the value of our bitcoin holdings, that premium may also be eliminated, causing the price of our common shares to decline.

In addition, the introduction of the ProShares ETF, the Valkyrie ETF, and any additional bitcoin ETFs on U.S. national securities exchanges may be viewed by investors as offering "pure play" exposure to bitcoin that would generally not be subject to federal income tax at the entity level as we are.

As a result of the foregoing factors, to the extent investors view our common shares as linked to the value of our bitcoin holdings, the introduction of bitcoin ETFs on U.S. national securities exchanges could have a material adverse effect on the market price of our common shares.

Our bitcoin holdings could subject us to regulatory scrutiny

As noted above, several bitcoin investment vehicles have attempted to list their shares on a U.S. national securities exchange to permit them to function in the manner of an ETF with continuous share creation and redemption at NAV. To date the SEC has declined to approve any such listing, citing concerns over the surveillance of trading in markets for the underlying bitcoin as well as concerns about fraud and manipulation in bitcoin trading markets. Even though we do not function in the manner of an ETF and do not offer continuous share creation and redemption at NAV, it is possible that we nevertheless could face regulatory scrutiny from the SEC, as a company with a class of securities registered under the Exchange Act and traded on The Nasdaq Global Select Market.

In addition, as digital assets, including bitcoin, have grown in popularity and market size, there has been increasing focus on the extent to which digital assets can be used to launder the proceeds of illegal activities or fund criminal or terrorist activities, or entities subject to sanctions regimes. While we have implemented and maintain policies and procedures reasonably designed to promote compliance with applicable anti-money laundering and sanctions laws and regulations and take care to only acquire our bitcoin through entities subject to anti-money laundering regulation and related compliance rules in the United States, if we are found to have purchased any of our bitcoin from bad actors that have used bitcoin to launder money or persons subject to sanctions, we may be subject to regulatory proceedings and any further transactions or dealings in bitcoin by us may be restricted or prohibited.

In addition, private actors that are wary of bitcoin or the regulatory concerns associated with bitcoin may take actions that may have an adverse effect on the market price of our common shares. For example, an affiliate of HSBC Holdings has prohibited customers of its HSBC InvestDirect retail investment platform from buying shares of our common shares after determining that the value of our stock is related to the performance of bitcoin, indicating that it did not want to facilitate exposure to virtual currencies.

Due to the unregulated nature and lack of transparency surrounding the operations of many bitcoin trading venues, they may experience fraud, security failures or operational problems, which may adversely affect the value of our bitcoin.

Bitcoin trading venues are relatively new and, in some cases, unregulated. Furthermore, there are many bitcoin trading venues which do not provide the public with significant information regarding their ownership structure, management teams, corporate practices and regulatory compliance. As a result, the marketplace may lose confidence in bitcoin trading venues, including prominent exchanges that handle a significant volume of bitcoin trading, in the event one or more bitcoin trading venues experience fraud, security failures or operational problems.

For example, in 2019 there were reports claiming that 80-95% of bitcoin trading volume on trading venues was false or non-economic in nature, with specific focus on unregulated exchanges located outside of the United States. Such reports may indicate that the bitcoin market is significantly smaller than expected and that the United States makes up a significantly larger percentage of the bitcoin market than is commonly understood. Any actual or perceived false trading in the bitcoin market, and any other fraudulent or manipulative acts and practices, could adversely affect the value of our bitcoin.

Negative perception, a lack of stability in the broader bitcoin markets and the closure or temporary shutdown of bitcoin trading venues due to fraud, business failure, hackers or malware, or government-mandated regulation may reduce confidence in bitcoin and result in greater volatility in the prices of bitcoin. To the extent investors view our common shares as linked to the value of our bitcoin holdings, these potential consequences of a bitcoin trading venue's failure could have a material adverse effect on the market price of our common shares.

Our bitcoin holdings are less liquid than our existing cash and cash equivalents and may not be able to serve as a source of liquidity for us to the same extent as cash and cash equivalents.

In December 2021, we adopted bitcoin as our primary treasury reserve asset. Historically, the bitcoin markets have been characterized by more price volatility, less liquidity, and lower trading volumes compared to sovereign currencies markets, as well as relative anonymity, a developing regulatory landscape, susceptibility to market abuse and manipulation, and various other risks inherent in its entirely electronic, virtual form and decentralized network. During times of market instability, we may not be able to sell our bitcoin at reasonable prices or at all. As a result, our bitcoin holdings may not be able to serve as a source of liquidity for us to the same extent as cash and cash equivalents.

If we are unable to sell our bitcoin, or if we are forced to sell our bitcoin at a significant loss, in order to meet our working capital requirements, our business and financial condition could be negatively impacted. If we or our third-party service providers experience a security breach or cyberattack and unauthorized parties obtain access to our bitcoin, we may lose some or all of our bitcoin and our financial condition and results of operations could be materially adversely affected.

Security breaches and cyberattacks are of particular concern with respect to our bitcoin. Bitcoin and other blockchain-based cryptocurrencies have been, and may in the future be, subject to security breaches, cyberattacks, or other malicious activities. For example, in October 2021 it was reported that hackers exploited a flaw in the account recovery process and stole from the accounts of at least 6,000 customers of the Coinbase exchange (our principal market), although the flaw was subsequently fixed and Coinbase reimbursed affected customers. Nonetheless, a successful security breach or cyberattack could result in a partial or total loss of our bitcoin in a manner that may not be covered by insurance or indemnity provisions of the custody agreement with a custodian who holds our bitcoin. Such a loss could have a material adverse effect on our financial condition and results of operations.

The loss or destruction of a private key required to access our bitcoin may be irreversible. If we are unable to access our private keys or if we experience a cyberattack or other data loss relating to our bitcoin, our financial condition and results of operations could be materially adversely affected.

Bitcoin is controllable only by the possessor of both the unique public key and private key relating to the local or online digital wallet in which the bitcoin is held. While the bitcoin blockchain ledger requires a public key relating to a digital wallet to be published when used in a transaction, private keys must be safeguarded and kept private in order to prevent a third party from accessing the bitcoin held in such wallet. To the extent our private key is lost, destroyed, or otherwise compromised and no backup of the private key is accessible, we will be unable to access the bitcoin held in the related digital wallet. Furthermore, we cannot provide assurance that our digital wallets will not

be compromised as a result of a cyberattack. The bitcoin and blockchain ledger, as well as other cryptocurrencies and blockchain technologies, have been, and may in the future be, subject to security breaches, cyberattacks, or other malicious activities.

We seek a degree of diversification in the use of custodial services as the extent of potential risk of loss is dependent, in part, on the degree of diversification. There can be no guarantee that insurance covering our holdings of bitcoin will be maintained as part of the custodial services we have or that such coverage will cover losses with respect to our bitcoin.

Regulatory change reclassifying bitcoin as a security could lead to our classification as an "investment company" under the Investment Company Act of 1940 and could adversely affect the market price of bitcoin and the market price of our common shares.

While senior SEC officials have stated their view that bitcoin is not a "security" for purposes of the federal securities laws, the SEC has so far refused to permit the listing of any bitcoin-based ETFs, citing, among other things, concerns regarding bitcoin market integrity and custodial protections. It is possible that the SEC could take a contrary position to the one taken by its senior officials or a federal court could conclude that bitcoin is a security. Such a determination could lead to our classification as an "investment company" under the Investment Company Act of 1940, which would subject us to significant additional regulatory controls that could have a material adverse effect on our business and operations and also may require us to substantially change the manner in which we conduct our business.

In addition, if bitcoin is determined to constitute a security for purposes of the federal securities laws, the additional regulatory restrictions imposed by such a determination could adversely affect the market price of bitcoin and in turn adversely affect the market price of our common shares.

Risks Related to this Offering and Ownership of Our Common Shares and Warrants

The prices at which the common shares and warrants will trade cannot be predicted.

Securities will not necessarily trade at values determined by reference to the underlying value of our business. The market price of the common shares and warrants could be subject to significant fluctuations in response to a variety of factors, including the following: actual or anticipated fluctuations in our quarterly results of operations; recommendations by securities research analysts; changes in the economic performance or market valuations of companies in the industry in which we operate; additions or departures by our executive officers and other key personnel; significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving our business or our competitors; operating and share price performance of other companies that investors deem comparable to us; fluctuations caused by COVID-19; and news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in our industry or target markets.

The securities markets have experienced significant price and volume fluctuations from time to time in recent years that often have been unrelated or disproportionate to the operating performance of particular issuers. These broad fluctuations may adversely affect the market price of the common shares. In addition, the market prices for securities of biopharmaceutical companies, in particular, have historically been volatile. Factors such as industry related developments, the results of product development and commercialization, changes in government regulations, developments concerning proprietary rights, the timing of costs for manufacturing, pre-clinical studies and clinical trials, the reporting of adverse safety events involving our products and public rumors about such events and changes in the market prices of the securities of our competitors may further influence the volatility in the trading price of the common shares and warrants.

The issuance of securities could result in significant dilution in the equity interest of existing shareholders and adversely affect the marketplace of the securities.

The issuance of common shares or other securities convertible into common shares could result in significant dilution in the equity interest of existing shareholders and adversely affect the market price of the common shares. In addition, in the future, we may issue additional common shares or securities convertible into common shares, which may dilute existing shareholders. Our Articles permit the issuance of an unlimited number of common shares and shareholders will have no pre-emptive rights in connection with such further issuances.

The market price of the common shares could decline as a result of future issuances, including issuance of shares issued in connection with strategic alliances, or sales by our existing holders of common shares, or the perception that these sales could occur. Sales by shareholders might also make it more difficult for us to sell equity securities at a time and price that it deems appropriate, which could reduce our ability to raise capital and have an adverse effect on our business.

We have a material weakness in our internal control over financing reporting. If we fail to establish and maintain proper and effective internal control over financial reporting, our operating results and our ability to operate our business could be harmed.

Ensuring that we have adequate internal financial and accounting controls and procedures in place so that we can produce accurate financial statements on a timely basis is a costly and time-consuming effort that needs to be re-evaluated frequently. Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with generally accepted accounting principles. Prior to this offering, due to accounting resource constraints, we have had limited review controls due to accounting resource constraints. These constraints have historically resulted in segregation of duties issues and preliminary trial balances containing certain misstatements, including items specific to accounting guidance prescribed by the Securities and Exchange Commission. As a result of these constraints, we have a material weakness in our internal control over financing reporting.

In connection with this offering, we intend to begin the process of documenting, reviewing and improving our internal controls and procedures for compliance with Section 404 of the Sarbanes-Oxley Act of 2002, as amended, or the Sarbanes-Oxley Act, and applicable Canadian laws, which will require annual management assessment of the effectiveness of our internal control over financial reporting. We have begun recruiting additional finance and accounting personnel with certain skill sets that we will need as a public company.

Implementing any appropriate changes to our internal controls may distract our officers and employees, entail substantial costs to modify our existing processes, and take significant time to complete. These changes may not, however, be effective in maintaining the adequacy of our internal controls, and any failure to maintain that adequacy, or consequent inability to produce accurate financial statements on a timely basis, could increase our operating costs and harm our business. In our efforts to maintain proper and effective internal control over financial reporting, we may discover additional significant deficiencies or material weaknesses in our internal control over financial reporting, which we may not successfully remediate on a timely basis or at all. Any failure to remediate any significant deficiencies or material weaknesses identified by us or to implement required new or improved controls, or difficulties encountered in their implementation, could cause us to fail to meet our reporting obligations or result in material misstatements in our financial statements. If we identify one or more material weaknesses in the future, it could result in an adverse reaction in the financial markets due to a loss of confidence in the reliability of our financial statements, which may harm the market price of our shares.

The report of our independent registered public accounting firm includes a "going concern" explanatory paragraph.

The report of our independent registered public accounting firm on our consolidated financial statements as of and for the year ended June 30, 2021 includes an explanatory paragraph indicating that there is substantial doubt about our ability to continue as a going concern. If we are unable to raise sufficient capital in this offering or otherwise when needed, our business, financial condition and results of operations will be materially and adversely affected, and we will need to significantly modify our operational plans to continue as a going concern. If we are unable to continue as a going concern, we might have to liquidate our assets and the values we receive for our assets in liquidation or dissolution could be significantly lower than the values reflected in our consolidated financial statements. The inclusion of a going concern explanatory paragraph by our auditors, our lack of cash resources and our potential inability to continue as a going concern may materially adversely affect our share price and our ability to raise new capital or to enter into critical contractual relations with third parties.

We do not know whether an active, liquid and orderly trading market will develop for our securities or what the market price of our securities will be and, as a result, it may be difficult for you to sell your securities.

Prior to this offering, there was no public trading market for our common shares or warrants. Although we have applied to list our common shares and warrants on The Nasdaq Capital Market, an active trading market for our shares and warrants may never develop or be sustained following this offering. You may not be able to sell your shares and warrants quickly or at the market price if trading in our common shares and warrants is not active. The initial public

offering price for our units will be determined through negotiations with the underwriters, and the negotiated price may not be indicative of the market price of the common shares and warrants after the offering. As a result of these and other factors, you may be unable to resell your common shares and warrants at or above the initial public offering price. Further, an inactive market may also impair our ability to raise capital by selling our securities and may impair our ability to enter into strategic partnerships or acquire companies or products by using our securities as consideration.

If you purchase our units in this offering, you will incur immediate and substantial dilution in the book value of your common shares included in the units.

The initial public offering price is expected to be substantially higher than the net tangible book value per common share. Investors purchasing units in this offering will pay a price per unit that substantially exceeds our net tangible book value per share after this offering. Based on the assumed initial public offering price of $ per unit, the midpoint of the price range set forth on the cover page of this prospectus, and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us, investors purchasing units in this offering will incur immediate dilution of $ per share as of September 30, 2021, representing the difference between our pro forma as adjusted net tangible book value per share, after giving effect to this offering, and the initial public offering price. Further, investors purchasing units in this offering will contribute approximately % of the total amount invested by shareholders since our inception but will own only approximately % of the total number of common shares outstanding after this offering. This dilution is due to our investors who purchased shares prior to this offering having paid substantially less when they purchased their shares than the price offered to the public in this offering.

To the extent that outstanding stock options or warrants are exercised, there will be further dilution to new investors. As a result of the dilution to investors purchasing common shares in this offering, investors may receive significantly less than the purchase price paid in this offering, if anything, in the event of our liquidation. For a further description of the dilution that you will experience immediately after this offering, see the section of this prospectus titled “Dilution.”

Future sales and issuances of our common shares or rights to purchase common shares, including pursuant to our 2021 Equity Incentive Plan, or our 2021 Plan, could result in additional dilution of the percentage ownership of our shareholders and could cause our share price to fall.

We expect that significant additional capital will be needed in the future to continue our planned operations, including expanded research and development activities, and costs associated with operating as a public company. To raise capital, we may sell common shares, convertible securities or other equity securities in one or more transactions at prices and in a manner we determine from time to time. If we sell common shares, convertible securities or other equity securities, investors may be materially diluted by subsequent sales. Such sales may also result in material dilution to our existing shareholders, and new investors could gain rights, preferences, and privileges senior to the holders of our common shares, including common shares sold in this offering.

Pursuant to our new incentive plan, which will become effective upon the effectiveness of the registration statement of which this prospectus forms a part, our management is authorized to grant stock options to our employees, directors and consultants.

We have broad discretion in the use of the net proceeds from this offering and may not use them effectively.

Our management will have broad discretion in the application of the net proceeds from this offering, including for any of the purposes described in the section titled “Use of Proceeds,” and you will not have the opportunity as part of your investment decision to assess whether the net proceeds are being used appropriately. Because of the number and variability of factors that will determine our use of the net proceeds from this offering, their ultimate use may vary substantially from their currently intended use. Our management might not apply our net proceeds in ways that ultimately increase or maintain the value of your investment.

The warrants may not have any value.

The warrants will be exercisable for five years from the date of initial issuance at an initial exercise price equal to 125% of the public offering price per unit set forth on the cover page of this prospectus. There can be no assurance that the market price of our common shares will ever equal or exceed the exercise price of the warrants. In the event that the stock price of our common shares does not exceed the exercise price of the warrants during the period when the warrants are exercisable, the warrants may not have any value.

Holders of warrants purchased in this offering will have no rights as shareholders until such holders exercise their warrants and acquire our common shares.

Until holders of the warrants purchased in this offering acquire common shares upon exercise thereof, such holders will have no rights with respect to the common shares underlying the warrants. Upon exercise of the warrants, the holders will be entitled to exercise the rights of a shareholder only as to matters for which the record date occurs after the date they were entered in the register of members of the Company as a shareholder.

The warrant certificate governing the warrants designates the state and federal courts of the State of New York sitting in the City of New York, Borough of Manhattan, as the exclusive forum for actions and proceedings with respect to all matters arising out of the warrants, which could limit a warrantholder's ability to choose the judicial forum for disputes arising out of the warrants.

The warrant certificate governing the warrants provides that all legal proceedings concerning the interpretations, enforcement and defense of the transactions contemplated by the warrant certificate (whether brought against a party to the warrant certificate or their respective affiliates, directors, officers, shareholders, partners, members, employees or agents) shall be commenced exclusively in the state and federal courts sitting in the City of New York. The warrant certificate further provides that we and the warrantholders irrevocably submit to the exclusive jurisdiction of the state and federal courts sitting in the City of New York, Borough of Manhattan for the adjudication of any dispute under the warrant certificate or in connection with it or with any transaction contemplated by it or discussed in it, including under the Securities Act. Furthermore, we and the warrantholders irrevocably waive, and agree not to assert in any suit, action or proceeding, any claim that we or they are not personally subject to the jurisdiction of any such court, that such suit, action or proceeding is improper or is an inconvenient venue for such proceeding. With respect to any complaint asserting a cause of action arising under the Securities Act or the rules and regulations promulgated thereunder, we note, however, that there is uncertainty as to whether a court would enforce this provision and that investors cannot waive compliance with the federal securities laws and the rules and regulations thereunder. Section 22 of the Securities Act creates concurrent jurisdiction for state and federal courts over all suits brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder.

Notwithstanding the foregoing, these provisions of the warrant certificate will not apply to suits brought to enforce any liability or duty created by the Exchange Act or any other claim for which the federal district courts of the United States of America are the sole and exclusive forum.

Any person or entity purchasing or otherwise acquiring or holding or owning (or continuing to hold or own) any interest in any of our warrants shall be deemed to have notice of and consented to the foregoing provisions. Although we believe this exclusive forum provision benefits us by providing increased consistency in the application of the governing law in the types of lawsuits to which it applies, the exclusive forum provision may limit a warrantholder's ability to bring a claim in a judicial forum of its choosing for disputes with us or any of our directors, officers, other employees, stockholders, or others which may discourage lawsuits with respect to such claims. Our warrantholders will not be deemed to have waived our compliance with the federal securities laws and the rules and regulations thereunder as a result of this exclusive forum provision. Further, in the event a court finds the exclusive forum provision contained in our warrant certificates to be unenforceable or inapplicable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our results of operations.

We do not intend to pay dividends on our common shares, so any returns will be limited to the value of our common shares.

We currently anticipate that we will retain future earnings for the development, operation, expansion and continued investment into our business and do not anticipate declaring or paying any cash dividends for the foreseeable future. In addition, we may enter into agreements that prohibit us from paying cash dividends without prior written consent from our contracting parties, or which other terms prohibiting or limiting the amount of dividends that may be declared or paid on our common shares. Any return to shareholders will therefore be limited to the appreciation of their common shares included in the units being offered in this offering, which may never occur.

Our principal shareholders and management own a significant percentage of our shares and will be able to exert significant influence over matters subject to shareholder approval.

Based on the number of shares outstanding on a fully diluted basis as of September 30, 2021, our executive officers, directors and director nominees, and 5% shareholders beneficially own approximately 54.0% of our common shares. Non-executive employees and consultants will beneficially own an additional 4.0% of our common shares on a fully diluted basis. After the sale and issuance of units in this offering, our executive officers, directors, and 5% shareholders will beneficially own approximately % of our common shares. Therefore, after this offering, these shareholders will have the ability to influence us through this ownership position. These shareholders may be able to determine all matters requiring shareholder approval. For example, these shareholders may be able to control elections of directors, amendments of our organizational documents or approval of any merger, sale of assets or other major corporate transaction. This may prevent or discourage unsolicited acquisition proposals or offers for our common shares that you may feel are in your best interest as one of our shareholders.

We are an emerging growth company and a smaller reporting company, and we cannot be certain if the reduced reporting requirements applicable to emerging growth companies and smaller reporting companies will make our common shares less attractive to investors.

We are an emerging growth company, as defined in the JOBS Act. For as long as we continue to be an emerging growth company, we may take advantage of exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies, including not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002 reduced disclosure obligations regarding executive compensation in this prospectus and our periodic reports and proxy statements, exemptions from the requirements of holding nonbinding advisory votes on executive compensation and shareholder approval of any golden parachute payments not previously approved, and an exemption from compliance with the requirement of the Public Accounting Oversight Board regarding the communication of critical audit matters in the auditor's report on the financial statements. We could be an emerging growth company for up to five years following the year in which we complete this offering, although circumstances could cause us to lose that status earlier. We will remain an emerging growth company until the earlier of (1) the last day of the fiscal year (a) following the fifth anniversary of the date of the closing of this offering, (b) in which we have total annual gross revenue of at least $1.07 billion or (c) in which we are deemed to be a large accelerated filer, which requires the market value of our common shares that are held by non-affiliates to exceed $700.0 million as of the prior June 30th, and (2) the date on which we have issued more than $1.0 billion in non-convertible debt during the prior three-year period.

Further, even after we no longer qualify as an emerging growth company, we may still qualify as a "smaller reporting company," which would allow us to take advantage of many of the same exemptions from disclosure requirements, including reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements. In addition, if we are a smaller reporting company with less than $100.0 million in annual revenue, we would not be required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, or Section 404.

We cannot predict if investors will find our common shares less attractive because we may rely on these exemptions. If some investors find our common shares less attractive as a result, there may be a less active trading market for our common shares and our share price may be more volatile.

Sales of a substantial number of our common shares by our existing shareholders in the public market could cause our share price to fall.

If our existing shareholders sell, or indicate an intention to sell, substantial amounts of our common shares in the public market after the lock-up and other legal restrictions on resale discussed in this prospectus lapse, the trading price of our common shares could decline. Based on the number of common shares outstanding as of September 30, 2021, and after giving effect to the sale of common shares in this offering, upon the closing of this offering, we will have outstanding a total of common shares. Of these shares, only the common shares sold in this offering by us, plus any shares sold upon exercise of the underwriters' option to purchase additional shares, will be freely tradable without restriction in the public market immediately following this offering, unless purchased by our affiliates. In connection with this offering, our officers, directors and substantially all of our securityholders have agreed to be

subject to a contractual lock-up with the underwriters, which will expire 180 days after the date of this prospectus. EF Hutton, however, may, in its sole discretion, permit our officers, directors and other shareholders who are subject to these lock-up agreements to sell shares prior to the expiration of the lock-up agreements.

Common shares that are either subject to outstanding options or reserved for future issuance under our 2021 Plan, which will become effective immediately prior to the effectiveness of the registration statement of which this prospectus forms a part, will become eligible for sale in the public market to the extent permitted by the provisions of various vesting schedules, the lock-up agreements and Rule 144 and Rule 701 under the Securities Act of 1933, as amended, or the Securities Act. Additionally, common shares that are issuable upon the exercise of outstanding warrants will become eligible for sale in the public market to the extent permitted by the lock-up agreements and Rule 144 under the Securities Act. If these additional common shares are sold, or if it is perceived that they will be sold, in the public market, the trading price of our common shares could decline.

If our estimates or judgments relating to our critical accounting policies prove to be incorrect or financial reporting standards or interpretations change, our results of operations could be adversely affected.

The preparation of financial statements in conformity with generally accepted accounting principles in the United States, or U.S. GAAP, requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. We base our estimates on historical experience, known trends and events, and various other factors that we believe to be reasonable under the circumstances, as provided in "Management's Discussion and Analysis of Financial Condition and Results of Operations — Critical Accounting Policies and Estimates." The results of these estimates form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Significant assumptions and estimates used in preparing our consolidated financial statements include share-based payments, provision for income taxes and useful lives of property, plant and equipment and intangibles. Our results of operations may be adversely affected if our assumptions change or if actual circumstances differ from those in our assumptions, which could cause our results of operations to fall below the expectations of securities analysts and investors, resulting in a decline in the trading price of our common shares.

Additionally, we regularly monitor our compliance with applicable financial reporting standards and review new pronouncements and drafts thereof that are relevant to us. As a result of new standards, changes to existing standards and changes in their interpretation, we might be required to change our accounting policies, alter our operational policies, and implement new or enhance existing systems so that they reflect new or amended financial reporting standards, or we may be required to restate our published financial statements. Such changes to existing standards or changes in their interpretation may have an adverse effect on our reputation, business, financial position, and profit.

Our disclosure controls and procedures may not prevent or detect all errors or acts of fraud.

Upon completion of this offering, we will become subject to certain reporting requirements of the Exchange Act. Our disclosure controls and procedures are designed to reasonably assure that information required to be disclosed by us in reports we file or submit under the Exchange Act is accumulated and communicated to management, recorded, processed, summarized, and reported within the time periods specified in the rules and forms of the SEC. We believe that any disclosure controls and procedures or internal controls and procedures, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by an unauthorized override of the controls. Accordingly, because of the inherent limitations in our control system, misstatements or insufficient disclosures due to error or fraud may occur and not be detected.

If securities or industry analysts do not publish research or publish inaccurate or unfavorable research about our business, our share and warrant price and trading volume could decline.

The trading market for our common shares and warrants will depend in part on the research and reports that securities or industry analysts publish about us or our business. Securities and industry analysts do not currently, and may never, publish research on our company. If no securities or industry analysts commence coverage of our company, the trading price for our common shares would likely be negatively impacted. In the event securities or industry

analysts initiate coverage, if one or more of the analysts who cover us downgrades our common shares or publishes inaccurate or unfavorable research about our business, our share and warrant price may decline. If one or more of these analysts ceases coverage of our company or fails to publish reports on us regularly, demand for our shares could decrease, which might cause our share and warrant price and trading volume to decline.

Risks Related to Investment in a Canadian Company

We are governed by the corporate laws of Canada which in some cases have a different effect on shareholders than the corporate laws of the United States.

We are governed by the *Business Corporations Act* (British Columbia), or BCBCA, and other relevant federal and municipal laws, which may affect the rights of shareholders differently than those of a company governed by the laws of a U.S. jurisdiction, and may, together with our charter documents, have the effect of delaying, deferring or discouraging another party from acquiring control of our company by means of a tender offer, a proxy contest or otherwise, or may affect the price an acquiring party would be willing to offer in such an instance. The material differences between the BCBCA and Delaware General Corporation Law, or DGCL, that may have the greatest such effect include, but are not limited to, the following: (i) for certain corporate transactions (such as mergers and amalgamations or amendments to our Articles) the BCBCA generally requires the voting threshold to be a special resolution approved by 66 2/3% of shareholders, or as set out in the Articles, as applicable, whereas DGCL generally only requires a majority vote; and (ii) under the BCBCA a holder of 5% or more of our common shares can requisition a special meeting of shareholders, whereas such right does not exist under the DGCL. See “Comparison of British Columbia Law and Delaware Law” elsewhere in this prospectus. We cannot predict whether investors will find our company and our common shares less attractive because we are governed by foreign laws.

Our Articles and certain Canadian legislation contain provisions that may have the effect of delaying, preventing or making undesirable an acquisition of all or a significant portion of our shares or assets or preventing a change in control.

Certain provisions of our Articles and certain provisions under the BCBCA, together or separately, could discourage, delay or prevent a merger, acquisition or other change in control of us that shareholders may consider favorable, including transactions in which they might otherwise receive a premium for their common shares. These provisions include the establishment of a staggered board of directors, which divides the board into three groups, with directors in each group serving a three-year term. The existence of a staggered board can make it more difficult for shareholders to replace or remove incumbent members of our board of directors. As such, these provisions could also limit the price that investors might be willing to pay in the future for our common shares, thereby depressing the market price of our common shares. In addition, because our board of directors is responsible for appointing the members of our management team, these provisions may frustrate or prevent any attempts by our shareholders to replace or remove our current management by making it more difficult for shareholders to replace members of our board of directors. Among other things, these provisions include the following:

- shareholders cannot amend our Articles unless such amendment is approved by shareholders holding at least 66 2/3% of the shares entitled to vote on such approval;
- our board of directors may, without shareholder approval, issue preferred shares in one or more series having any terms, conditions, rights, preferences and privileges as the board of directors may determine; and
- shareholders must give advance notice to nominate directors or to submit proposals for consideration at shareholders’ meetings.

A non-Canadian must file an application for review with the Minister responsible for the *Investment Canada Act* and obtain approval of the Minister prior to acquiring control of a “Canadian business” within the meaning of the *Investment Canada Act*, where prescribed financial thresholds are exceeded. A reviewable acquisition may not proceed unless the Minister is satisfied that the investment is likely to be of net benefit to Canada. If the applicable financial thresholds were exceeded such that a net benefit to Canada review would be required, this could prevent or delay a change of control and may eliminate or limit strategic opportunities for shareholders to sell their common shares. Furthermore, limitations on the ability to acquire and hold our common shares may be imposed by the *Competition Act* (Canada). This legislation

has a pre-merger notification regime and mandatory waiting period that applies to certain types of transactions that meet specified financial thresholds, and permits the Commissioner of Competition to review any acquisition or establishment, directly or indirectly, including through the acquisition of shares, of control over or of a significant interest in us.

Our articles designate specific courts in Canada and the United States as the exclusive forum for certain litigation that may be initiated by our shareholders, which could limit our shareholders' ability to obtain a favorable judicial forum for disputes with us.

Pursuant to our articles, unless we consent in writing to the selection of an alternative forum, the courts of the Province of British Columbia and the appellate courts therefrom shall, to the fullest extent permitted by law, be the sole and exclusive forum for: (a) any derivative action or proceeding brought on our behalf; (b) any action or proceeding asserting a claim of breach of fiduciary duty owed by any director, officer or other employee of ours to us; (c) any action or proceeding asserting a claim arising out of any provision of the BCBCA or our articles (as either may be amended from time to time); or (d) any action or proceeding asserting a claim or otherwise related to our affairs, or the Canadian Forum Provision. The Canadian Forum Provision will not apply to any causes of action arising under the Securities Act or the Exchange Act. In addition, our articles to be in effect prior to the completion of this offering further provide that unless we consent in writing to the selection of an alternative forum, the United States District Court for the District of Delaware shall be the sole and exclusive forum for resolving any complaint filed in the United States asserting a cause of action arising under the Securities Act, or the U.S. Federal Forum Provision. In addition, our articles to be in effect prior to the completion of this offering provide that any person or entity purchasing or otherwise acquiring any interest in our common shares is deemed to have notice of and consented to the Canadian Forum Provision and the U.S. Federal Forum Provision; provided, however, that shareholders cannot and will not be deemed to have waived our compliance with the U.S. federal securities laws and the rules and regulations thereunder.

The Canadian Forum Provision and the U.S. Federal Forum Provision in our articles may impose additional litigation costs on shareholders in pursuing any such claims. Additionally, the forum selection clauses in our amended articles may limit our shareholders' ability to bring a claim in a judicial forum that they find favorable for disputes with us or our directors, officers or employees, which may discourage the filing of lawsuits against us and our directors, officers and employees, even though an action, if successful, might benefit our shareholders. In addition, while the Delaware Supreme Court ruled in March 2020 that federal forum selection provisions purporting to require claims under the Securities Act be brought in federal court are "facially valid" under Delaware law, there is uncertainty as to whether other courts, including courts in Canada and other courts within the United States, will enforce our U.S. Federal Forum Provision. If the U.S. Federal Forum Provision is found to be unenforceable, we may incur additional costs associated with resolving such matters. The U.S. Federal Forum Provision may also impose additional litigation costs on shareholders who assert that the provision is not enforceable or invalid. The courts of the Province of British Columbia and the United States District Court for the District of Delaware may also reach different judgments or results than would other courts, including courts where a shareholder considering an action may be located or would otherwise choose to bring the action, and such judgments may be more or less favorable to us than our shareholders.

Because we are a Canadian company, it may be difficult to serve legal process or enforce judgments against us.

We are incorporated and maintain operations in Canada. In addition, while certain of our directors and officers reside in the United States, many of them reside outside of the United States. Accordingly, service of process upon us may be difficult to obtain within the United States. Furthermore, because substantially all of our assets are located outside the United States, any judgment obtained in the United States against us, including one predicated on the civil liability provisions of the U.S. federal securities laws, may not be collectible within the United States. Therefore, it may not be possible to enforce those actions against us.

In addition, it may be difficult to assert U.S. securities law claims in original actions instituted in Canada. Canadian courts may refuse to hear a claim based on an alleged violation of U.S. securities laws against us or these persons on the grounds that Canada is not the most appropriate forum in which to bring such a claim. Even if a Canadian court agrees to hear a claim, it may determine that Canadian law and not U.S. law is applicable to the claim. If U.S. law is found to be applicable, the content of applicable U.S. law must be proved as a fact, which can be a time-consuming and costly process. Certain matters of procedure will also be governed by Canadian law. Furthermore, it may not be possible to subject foreign persons or entities to the jurisdiction of the courts in Canada. Similarly, to the extent that our assets are located in Canada, investors may have difficulty collecting from us any judgments obtained in the U.S. courts and predicated on the civil liability provisions of U.S. securities provisions.

We may be adversely affected by fluctuations in the U.S. dollar relative to the Canadian dollar.

Our revenues and expenses are expected to be primarily denominated in U.S. dollars, and therefore may be exposed to significant currency exchange fluctuations. The Canadian dollar relative to the U.S. dollar or other foreign currencies is subject to fluctuations. Fluctuations in the exchange rate between the U.S. dollar and the Canadian dollar may have a material adverse effect on our business, financial condition or results of operations. We may, in the future, establish a program to hedge a portion of our foreign currency exposure with the objective of minimizing the impact of adverse foreign currency exchange movements. However, even if we develop a hedging program, there can be no assurance that it will effectively mitigate currency risks. Failure to adequately manage foreign exchange risk could therefore have a material adverse effect on our business, financial condition or results of operations.

General Risks

We may expand our business through the acquisition of companies or businesses or by entering into collaborations, each of which could disrupt our business and harm our financial condition

We may in the future seek to expand our capabilities by acquiring one or more companies or businesses or entering into collaborations. Acquisitions and collaborations involve numerous risks, including, but not limited to: substantial cash expenditures; technology development risks; potentially dilutive issuances of equity securities; incurrence of debt and contingent liabilities, some of which may be difficult or impossible to identify at the time of acquisition; difficulties in assimilating the operations of the acquired companies; potential disputes regarding contingent consideration; diverting our management's attention away from other business concerns; entering markets in which we have limited or no direct experience; and potential loss of our key employees or key employees of the acquired companies or businesses.

Our management has experience in making acquisitions and entering collaborations; however, we cannot provide assurance that any acquisition or collaboration will result in short-term or long-term benefits to us. We may incorrectly judge the value or worth of an acquired company or business. In addition, our future success would depend in part on our ability to manage the rapid growth associated with some of these acquisitions and collaborations. We cannot provide assurance that we would be able to successfully combine our business with that of acquired businesses or manage a collaboration. Furthermore, the development or expansion of our business may require a substantial capital investment by us.

We may be negatively impacted by challenging global economic conditions.

Our business, financial condition, results of operations and cash flow may be negatively impacted by challenging global economic conditions.

A global economic slowdown would cause disruptions and extreme volatility in global financial markets, increased rates of default and bankruptcy and declining consumer and business confidence, which can lead to decreased levels of consumer spending. These macroeconomic developments could negatively impact our business, which depends on the general economic environment. As a result, we may not be able to maintain our existing clients or attract new clients, or we may be forced to reduce the price of our products. We are unable to predict the likelihood of the occurrence, duration or severity of such disruptions in the credit and financial markets or adverse global economic conditions. Any general or market-specific economic downturn could have a material adverse effect on our business, financial condition and results of operations.

Additionally, the United States has imposed and may impose additional quotas, duties, tariffs, retaliatory or trade protection measures or other restrictions or regulations and may adversely adjust prevailing quota, duty or tariff levels, which can affect both the materials that we use to package our products and the sale of finished products. Measures to reduce the impact of tariff increases or trade restrictions, including geographical diversification of our sources of supply, adjustments in packaging design and fabrication or increased prices, could increase our costs, delay our time to market and/or decrease sales. Other governmental action related to tariffs or international trade agreements has the potential to adversely impact demand for our products and our costs, customers, suppliers and global economic conditions and cause higher volatility in financial markets. While we actively review existing and proposed measures to seek to assess the impact of them on our business, changes in tariff rates, import duties and other new or augmented trade restrictions could have a number of negative impacts on our business, including higher prices and reduced demand for our products and higher input costs.

Our future growth and ability to compete effectively depends on retaining our key personnel and recruiting additional qualified personnel, and on the key personnel employed by our collaborative partners.

Our success depends upon the continued contributions of our key management, scientific and technical personnel, many of whom have been instrumental for us and have substantial experience with our therapies and related technologies. These key management individuals include the members of our board of directors and certain executive officers. We do not currently maintain any key person insurance.

The loss of key managers and senior scientists could delay our research and development activities. In addition, our ability to compete in the highly competitive biotechnology industry depends upon our ability to attract and retain highly qualified management, scientific and medical personnel. Many other companies and academic institutions that we compete against for qualified personnel have greater financial and other resources, different risk profiles and a longer history in the industry than we do. Therefore, we might not be able to attract or retain these key persons on conditions that are economically acceptable. Moreover, some qualified prospective employees may choose not to work for us due to negative perceptions regarding the therapeutic use of psychedelic substances or other objections to the therapeutic use of a controlled substance. Furthermore, we will need to recruit new managers and qualified scientific personnel to develop our business if we expand into fields that will require additional skills. Our inability to attract and retain these key persons could prevent us from achieving our objectives and implementing our business strategy, which could have a material adverse effect on our business and prospects.

We expect to experience significant growth in the number of our employees and the scope of our operations, particularly in the area of research and development. To manage our anticipated future growth, we must continue to implement and improve our managerial, operational and financial systems, expand our facilities and continue to recruit and train additional qualified personnel. Due to our limited financial resources, we may not be able to effectively manage the expansion of our operations or recruit and train additional qualified personnel. The expansion of our operations may lead to significant costs and may divert our management and business development resources. Any inability to manage growth could delay the execution of our business plans or disrupt our operations.

We may be subject to growth-related risks including pressure on our internal systems and controls.

Our ability to manage our growth effectively will require us to continue to implement and improve our operational and financial systems and to expand, train and manage our employee base. Our inability to deal with this growth could have a material adverse impact on our business, operations and prospects. We may experience growth in the number of our employees and the scope of our operating and financial systems, resulting in increased responsibilities for our personnel, the hiring of additional personnel and, in general, higher levels of operating expenses. In order to manage our future growth effectively, we will also need to continue to implement and improve our operational, financial and management information systems and to hire, train, motivate, manage and retain our employees. There can be no assurance that we will be able to manage such growth effectively, that our management, personnel or systems will be adequate to support our operations or that we will be able to achieve the increased levels of revenue commensurate with the increased levels of operating expenses associated with this growth.

Security breaches, loss of data and other disruptions could compromise sensitive information related to our business or prevent us from accessing critical information and expose us to liability, which could adversely affect our business and our reputation.

In the ordinary course of our business, we generate and store sensitive data, including research data, intellectual property and proprietary business information owned or controlled by ourselves or our employees, partners and other parties. We manage and maintain our applications and data utilizing a combination of on-site systems and cloud-based data centers. We utilize external security and infrastructure vendors to manage parts of our data centers. These applications and data encompass a wide variety of business-critical information, including research and development information, commercial information and business and financial information. We face a number of risks relative to protecting this critical information, including loss of access risk, inappropriate use or disclosure, accidental exposure, unauthorized access, inappropriate modification and the risk of our being unable to adequately monitor and audit and modify our controls over our critical information. This risk extends to the third party vendors and subcontractors we use to manage this sensitive data or otherwise process it on our behalf. Further, to the extent our employees are working at home during the COVID-19 pandemic, additional risks may arise as a result of depending on the networking and security put into place by the employees. The secure processing, storage, maintenance and transmission of this

critical information are vital to our operations and business strategy, and we devote significant resources to protecting such information. Although we take reasonable measures to protect sensitive data from unauthorized access, use or disclosure, no security measures can be perfect and our information technology and infrastructure may be vulnerable to attacks by hackers or infections by viruses or other malware or breached due to employee erroneous actions or inactions by our employees or contractors, malfeasance or other malicious or inadvertent disruptions. Any such breach or interruption could compromise our networks and the information stored there could be accessed by unauthorized parties, publicly disclosed, lost or stolen. Any such access, breach, or other loss of information could result in legal claims or proceedings. Unauthorized access, loss or dissemination could also disrupt our operations and damage our reputation, any of which could adversely affect our business.

Additionally, we do not currently maintain cybersecurity insurance coverage. Even if we were to obtain such coverage, we cannot be certain that such coverage will be adequate for data security liabilities actually incurred, will cover any indemnification claims against us relating to any incident, will continue to be available to us on economically reasonable terms, or at all, or that any insurer will not deny coverage as to any future claim. The successful assertion of one or more large claims against us that exceed available insurance coverage, or the occurrence of changes in our insurance policies, including premium increases or the imposition of large deductible or co-insurance requirements, could adversely affect our reputation, business, financial condition and results of operations.

In certain circumstances, our reputation could be damaged.

Damage to our 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 us and our activities, whether true or not. Although we believe that we operate in a manner that is respectful to all stakeholders and that we take care in protecting our image and reputation, we do not ultimately have direct control over how we are perceived by others. Reputation loss may result in decreased investor confidence, increased challenges in developing and maintaining community relations and an impediment to our overall ability to advance our projects, thereby having a material adverse impact on financial performance, financial condition, cash flows and growth prospects.

We use biological and hazardous materials that require considerable expertise and expense for handling, storage and disposal and may result in claims against us.

We work with materials, including chemicals, biological agents and compounds that could be hazardous to human health and safety or the environment. Our operations also produce hazardous and biological waste products. Federal, provincial, state and local laws and regulations govern the use, generation, manufacture, storage, handling and disposal of these materials and wastes. We are subject to periodic inspections by Canadian provincial and federal authorities to ensure compliance with applicable laws. Compliance with applicable environmental laws and regulations is expensive, and current or future environmental laws and regulations may restrict our operations. If we do not comply with applicable regulations, we may be subject to fines and penalties.

In addition, we cannot eliminate the risk of accidental injury or contamination from these materials or wastes, which could cause an interruption of our commercialization efforts, research and development programs and business operations, as well as environmental damage resulting in costly clean-up and liabilities under applicable laws and regulations. In the event of contamination or injury, we could be liable for damages or penalized with fines in an amount exceeding our resources and our operations could be suspended or otherwise adversely affected. Furthermore, environmental laws and regulations are complex, change frequently and have tended to become more stringent. We cannot predict the impact of such changes and cannot be certain of our future compliance.

We incur increased costs as a result of operating as a public company, and our management is required to devote substantial time to new compliance initiatives and corporate governance practices.

As a public company we have incurred, and will continue to incur, significant legal, accounting, and other expenses that we did not incur as a private company. The Sarbanes-Oxley Act of 2002, or Sarbanes-Oxley, the Dodd-Frank Wall Street Reform, and Consumer Protection Act, the listing requirements of Nasdaq, and other applicable securities rules and regulations impose various requirements on public companies, including establishment and maintenance of effective disclosure and financial controls and corporate governance practices. We have had to hire additional

accounting, finance, and other personnel in connection with our efforts to comply with the requirements of being a public company and our management and other personnel devote a substantial amount of time towards maintaining compliance with these requirements. These requirements increase our legal and financial compliance costs and make some activities more time-consuming and costly. These rules and regulations are often subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices.

In addition, Sarbanes-Oxley, as well as rules subsequently adopted by the SEC and Nasdaq to implement provisions of Sarbanes-Oxley, impose significant requirements on public companies, including requiring establishment and maintenance of effective disclosure and financial controls and changes in corporate governance practices. Further, pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, the SEC has adopted additional rules and regulations in these areas, such as mandatory “say on pay” voting requirements that are applicable to us. Stockholder activism, the current political environment, and the current high level of government intervention and regulatory reform may lead to substantial new regulations and disclosure obligations, which may lead to additional compliance costs and impact the manner in which we operate our business in ways we cannot currently anticipate.

If these requirements divert the attention of our management and personnel from other business concerns, they could have a material adverse effect on our business, financial condition, and results of operations. The increased costs could impact our results of operations, and may require us to reduce costs in other areas of our business or increase the prices of our products or services. For example, these rules and regulations make it more difficult and more expensive for us to obtain director and officer liability insurance. We cannot predict or estimate the amount or timing of additional costs we may incur to respond to these requirements. The impact of these requirements could also make it more difficult for us to attract and retain qualified persons to serve on our Board of Directors, our board committees, or as executive officers.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements concerning our business, operations and financial performance, as well as our plans, objectives and expectations for our business operations and financial performance and condition. All statements other than statements of historical or current facts contained in this prospectus, including statements regarding our future results of operations and financial positions, business strategy, product candidates, planned preclinical studies and clinical trials, results of clinical trials, research and development costs, regulatory approvals, commercial strategy, timing and likelihood of success, as well as plans and objectives of management for future operations, are forward-looking statements. These statements relate to future events or to our future financial performance and involve known and unknown risks, uncertainties and other important factors that are in some cases beyond our control, and may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

In some cases, you can identify forward-looking statements by terms such as “may,” “will,” “should,” “expect,” “plan,” “is expected to,” “anticipate,” “could,” “intend,” “target,” “project,” “contemplate,” “believe,” “estimate,” “predict,” “potential” or “continue” or the negative of these terms or other similar expressions, although not all forward-looking statements contain these words. Forward-looking statements contained in this prospectus include, but are not limited to, statements about:

- our ability to generate commercially viable products through our research, development and cultivation efforts;
- our ability to establish and market our planned contract research services;
- regulatory developments in Canada, the United States and other countries and changes in the current regulatory regime applicable to psychotropics;
- estimates of our addressable market, future revenue, expenses, capital requirements and our needs for additional financing;
- our ability to obtain funding for our operations, including funding necessary to complete the expansion of our operations and development of our products and product candidates;
- the implementation of our business model and strategic plans for our products, technologies and businesses;
- our expectations regarding our ability to establish and maintain intellectual property protection for our products and technologies and our ability to operate our business without infringing on the intellectual property rights of others;
- our expectations regarding the completion of our facility and our manufacturing capabilities;
- companies and technologies in our industry with which we may compete;
- our ability to attract and retain key scientific and engineering personnel;
- our expectations regarding the period during which we qualify as an emerging growth company under the JOBS Act;
- business disruptions affecting our operations due to the global COVID-19 pandemic;
- our expectations regarding the use of proceeds from this offering;
- our expectations regarding market trends; and
- other risks and uncertainties, including those listed under the caption “Risk Factors.”

We have based these forward-looking statements largely on our current expectations, estimates, forecasts and projections about our business, the industry in which we operate and financial trends that we believe may affect our business, financial condition, results of operations and prospects, and these forward-looking statements are not guarantees of future performance or development. These forward-looking statements speak only as of the date of this prospectus and are subject to a number of risks, uncertainties and assumptions described in the section titled “Risk Factors” and elsewhere in this prospectus. Because forward-looking statements are inherently subject to risks and

uncertainties, some of which cannot be predicted or quantified, you should not rely on these forward-looking statements as predictions of future events. Although we believe that we have a reasonable basis for each forward-looking statement contained in this prospectus, we cannot guarantee that the future results, levels of activity, performance or events and circumstances reflected in the forward-looking statements will be achieved or occur at all, and our actual results may differ materially from those projected in the forward-looking statements. Except as required by applicable law, we do not plan to publicly update or revise any forward-looking statements contained herein until after we distribute this prospectus, whether as a result of any new information, future events or otherwise.

In addition, statements that “we believe” and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based upon information available to us as of the date of this prospectus, and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain and you are cautioned not to unduly rely upon these statements.

You should read this prospectus and the documents that we reference in this prospectus and have filed with the SEC as exhibits to the registration statement of which this prospectus is a part with the understanding that our actual future results, level of activity, performance and events and circumstances may be materially different from what we expect.

MARKET AND INDUSTRY DATA

This prospectus contains estimates and other statistical data made by independent parties relating to our industry and the markets in which we operate, including estimates and statistical data about our market position, market opportunity, the incidence of certain medical conditions and other industry data. These data, to the extent they contain estimates or projections, involve a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates or projections. Although we have not independently verified the accuracy or completeness of the data contained in these industry publications and reports, based on our industry experience we believe that the publications are reliable, the conclusions contained in the publications and reports are reasonable and the third-party information included in this prospectus and in our estimates is accurate and complete.

USE OF PROCEEDS

We estimate that we will receive net proceeds of approximately $ million from the sale of units in this offering (or shares if the underwriters exercise in full their option to purchase additional common shares and/or warrants in full), assuming an initial public offering price of $ per unit, the midpoint of the estimated offering price range set forth on the cover page of this prospectus, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

Each $1.00 increase (decrease) in the assumed initial public offering price of $ per unit, the midpoint of the estimated offering price range set forth on the cover page of this prospectus, would increase (decrease) the net proceeds to us from this offering by approximately $ million, assuming the number of units offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us. Similarly, each increase (decrease) of 1,000,000 in the number of units we are offering would increase (decrease) the net proceeds to us from this offering by approximately $ million, assuming the assumed initial public offering price stays the same, and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us. We do not expect that a change in the initial price to the public or the number of units by these amounts would have a material effect on the uses of the proceeds from this offering, although it may accelerate the time at which we will need to seek additional capital.

The principal purposes of this offering are to obtain additional capital to fund our research and development, to create a public market for our common shares and warrants and to facilitate our future access to the public equity markets. We intend to use the net proceeds from this offering as follows:

- approximately $ million to repay indebtedness, including repayment of principal and accrued interest outstanding under (i) two promissory notes issued to Livio Susin, one of our directors, or the Susin Notes; and (ii) two loans from Canadian Emergency Business Account, or the CEBA Loans, one incurred by us and the other by our wholly owned subsidiary, TerraCube International Inc., or TerraCube;
- approximately $ million to complete the buildout of and make certain upgrades to our manufacturing and research facilities;
- approximately $ million to satisfy certain outstanding liabilities; and
- the remainder for working capital and other general corporate purposes, including the additional costs associated with being a public company.

The first Susin Note, issued in December 2018, bears interest at 21% and matured on December 31, 2020. There is no default rate of interest under the note. The second Susin Note, issued in February 2019, bears interest at 2% per annum. It is repayable 90 days following to the successful completion of an initial public offering or a reverse takeover transaction which results in our shares being listed on a Canadian public exchange. The CEBA Loans are interest free until December 31, 2022. If we and TerraCube repay a specified portion of the loan amount by that date, it will result in the forgiveness of the remaining outstanding amounts. On December 31, 2023, we have the option to extend the loan until December 31, 2025 at an interest rate of 5% per annum.

The buildout and upgrades to our manufacturing and research facilities are expected to include expansions to our power and water supply and certain other upgrades necessary to ensure our facilities are compliant with current good manufacturing practices. We also expect to purchase additional equipment for the cultivation and manufacturing of our products. Our management believes our current capital resources coupled with the net proceeds from the offering will be adequate to complete the construction and make the purchases required to operate our current business as described in this prospectus. If our facilities were expanded in the long-term to meet the needs of company growth and industry demand, including for larger-scale manufacturing of our products related to commercial supply for our prospective clients, one or more additional capital financings may be required.

We may also use a portion of the remaining net proceeds and our existing cash and cash equivalents to in-license, acquire, or invest in complementary businesses, technologies, products or assets. While we do not have any current agreements, commitments or understandings for any specific acquisitions or any specific targets in connection with which we intend to use a portion of the net proceeds from this offering, we may in the future use a portion of the net

proceeds from this offering for such purposes, specifically, businesses in the psychotropics cultivation supply category and other intellectual property related to formulations and manufacturing, if they provide synergies and make financial sense for the growth of our business.

We believe, based on our current operating plan, that the net proceeds from this offering and our existing cash and cash equivalents, will be sufficient to fund our operations through, although there can be no assurance in that regard. However, our expected use of proceeds from this offering described above represents our current intentions based on our present plans and business condition. Management will have broad discretion in the application of the net proceeds, and investors will be relying on the judgment of our management regarding the application of the net proceeds of this offering. As of the date of this prospectus, we cannot predict with certainty all of the particular uses for the proceeds to be received upon the completion of this offering or the actual amounts that we will spend on the uses set forth above. The net proceeds from this offering, together with our cash and cash equivalents, may not be sufficient for us to complete the development of our manufacturing facility, commence the commercialization of our products and achieve or maintain profitability, and we may need to raise additional capital in order to do so.

Pending the uses described above, we plan to invest the net proceeds from this offering in short- and intermediate-term, interest-bearing obligations, investment-grade instruments or other securities.

DIVIDEND POLICY

We have never declared or paid any cash dividends on our capital stock. We currently anticipate that we will retain future earnings, if any, to finance the operation and expansion of our business and do not anticipate paying any cash dividends in the foreseeable future. Any future determination related to our dividend policy will be made at the discretion of our board of directors after considering our financial condition, results of operations, capital requirements, business prospects and other factors our board of directors deems relevant, and subject to the restrictions contained in any future financing instruments.

CAPITALIZATION

The following table sets forth our cash and cash equivalents and capitalization as of September 30, 2021, as follows:

- on an actual basis;
- on a pro forma basis to give effect to (i) the exercise of certain of our outstanding warrants into an aggregate of 3,477,919 common shares in December 2021, (ii) the sale of convertible promissory notes with an aggregate principal amount of $_____ subsequent to September 30, 2021, (iii) the conversion of certain of our outstanding convertible notes into an aggregate of 170,804 common shares in December 2021, (iv) the conversion of our outstanding convertible promissory notes into an aggregate of common shares upon the completion of this offering, assuming an initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, (v) the filing and effectiveness on December 1, 2021 of our new Articles of the Corporation, pursuant to which, among other things, all of our outstanding Class A common shares and Class B common shares converted into a single class of common shares, and (vi) the filing and effectiveness on December 1, 2021 of our new Articles of the Corporation pursuant to which a 1-for-18 reverse split of our common shares; and
- on a pro forma as adjusted basis to further reflect our issuance and sale of units in this offering at an assumed initial public offering price of $ per unit, the midpoint of the estimated offering price range set forth on the cover page of this prospectus, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

The pro forma as adjusted information discussed below is illustrative only and will be adjusted based on the actual initial public offering price and other terms of this offering determined at pricing. You should read this table in conjunction with “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” and our audited financial statements and related notes included elsewhere in this prospectus.

	As of September 30, 2021 (unaudited)		
	Actual	Pro Forma	Pro Forma as Adjusted[1]
	(in thousands, except share and per share data)		
Cash and cash equivalents	$ 112,372	$	$
Shareholders’ (deficit) equity:			
Preferred shares, no par value; no shares authorized, issued or outstanding, actual; no shares authorized, no shares issued or outstanding, pro forma and pro forma as adjusted	—	—	—
Class A common shares, no par value; no maximum number of shares authorized, shares issued and outstanding, actual; no shares authorized, no shares issued or outstanding, pro forma and pro forma as adjusted	—	—	—
Class B non-voting common shares, no par value; no maximum number of shares authorized, shares issued and outstanding, actual; no shares authorized, no shares issued or outstanding, pro forma and pro forma as adjusted	—	—	—
Common shares, no par value; no shares authorized, issued and outstanding, actual; shares authorized, shares issued and outstanding, pro forma; shares authorized, shares issued and outstanding, pro forma as adjusted	—	—	—
Additional paid-in capital	23,583,082		
Accumulated other comprehensive loss	(218,524)		
Accumulated deficit	(30,911,283)		
Total shareholders’ (deficit) equity	(7,546,725)		
Total capitalization	$ (7,434,353)	$	$

(1) Each $1.00 increase (decrease) in the assumed initial public offering price of $ per unit, the midpoint of the estimated offering price range set forth on the cover page of this prospectus, would increase (decrease) our pro forma as adjusted cash

and cash equivalents, additional paid-in capital, total shareholders' (deficit) equity and total capitalization by approximately $ million, assuming that the number of units offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. Similarly, each increase (decrease) of 1,000,000 units in the number of units offered by us would increase (decrease) our pro forma as adjusted cash and cash equivalents, additional paid-in capital, total shareholders' (deficit) equity and total capitalization by approximately $ million, assuming the units offered by this prospectus are sold at the assumed initial public offering price of $ per unit, the midpoint of the estimated offering price range set forth on the cover page of this prospectus, and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us. The pro forma as adjusted information discussed above is illustrative only and will be adjusted based on the actual public offering price and other terms of this offering determined at pricing.

The foregoing table and calculations above exclude the following common shares:

- 353,181 common shares issuable upon the exercise of stock options outstanding as of September 30, 2021, with a weighted-average exercise price of $1.1094 per share;
- 428,290 common shares issuable upon the exercise of warrants outstanding as of September 30, 2021, with a weighted-average exercise price of $1.6092 per share;
- 702,195 common shares reserved for issuance as of September 30, 2021 under our 2019 Stock Option Plan, which we refer to as our 2019 Plan, which shares will cease to be available for issuance at the time the 2021 Equity Incentive Plan, or the 2021 Plan, becomes effective;
- common shares to be reserved for future issuance under our 2021 Plan, which will become available for issuance upon the effectiveness of the registration statement of which this prospectus is a part, plus any future increases in the number of common shares reserved for issuance;
- common shares issuable upon exercise of warrants included in the units being offered in this offering at a price of $ per share, assuming an initial public offering price of $ per unit (which is the midpoint of the estimated range of the initial public offering price shown on the cover page of this prospectus); and
- common shares issuable upon exercise of the representative's warrant at a price of $ per share, assuming an initial public offering price of $ per unit (which is the midpoint of the estimated range of the initial public offering price shown on the cover page of this prospectus).

DILUTION

If you purchase our units in this offering, your ownership interest will be immediately diluted to the extent of the difference between the initial public offering price per unit of our common shares and the pro forma as adjusted net tangible book value per share of our common shares immediately after this offering.

As of September 30, 2021, our historical net tangible book value (deficit) was $6.4 million, or $0.98 per common share. Our historical net tangible book value (deficit) represents the amount of our total tangible assets (total assets less intangible assets) less our total liabilities. Historical net tangible book value (deficit) per share represents our historical net tangible book value (deficit) divided by the number of common shares outstanding as of September 30, 2021.

As of September 30, 2021, our pro forma net tangible book value (deficit) was $ million, or $ per common share. Pro forma net tangible book value (deficit) represents the amount of our total tangible assets less our total liabilities, after giving effect to (i) the exercise of certain of our outstanding warrants into an aggregate of common shares subsequent to September 30, 2021, (ii) the sale of convertible promissory notes with an aggregate principal amount of $_____subsequent to September 30, 2021, (iii) the conversion of certain of our outstanding convertible notes into an aggregate of 170,804 common shares in December 2021, (iv) the conversion of certain outstanding convertible notes into an aggregate of common shares upon the completion of this offering, assuming an initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, (v) the filing and effectiveness on December 1, 2021 of our new Articles of the Corporation, pursuant to which, among other things, all of our outstanding Class A common shares and Class B common shares will convert into a single class of common shares, and (vi) the filing and effectiveness on December 1, 2021 of an amendment to our Articles pursuant to which a 1-for-18 reverse split of our common shares. Pro forma net tangible book value per share represents pro forma net tangible book value divided by the total number of common shares outstanding as of September 30, 2021, after giving effect to the aforementioned conversions.

After giving further effect to (i) the pro forma adjustments set forth above and (ii) our sale of units in this offering at an assumed initial public offering price of $ per unit, the midpoint of the estimated offering price range set forth on the cover page of this prospectus, and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us, our pro forma as adjusted net tangible book value as of September 30, 2021 would have been $ million, or approximately $ per share.

Dilution per share to new investors purchasing units in this offering is determined by subtracting pro forma as adjusted net tangible book value per share after this offering from the assumed initial public offering price per share paid by new investors purchasing our units in this offering.

The following table illustrates this dilution:

Assumed initial public offering price per unit		$
Historical net tangible book value (deficit) per share as of September 30, 2021	$	
Pro forma increase in net tangible book value (deficit) per share as of September 30, 2021 attributable to the conversion of outstanding convertible notes and the conversion of Class A common shares and Class B common shares into a single class of common shares	$	
Pro forma net tangible book value (deficit) per share as of September 30, 2021	$	
Increase in pro forma as adjusted net tangible book value per share attributable to new investors purchasing shares in this offering		
Pro forma as adjusted net tangible book value per share after this offering		$
Dilution per share to new investors in this offering		$

The following table summarizes, as of September 30, 2021, on a pro forma as adjusted basis as described above, the differences between the number of shares purchased from us, the total cash consideration and the average price per

share paid to us by existing shareholders and by new investors purchasing shares in this offering, at the assumed initial public offering price of $ per unit, the midpoint of the estimated offering price range set forth on the cover page of this prospectus, before deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us. As the table shows, new investors purchasing units in this offering will pay an average price per share substantially higher than our existing investors paid.

	Shares Purchased		Total Consideration		Average Price Per Share
	Number	Percent	Amount	Percent	
Existing shareholders		%		%	$
New investors participating in this offering					
Total		100%		100%	$

The table above assumes no exercise of the underwriters' option to purchase additional common shares and/or additional warrants. If the underwriters exercise their option in full, the number of common shares held by existing shareholders would be reduced to approximately % of the total number of common shares outstanding after this offering, and the number common shares held by new investors purchasing units in this offering would be increased to approximately % of the total number of shares outstanding after this offering.

The foregoing table and calculations above exclude the following shares:

- 353,181 common shares issuable upon the exercise of share options outstanding as of September 30, 2021, with a weighted-average exercise price of $1.1094 per share;
- 428,290 common shares issuable upon the exercise of warrants outstanding as of September 30, 2021, with a weighted-average exercise price of $1.6092 per share;
- 702,195 common shares reserved for issuance under our 2019 Stock Option Plan, or the Current Plan, as of September 30, 2021, which shares will cease to be available for issuance at the time the 2021 Share Option and Incentive Plan, or the 2021 Plan, becomes effective;
- common shares to be reserved for future issuance under our 2021 Plan, which will become available for issuance upon the effectiveness of the registration statement of which this prospectus is a part, plus any future increases in the number of common shares reserved for issuance.
- common shares issuable upon exercise of warrants included in the units being offered in this offering at a price of $ per share; and
- common shares issuable upon exercise of the representative's warrant at a price of $ per share.

To the extent any of the outstanding options described above are exercised or new options are issued under the equity benefit plans, or we issue additional common shares or other securities convertible into or exercisable or exchangeable for our shares in the future, there will be further dilution to investors participating in this offering.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and consolidated results of operations together with our unaudited condensed consolidated interim financial statements and related notes to those statements (the "Interim Financial Statements"), our consolidated financial statements and related notes to those statements for the year ended June 30, 2021 (the "Annual Financial Statements"). Some of the information contained in this discussion and analysis, including information with respect to our plans and strategy for our business, includes forward-looking statements that involve risks and uncertainties. See "Special Note Regarding Forward-Looking Statements" and "Risk Factors" for a discussion of forward-looking statements and important factors that could cause our actual results to differ materially from the results described in or implied by the forward-looking statements. All amounts presented herein are stated in U.S. dollars unless otherwise indicated.

Overview

We are an early-stage psychotropics contract manufacturing company focused on becoming the premier contract research, development, and manufacturing organization for the emerging psychotropics-based medicines industry. In August 2021, Health Canada's Office of Controlled Substances granted us a Controlled Drugs and Substances Dealer's Licence under Part J of the Food and Drug Regulations promulgated under the Food and Drugs Act (Canada), or a Dealer's Licence. A Dealer's Licence authorizes us to develop and manufacture (through extraction or synthesis) certain pharmaceutical-grade active pharmaceutical ingredients, or APIs, used in controlled substances and their raw material precursors. Subject to our receipt of further approvals by Health Canada, our mission is to make our products and research services available to our clients for the development of medicines and experimental therapies to address certain psychiatric health disorders and other medical needs. Since current Canadian regulations prohibit the commercial sales of APIs and other products we intend to produce, APIs and such other products would only be authorized for sale in Canada for clinical testing purposes in an "institution," for the purpose of determining the hazards and efficacy of the drug, and for laboratory research in an institution by qualified investigators. Subject to receipt of further approvals by Health Canada, our mission is to make our products and research services available to our clients for the development of medicines and experimental therapies to address certain psychiatric health disorders and other medical needs. We cannot guarantee that we will receive such further approvals from Health Canada, and a failure to receive such further approvals would have a material adverse effect on our business and result in an inability to generate revenue from said substances. Further, of the date of this prospectus, we have not manufactured any psychedelics-based products or generated any revenues from the sale of such psychedelics-based products.

Recent research involving the testing of psychedelics and psychotropics has resulted in promising clinical trial outcomes with respect to a variety of conditions and disorders. Many of these trials are targeting direct replacements for current pharmaceuticals, some of which are considered substandard and ineffective. These outcomes are fueling interest in potential therapies among legislators, universities, and investors around the world. In addition, an increasing number of the leading universities, hospitals and other public, private, and government institutions throughout the world have launched research programs and are conducting clinical studies aimed at understanding the therapeutic potential of a range of psychedelic substances, including the John Hopkins Center for Psychedelic and Consciousness Research at Johns Hopkins University, the Imperial College of London Centre for Psychedelic Research, the Center for the Science of Psychedelics at the University of California, Berkeley, the Depression Evaluation Service at Columbia University, the Center for Psychedelic Psychotherapy and Trauma Research at the Icahn School of Medicine at Mount Sinai Health System, New York City's largest academic medical system, and the Center for the Neuroscience of Psychedelics at Massachusetts General Hospital, among many others. We believe these efforts are largely fueled by a number of factors, including the following:

- the efficacy of psychotropic treatment therapies on various mental health and addiction disorders relative to traditional treatment options;
- the number of individuals suffering from various mental health and addiction disorders globally and the costs associated with treatment; and
- promising clinical outcomes and increasing public support spurring global regulatory change.

To address mounting demands for alternative therapies incorporating the use of psychedelics and other psychotropics, we intend to leverage our 25,000 square foot facility located near Victoria, British Columbia, for research, development, and large-scale production of high-quality biological raw materials, APIs, and finished biopharmaceutical products. Supported by an executive leadership and advisory team consisting of highly experienced biotechnology and pharmaceutical industry experts, we will seek to position our company to be at the forefront of new discovery in this rapidly emerging market.

Since our inception, we have devoted substantially all of our resources to establishing our 25,000 square foot manufacturing and research facilities, which are located near Victoria, British Columbia, researching potential products related to psychotropics-based therapies, pursuing the approval of our Dealer's Licence from Health Canada, organizing and staffing our company, developing our business strategy, establishing our intellectual property portfolio, raising capital and engaging in other general and administrative activities to support and expand these efforts. We have not generated any revenues. To date, we have financed our operations primarily with proceeds from the sales of our common shares and convertible and non-convertible promissory notes and from bridge loan agreement entered into with MNB Enterprises, Inc. and R. Jay Management Ltd., or the MNB Loan Agreement. Until such time as we can generate significant revenue from our contract manufacturing and research services, as to which no assurance can be given, we expect to finance our cash needs through public or private equity or debt financings, third-party funding and marketing and distribution arrangements, as well as other collaborations, strategic alliances and licensing arrangements, or any combination of these approaches. However, we may be unable to raise additional funds or enter into such other arrangements when needed or on commercially reasonable terms, or at all.

We have incurred net losses in each year since inception. Our net loss was $1,340,057 for the three months ended September 30, 2021. As of September 30, 2021, we had an accumulated deficit of $30,911,283 and we had cash and cash equivalents of $112,372. Our net losses may fluctuate significantly from quarter to quarter and year to year, depending on the timing of our research efforts, the expansion of our product and research offerings and the timing of our other operating activities. Because of the numerous risks and uncertainties associated with our business, we are unable to predict the timing or amount of increased expenses or when or if we will be able to achieve or maintain profitability. We expect to incur increased expenses as we:

- complete the buildout of our manufacturing and research facilities;
- continue to establish our contract manufacturing and research services;
- conduct research related to potential API and finished product offerings in the psychotropics space;
- seek regulatory authorization to distribute and export our product offerings;
- acquire or license products or technologies;
- obtain, maintain, protect and enforce our intellectual property portfolio;
- seek to attract and retain new and existing skilled personnel;
- create additional infrastructure to support our operations as a public company and incur increased legal, accounting, investor relations and other expenses; and
- experience delays or encounter issues with any of the above.

To the extent that that psychotropics-based medicines receive approval from the FDA or Health Canada and the market for our products expands into commercial-scale projects, we expect to incur significant additional expenses in connection with product manufacturing, marketing, and distribution.

As of September 30, 2021, we had cash of $112,372. At the time of issuance of Interim Financial Statements, we concluded that there was substantial doubt about our ability to continue as a going concern for one year from the issuance of these Interim Financial Statements. However, we believe that, based on our current business plan, the anticipated net proceeds from an offering, together with our existing cash (including net proceeds from the issuance of convertible notes in the aggregate principal amount of approximately $1.5 million, which were issued subsequent to September 30, 2021), that we will be able to fund our operating expenses and capital expenditure requirements until . Our future viability beyond that point is dependent on our ability to raise additional capital to finance our operations and cash generated from our operations, if any. We have based this estimate on assumptions that may

prove to be incorrect, and we may exhaust our available capital resources sooner than we anticipate. We anticipate removal of the going concern disclosure upon successful completion of an Initial Public Offering. See the section titled "— Liquidity and Capital Resources" for additional information.

COVID-19 Impacts

We are continuing to closely monitor the impact of the global COVID-19 pandemic on our business, and we are taking proactive efforts designed to protect the health and safety of our employees and consultants and to maintain the continuity of our business. We believe that the measures we are implementing are appropriate, and we will continue to monitor and seek to comply with guidance from governmental authorities and adjust our activities as we deem appropriate.

While the COVID-19 pandemic has not yet resulted in a significant impact to the development of our business and operations, as the pandemic continues, we could see an impact on our ability to advance our manufacturing and research programs, obtain supplies from key suppliers or interact with regulators, ethics committees or other important agencies due to limitations in regulatory authority, employee resources or otherwise. In any event, if the COVID-19 pandemic continues and persists for an extended period of time, we could experience significant disruptions to our development timelines, which would adversely affect our business, financial condition, results of operations, and growth prospects.

In addition, while the potential economic impact brought by, and the duration of, the COVID-19 pandemic may be difficult to assess or predict, the pandemic could result in significant and prolonged disruption of global financial markets, reducing our ability to access capital, which could in the future negatively affect our liquidity. In addition, a recession or market correction resulting from the spread of COVID-19 could materially affect our business and the potential value of our common shares.

The extent of the impact of the COVID-19 pandemic on our efforts, our ability to raise sufficient additional capital on acceptable terms, if at all, and the future value of and market for our common shares will depend on future developments that are highly uncertain and cannot be predicted with confidence at this time, such as the ultimate duration of the pandemic, travel restrictions, quarantines, social distancing and business closure requirements in Canada, the United States and in other countries, and the effectiveness of actions taken globally to contain and treat COVID-19.

Components of Operating Results

Selling, General and Administrative Expenses

Selling, general and administrative expense consists primarily of employee-related expenses, including salaries, share-based compensation expense, benefits, and travel for our personnel in executive, finance and accounting, human resources, and other administrative functions, as well as fees paid for accounting, legal and tax services, consulting fees and facilities costs. General and administrative expense also includes corporate facility costs, including allocated rent and utilities, insurance premiums, legal fees related to corporate matters, and fees for auditing, accounting, and other consulting services.

We expect our selling, general and administrative expenses to increase substantially in absolute dollars for the foreseeable future as we increase our headcount to grow our business. We also anticipate that we will incur increased expenses as a result of operating as a public company, including expenses related to audit, legal, regulatory and tax-related services associated with maintaining compliance with SEC rules and regulations and those of any national securities exchange on which our securities are traded, additional insurance expenses, investor relations activities and other administrative and professional services.

Research and Development Expenses

Research and development expenses represent costs incurred in performing research, development and manufacturing activities in support of our product development efforts and include costs incurred as services are being provided by our external service providers; costs related to acquiring, developing and manufacturing supplies for our research activities; professional and consulting services costs; and facility and other allocated costs. We do not track

research and development expenses by product. Nonrefundable advance payments for goods or services to be received in future periods for use in research and development activities are deferred and capitalized. The capitalized amounts are then expensed as the related goods are delivered and the services are performed.

We expect to continue to incur significant research and development expenses over the next several years we develop pharmaceutical-grade psychotropic products, including advancements in existing API production and formulation projects, as well as in IP and critical patent capture programs. The process of researching and developing psychotropic compounds and APIs is costly and time-consuming. Our research and developments costs may vary significantly based on, and our actual probability of commercial success for our psychedelic products may be affected by, a variety of factors, including, without limitation:

- our ability to obtain regulatory approvals for the production, distribution and export/import of psychotropic substances;
- regulatory developments affecting the industry generally and our prospective clients in particular;
- conditions imposed by regulatory authorities on our operations;
- the ability of our prospective clients to establish the safety and efficacy of psychedelics-based medicines;
- serious or unexpected drug-related side effects related to our products or the products of our prospective clients;
- third-party vendors not performing research, manufacturing and/or distribution services in a timely manner or to sufficient quality standards;
- any changes to our cultivation or manufacturing processes, suppliers or formulations that may be necessary or desired;
- the ability of our prospective clients to obtain regulatory approval for their product candidates;
- the level of demand that materializes for psychedelics-based medicines; and
- our ability to compete with other contract manufacturing and research organizations.

We have not yet completed development of or manufactured or sold any products. As a result of the uncertainties discussed above, we are unable to determine the duration and completion costs of our research and development projects or if, when and to what extent we will generate revenue from the commercialization and sale of our products.

Interest Expense

Interest expense relates to interest charges associated with indebtedness incurred under debt agreements, as well as charges associated with a debt modification and certain lease liability. We anticipate that we will repay our outstanding debt obligations during this fiscal year, which will result in a reduction of interest expense in future periods.

Change in fair value of warrant liability

Change in fair value of warrant liability consist of a non-cash change in the fair value of 3,906,209 warrants. On January 22, 2021, the Company amended the warrants whereby in the event that the Company effects a closing or closings of convertible notes is the minimum aggregate of (i) $1,000,000, the exercise price of 1,111,112 warrants shall be adjusted to $0.015 (CAD$0.018), (ii) $2,000,000, the exercise price of 2,222,223 warrants shall be adjusted to $0.015 (CAD$0.018), and (iii) $3,000,000, the exercise price of 3,333,334 warrants shall be adjusted to $0.015 (CAD$0.018). The warrants have been classified as a derivative liability due to the variable nature of the exercise price.

Foreign Currency Translation Adjustment

The amount of foreign currency translation adjustment will fluctuate from period to period with changes in foreign exchange rates between Canadian dollars and U.S. dollars.

Results of Operations

Comparison of the Fiscal Years Ended June 30, 2020 and 2021

The following table summarizes our results of operations for the periods indicated:

For the fiscal year ended June 30:	2021	2020
Selling, general and administrative expense	$ 2,677,384	$ 2,798,622
Research and development expenses	—	61,197
Total expenses	2,677,384	2,859,819
Other expense (income)		
Gain on debt settlement	(186,374)	—
Interest expense	2,357,222	283,280
Loss on debt modification	—	449,672
Research and development tax credits	(165,825)	(559,729)
Change in fair value of warrant liability	65,026	—
Other income	(21,550)	(33,417)
Net loss	(4,725,883)	(2,999,625)
Foreign currency translation adjustment	(570,581)	163,969
Comprehensive loss	$ (5,296,464)	$ (2,835,656)

Selling, general and administrative expenses. Selling, general and administrative expenses were $2,677,384 for the fiscal year ended June 30, 2021, compared to $2,798,622 for the fiscal year ended June 30, 2020.

Research and development expenses. Research and development expenses were $nil for the fiscal year ended June 30, 2021, compared to $61,197 for the fiscal year ended June 30, 2020.

Gain on debt settlement. Gain on debt settlement was $186,374 for the fiscal year ended June 30, 2021, compared to gain on debt settlement of $nil in the fiscal year ended June 30, 2020.

Interest expense. Interest expense was $2,357,222 for the fiscal year ended June 30, 2021, compared to interest expense of $283,280 for the fiscal year ended June 30, 2020. In fiscal 2021, interest expense included $1,094,193 related to the warrants issued in connection with the line of credit. In fiscal 2020, interest expense included debt modification related to the cancellation of indebtedness under a promissory note by one holder in exchange for the transfer of 16,667 of our common shares by our former chief executive officer for consideration of $111,532.

Loss on debt modification. Loss on debt modification was $nil for the fiscal year ended June 30, 2021, compared to $449,672 for the fiscal year ended June 30, 2020. Loss on debt modification in fiscal 2020 related to the MNB Loan Agreement, which was amended two times in fiscal 2020 to extend the maturity date from February 13, 2020 to March 30, 2020. In connection with these amendments, we issued the holder of this promissory note an aggregate of 66,667 common shares having a fair market value of $6.74 (CAD$9.00) per common share, or total consideration of $449,672 (CAD $600,000).

Research and development tax credits. Research and development tax credits were a benefit of $165,825 for the fiscal year ended June 30, 2021, compared to a benefit of $559,729 for the fiscal year ended June 30, 2020.

Other income. Other income was $21,550 for the fiscal year ended June 30, 2021, compared to other income of $33,417 for the fiscal year ended June 30, 2020. During fiscal 2020, we received interest-free CEBA loans. We recorded other income of $33,417 related to a portion of the loans that is forgivable if repaid on or before December 31, 2022 and to recognize the below market interest rate on the CEBA loans.

Change in fair value of warrant liability. Change in fair value of warrant liability was $65,026 for the fiscal year ended June 30, 2021, compared to $nil for the fiscal year ended June 30, 2020.

Foreign Currency Translation Adjustment. Foreign currency translation adjustment was a loss of $570,581 for the fiscal year ended June 30, 2021, compared to a gain of $163,969 for the fiscal year ended June 30, 2020.

Comparison of the Three Months Ended September 30, 2020 and 2021

The following table summarizes our results of operations for the periods indicated:

For the three months ended September 30:	**2021**	**2020**
Selling, general and administrative expense	$ 714,484	$ 86,059
Total expenses	714,484	86,059
Interest expense	474,270	41,179
Change in fair value of warrant liability	151,303	—
Income tax benefit	—	—
Net loss	(1,340,057)	(127,238)
Foreign currency translation adjustment	134,778	(96,319)
Comprehensive loss	$ (1,205,279)	$ (223,557)

Selling, general and administrative expenses. Selling, general and administrative expenses were $714,484 for the three months ended September 30, 2021, compared to $86,059 for the three months ended September 30, 2020.

Interest expense. Interest expense was $474,270 for the three months ended September 30, 2021, compared to interest expense of $41,179 for the three months ended September 30, 2020.

Change in fair value of warrant liability. Change in fair value of warrant liability was $151,303 for the three months ended September 30, 2021, compared to $nil for the three months ended September 30, 2020.

Foreign Currency Translation Adjustment. Foreign currency translation adjustment was a gain of $134,778 for the three months ended September 30, 2021, compared to a loss of $96,319 for the three months ended September 30, 2020.

Liquidity and Capital Resources

Sources of Liquidity

Since inception, we have not recognized any product revenue and have incurred operating losses and negative cash flows from our operations. Our operations have been financed primarily by aggregate net proceeds of $6.4 million from the sale and issuance of our common shares and from the issuance of convertible and non-convertible promissory notes and from borrowings under a credit facility. We will continue to be dependent upon equity and debt financings or collaborations or other forms of capital at least until we are able to generate positive cash flows from product sales, if ever.

Our comprehensive loss was $223,557 and $1,205,279 for the three months ended September 30, 2020 and 2021, respectively. As of September 30, 2021, we had an accumulated deficit of $30,911,283 and cash and cash equivalents of $112,372. Our primary use of cash is to fund operating expenses, which consist primarily of selling, general and administrative expenditures, which includes expenditures for research and development activities. Cash used to fund operating expenses is impacted by the timing of when we pay these expenses, as reflected in the change in accounts payable and accrued expenses. Our strategy for managing liquidity over the long-term is based on achieving positive cash flows from operations to internally fund operating and capital requirements. We continually monitor factors that may affect our liquidity. These factors include research and development costs, operating costs, capital costs, income tax refunds, foreign currency fluctuations, seasonality, market immaturity and a highly fluid environment related to state and federal law passage and regulations.

Working Capital

At September 30, 2021 and June 30, 2021, we had a working capital deficiency of $3,166,979 and $2,767,357, respectively, as follows:

As of:	September 30, 2021	June 30, 2021
Cash	$ 112,372	$ 246,030
Prepaid expenses and deposits	63,229	71,524
Other assets – GST receivable	17,229	12,530
Deferred financing costs, current	1,630,576	1,676,228
Total current assets	1,823,406	2,006,312
Accounts payable and accrued liabilities	2,633,524	2,399,969
Convertible notes, current	883,990	866,731
Due to related parties	1,096,269	1,126,962
Notes payable – related parties	299,350	304,566
Lease liability, current	77,252	75,441
Total current liabilities	4,990,385	4,773,669
Working capital deficiency	$ (3,166,979)	$ (2,767,357)

Cash Flows

Comparison of the Fiscal Years Ended June 30, 2020 and 2021

The following table summarizes our results of operations for the periods indicated:

Net cash provided by (used in)	June 30, 2021	June 30, 2020
Operating activities	$ (1,484,641)	$ (499,157)
Investing activities	—	—
Financing activities	1,699,216	535,243
Effect of exchange rate changes on cash	(18,562)	1,904
Cash, beginning of period	50,017	12,027
Cash, end of period	$ 246,030	$ 50,017

Operating Activities

Cash used in operating activities during the year ended June 30, 2021 was $1,484,641. The cash used in operating activities is attributable to the following:

- Net loss of $4,725,883 due primarily to spend on selling, general and administrative expenses and non-cash interest and share-based payments expenses. Included in net loss are non-cash items of $3,477,893 for the year ended June 30, 2021.
- Movements in prepaid expenses and deposits decreased cash by $47,498 due primarily to costs related to the public offering of the Company’s common shares.
- Movements in other assets including GST receivable which decreased cash by $470.
- Movements in accounts payable and accrued liabilities which decreased cash by $277,593.
- Movements in lease liability which decreased cash by $65,621.
- Movements in due to related parties which increased cash by $154,531.

Cash used in operating activities during the year ended June 30, 2020 was $499,157. The cash provided by operating activities is attributable to the following:

- Net loss of $2,999,625 due primarily to spend on selling, general and administrative expenses and research and development expenses. Included in net loss are non-cash items of $2,016,944 for the year ended June 30, 2020.

- Movements in prepaid expenses and deposits increased cash by $33,705 due primarily to the refund of a deposit related to a vacated lease.
- Movements in other assets including GST receivable which decreased cash by $18,777.
- Movements in accounts payable and accrued liabilities which increased cash by $504,998.
- Movements in lease liability which decreased cash by $104,396.
- Movements in due to related parties which increased cash by $67,994.

Investing Activities

There were no investing activities during the years ended June 30, 2021 and June 30, 2020.

Financing Activities

Cash provided by financing activities for the year ended June 30, 2021 was $1,699,216, which was the result of funds raised from the issuance of convertible notes and the sale of Class B non-voting common shares which was partially offset by deferred issuance costs.

Cash provided by financing activities for the year ended June 30, 2020 was $535,243, which was the result of funds raised from the sale of Class B non-voting common shares which was partially offset by deferred issuance costs.

Comparison of the Three Months Ended September 30, 2020 and 2021

The following table summarizes our results of operations for the periods indicated:

Net cash provided by (used in)	**September 30, 2021**	**September 30, 2020**
Operating activities	$ (667,342)	$ 94,155
Investing activities	—	—
Financing activities	564,378	—
Effect of exchange rate changes on cash	(30,694)	4,768
Cash, beginning of period	246,030	50,017
Cash, end of period	$ 112,372	$ 148,940

Operating Activities

Cash used in operating activities during the three months ended September 30, 2021 was $667,342. The cash used in operating activities is attributable to the following:

- Net loss of $1,340,057 due primarily to spend on selling, general and administrative expenses and research and development expenses. Included in net loss are non-cash items of $580,495 for the three months ended September 30, 2021.
- Movements in prepaid expenses and deposits decreased cash by $4,833 due primarily to costs related to the public offering of the Company’s common shares.
- Movements in other assets including GST receivable which decreased cash by $6,891.
- Movements in accounts payable and accrued liabilities which increased cash by $2,064.
- Movements in lease liability which decreased cash by $39,787.
- Movements in due to related parties which increased cash by $141,667.

Cash provided by operating activities during the three months ended September 30, 2020 was $94,155. The cash provided by operating activities is attributable to the following:

- Net loss of $127,238 due primarily to spend on selling, general and administrative expenses and research and development expenses. Included in net loss are non-cash items of $42,627 for the three months ended September 30, 2020.
- Movements in prepaid expenses and deposits increased cash by $21,067 due primarily to the refund of a deposit related to a vacated lease.
- Movements in other assets including GST receivable which decreased cash by $5,155.
- Movements in accounts payable and accrued liabilities which increased cash by $399,510.
- Movements in lease liability which increased cash by $2,595.
- Movements in due to related parties which decreased cash by $153,997.

Investing Activities

There were no investing activities during the three months ended September 30, 2021 and September 30, 2020.

Financing Activities

Cash provided by financing activities for the three months ended September 30, 2021 was $564,378, which was the result of funds raised from the issuance of convertible notes which was partially offset by deferred issuance costs.

Cash provided by financing activities for the three months ended September 30, 2020 was $nil.

Indebtedness

In February 2021, we issued a convertible promissory note in the amount of $500,000 to Downwind Investments, LLC, or Downwind. Christopher McElvany, our Chief Executive Officer, is the principal owner of Downwind. The convertible promissory note bears an interest rate of 8% per annum and matures on August 25, 2021. The outstanding principal amount and accrued interest under this convertible promissory note is convertible at the option of the holder into our common shares at a price of $1.7244 per common share. As of September 30, 2021, the total outstanding principal amount of this convertible promissory note and accrued interest thereunder was $523,929. We expect that Mr. McElvany will convert the entire outstanding principal amount of, and all accrued interest under, this convertible promissory note into our common shares prior to the closing of this offering.

In November 2020, we entered into a credit agreement with Origo BC Holdings Ltd., or the Origo Credit Agreement. Under the Origo Credit Agreement, we obtained a line of credit in an aggregate principal amount of up to $5,114,385, of which we can request an advance of up to $383,100 in any calendar quarter. The Origo Credit Agreement has a term of three years and all borrowings thereunder bear interest at a rate of 8% per annum. In the event of default, all outstanding indebtedness under the Origo Credit Agreement will bear interest at a rate of 15% per annum. As of September 30, 2021, there were no amounts outstanding under the Origo Credit Agreement.

In December 2018, we issued a promissory note to Livio Susin, one of our directors, in the principal amount of $144,666, pursuant to which Mr. Susin loaned funds to us through a series of advances. All indebtedness under this promissory note bears interest at a rate of 21% per annum. The maturity date of this promissory note is December 31, 2021. As of September 30, 2021, the total outstanding principal amount of, and accrued interest under, this promissory note was $86,901.

In February 2019, we issued a second promissory note to Mr. Susin in the principal amount of $245,768, pursuant to which he loaned funds to us through a series of advances. Indebtedness under this promissory note bears interest at a rate of 2% per annum. The indebtedness under this promissory note is unsecured, and is repayable 90 days following to the successful completion of an initial public offering or a reverse takeover transaction which results in our shares being listed on a Canadian public exchange. In January 2021, Mr. Susin forgave $39,746 of indebtedness under this promissory note in exchange for 13,889 shares of our common shares. As of September 30, 2021, the total outstanding principal of, and accrued interest under, this promissory note was $220,776.

In January 2020, we entered into the MNB Loan Agreement with MNB Enterprises, Inc. and R. Jay Management Ltd., or the lenders, and Renee Gagnon. Under the MNB Loan Agreement, the lenders advanced $114,836 to us and, in consideration thereof, Ms. Gagnon transferred an aggregate of our 16,667 common shares to the lenders. The loan bore interest at 20.0% per annum and was secured by all of our assets, including all of the outstanding shares of certain of our wholly owned subsidiaries. In June 2021, we entered into a Debt Settlement Agreement with the lenders pursuant to which the lenders agreed to cancel and forgive the outstanding amount of the debt obligation under the MNB Loan Agreement in exchange for our issuance of 53,790 of our common shares.

Funding Requirements

We have incurred significant operating losses since our inception and expect to continue to incur significant operating losses for at least the next several years. Moreover, we expect our losses to increase as we enhance our manufacturing and research facilities and product offerings. We may also incur expenses in connection with the in-licensing or acquisition of additional product candidates. Furthermore, upon the closing of this offering, we expect to incur additional costs associated with operating as a public company, including significant legal, accounting, investor relations and other expenses that we did not incur as a private company. Our primary uses of capital are, and we expect will continue to be, compensation and related expenses, manufacturing and development services, manufacturing costs, legal and other regulatory expenses and general overhead costs.

At the time of issuance of our financial statements as of and for the three months ended September 30, 2021, we concluded that there was substantial doubt about our ability to continue as a going concern for one year from the issuance of these audited consolidated financial statements. However, we believe that, based on our current business plan, the anticipated net proceeds from this offering, together with our existing cash (including net proceeds from the issuance of convertible notes in the aggregate principal amount of approximately $1.5 million, which were issued subsequent to September 30, 2021), that we will be able to fund our operating expenses and capital expenditure requirements until . We have based our projections of operating capital requirements on assumptions that may prove to be incorrect and we may use all of our available capital resources sooner than we expect. Because of the numerous risks and uncertainties associated with our research and manufacturing efforts, we are unable to estimate the exact amount of our operating capital requirements. Our future funding requirements depend on many factors, including, but not limited to:

- any necessary enhancements to our manufacturing and research facilities;
- our need to purchase additional equipment;
- our acquisition or development of additional intellectual property or technologies;
- the cost of commercialization activities, including marketing, sales and distribution costs;
- our ability to establish and maintain strategic collaborations, licensing or other arrangements and the financial terms of any such agreements that we may enter into;
- the expenses needed to attract and retain skilled personnel;
- our need to implement additional internal systems and infrastructure, including financial and reporting systems, and other costs associated with being a public company;
- the costs involved in preparing, filing, prosecuting, maintaining, defending and enforcing our intellectual property portfolio; and
- the impact of the COVID-19 pandemic.

Further, our development and commercialization operating plans may change, and we may need additional funds to meet operational needs and capital requirements for manufacturing or research and development activities and commercialization of our products. Because of the numerous risks and uncertainties associated with the development, manufacturing and commercialization of our products, we are unable to estimate the amounts of increased capital outlays and operating expenditures associated with our current and anticipated operations.

We may finance our cash needs through public or private equity or debt offerings or other sources such as strategic collaborations. However, we may be unable to raise additional funds or enter into such other arrangements when needed or on terms that are acceptable to us, or at all. To the extent that we raise additional capital by issuing

our equity securities, our existing stockholders may experience substantial dilution, and the terms of these securities may include liquidation or other preferences that could harm the rights of a common shareholder. Any agreements for future debt or preferred equity financings, if available, may involve covenants limiting or restricting our ability to take specific actions, such as incurring additional indebtedness, making capital expenditures or declaring dividends. If we raise additional funds through collaborations, strategic alliances or marketing, distribution or licensing arrangements with third parties, we may be required to relinquish valuable rights to our technologies, future revenue streams, research programs or product candidates, or grant licenses on terms that may not be favorable to us. We may seek additional capital due to favorable market conditions or strategic considerations even if we believe we have sufficient funds for our current or future operating plans.

Off-Balance Sheet Arrangements

During the periods presented we did not have, nor do we currently have, any off-balance sheet arrangements as defined in the rules and regulations of the SEC.

Critical Accounting Policies and Estimates

Our management's discussion and analysis of our financial condition and results of operations is based on our financial statements, which have been prepared in accordance with generally accepted accounting principles in the United States. The preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported expenses incurred during the reporting periods. Our estimates are based on our historical experience and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Our actual results may differ from these estimates under different assumptions or conditions.

While our significant accounting policies are more fully described in the notes to our audited financial statements included elsewhere in this prospectus, we believe that the accounting policies discussed below are critical to understanding our historical and future performance, as these policies relate to the more significant areas involving management's judgments and estimates.

Share-Based Payments

We account for our stock-based compensation as expense in the statements of operations based on the awards' grant date fair values. We account for forfeitures as they occur by reversing any expense recognized for unvested awards.

We estimate the fair value of options granted using the Black-Scholes option pricing model. The Black-Scholes option pricing model requires inputs based on certain subjective assumptions, including (a) the expected stock price volatility, (b) the calculation of expected term of the award, (c) the risk-free interest rate and (d) expected dividends. Due to the lack of a public market for our common stock and a lack of company-specific historical and implied volatility data, we have based our estimate of expected volatility on the historical volatility of a group of similar companies that are publicly traded. The historical volatility is calculated based on a period of time commensurate with the expected term assumption. The computation of expected volatility is based on the historical volatility of a representative group of companies with similar characteristics to us, including stage of product development and life science industry focus. We use the simplified method as allowed by the Securities and Exchange Commission, or SEC, Staff Accounting Bulletin, or SAB, No. 107, Share-Based Payment, to calculate the expected term for options granted to employees as we do not have sufficient historical exercise data to provide a reasonable basis upon which to estimate the expected term. The risk-free interest rate is based on a treasury instrument whose term is consistent with the expected term of the stock options. The expected dividend yield is assumed to be zero as we have never paid dividends and have no current plans to pay any dividends on our common stock. The fair value of stock-based payments is recognized as expense over the requisite service period which is generally the vesting period.

Common Stock Valuation

As there has been no public market for our common stock to date, the estimated fair value of our common stock has been determined by our board of directors, with input from management based upon the most recent cash common share offering to arms' length parties. In addition to considering the most recent cash arms' length third party offering, our board of directors considered various objective and subjective factors to determine the fair value of our common stock as of each grant date, including:

- the progress of our research and development programs, including the status and results of preclinical studies for our product candidates;
- our stage of development and commercialization and our business strategy;
- external market conditions affecting the biotechnology industry and trends within the biotechnology industry;
- our financial position, including cash on hand, and our historical and forecasted performance and operating results;
- the lack of an active public market for our common stock;
- the likelihood of achieving a liquidity event, such as an initial public offering, or sale of our company in light of prevailing market conditions; and
- the analysis of initial public offerings and the market performance of similar companies in the biotechnology industry.

The assumptions underlying these valuations represented management's best estimate, which involved inherent uncertainties and the application of management's judgment. As a result, if we had used different assumptions or estimates, the fair value of our common stock and our stock-based compensation expense could have been materially different.

Following the completion of this offering, the fair value of our common stock will be determined based on the quoted market price of our common stock on the date of grant.

Income Taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. We recognize liabilities and contingencies for anticipated tax audit issues based on our current understanding of the tax law in the relevant jurisdiction. For matters where it is probable that an adjustment will be made, we record our best estimate of the tax liability including the related interest and penalties in the current tax provision.

We believe that we have adequately provided for the probable outcome of these matters; however, the outcome may result in a materially different outcome than the amount included in the tax liabilities. In addition, we recognize deferred tax assets relating to tax losses carried forward only to the extent that it is probable that taxable profit will be available against which a deductible temporary difference can be utilized. This is deemed to be the case when there are sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity which are expected to reverse in the same year as the expected reversal of the deductible temporary difference, or in years into which a tax loss arising from the deferred tax asset can be carried back or forward. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

Useful Lives of Property, Plant and Equipment and Intangibles

Property, plant, and equipment and intangible assets are amortized or depreciated over their useful lives. Useful lives are based on management's estimate of the period that the assets will generate revenue, which are periodically reviewed for continued appropriateness. Changes to estimates can result in significant variations in the carrying value and amounts charged to the statement of loss and other comprehensive loss in specific periods.

Impairment

Long-lived assets, including intangible assets are reviewed for indicators of impairment at each statement of financial position date 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, or CGU. Judgments and estimates are required in defining a CGU and determining the indicators of impairment and the estimates required to measure an impairment, if any.

Functional Currency

Transaction amounts denominated in foreign currencies are translated into their U.S. dollar equivalents at exchange rates prevailing at the transaction dates. Foreign currency gains and losses on transactions or settlements are recognized in the statement of loss and comprehensive loss. The functional currency of all entities is the Canadian dollar. Assets and liabilities are translated at the period end foreign exchange rate and revenue and expenses are translated at the average rate for the period.

The consolidated financial statements are translated into U.S. dollars with assets and liabilities translated at the current rate on the consolidated financial statements date and revenue and expense items translated at the average rates for the period. Translation adjustments are recorded as accumulated other comprehensive income (loss) in shareholders' equity.

Identifying Whether a Contract Includes a Lease

ASC 842 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset. We had to apply judgment on certain factors, including whether the supplier has substantive substitution rights, whether we obtain substantially all of the economic benefits and which party has the right to direct the use of the relevant asset.

Incremental Rate

When we recognize a lease, the future lease payments are discounted using our incremental borrowing rate. This significant estimate impacts the carrying amount of the lease liabilities and the interest expense recorded on the consolidated statement of loss and comprehensive loss.

Estimate of Lease Term

When we recognize a lease, we assess the lease term based on the conditions of the lease and determine whether it will extend the lease at the end of the lease contract or exercise an early termination option. As it is not reasonably certain that the extension or early termination options will be exercised, we determined that the term of its leases are original lease term. This significant estimate could affect future results if we extend the lease or exercises an early termination option.

Emerging Growth Company and Smaller Reporting Company Status

We are an "emerging growth company" as defined in the Jumpstart Our Business Startups Act of 2012, as amended, or the JOBS Act. We will remain an emerging growth company until:

- the first to occur of the last day of the fiscal year (1) that follows the fifth anniversary of the completion of this offering, (2) in which we have total annual gross revenue of at least $1.07 billion, or (3) in which we are deemed to be a "large accelerated filer," as defined in the Securities Exchange Act of 1934; or
- if it occurs before any of the foregoing dates, the date on which we have issued more than $1 billion in non-convertible debt over a three-year period.

For as long as we remain an emerging growth company, we are permitted and currently intend to rely on the following provisions of the JOBS Act that contain exceptions from disclosure and other requirements that otherwise are applicable to companies that conduct initial public offerings and file periodic reports with the Securities and Exchange Commission, or SEC. These JOBS Act provisions:

- provide an exemption from the auditor attestation requirement in the assessment of our internal control over financial reporting under the Sarbanes-Oxley Act of 2002;
- permit us to present only two years of audited financial statements and related Management's Discussion and Analysis of Financial Condition and Results of Operations in this prospectus;
- provide an exemption from compliance with the requirement of the Public Company Accounting Oversight Board regarding the communication of critical audit matters in the auditor's report on the financial statements;
- permit us to include reduced disclosure regarding executive compensation in this prospectus and our SEC filings as a public company; and
- provide an exemption from the requirement to hold a non-binding advisory vote on executive compensation and shareholder approval of any golden parachute arrangements not previously approved.

As a result of this status, we have taken advantage of reduced reporting requirements in this prospectus and may elect to take advantage of other reduced reporting requirements in our future filings with the SEC. In particular, in this prospectus, we have provided only two years of audited financial statements and have not included all of the executive compensation-related information that would be required if we were not an emerging growth company.

The JOBS Act provides that an emerging growth company can take advantage of an extended transition period for complying with new or revised accounting standards, delaying the adoption of these accounting standards until they would apply to private companies. We have elected to avail ourselves of this exemption and, as a result, our financial statements may not be comparable to the financial statements of issuers who are required to comply with the effective dates for new or revised accounting standards that are applicable to public companies. Section 107 of the JOBS Act provides that we can elect to opt out of the extended transition period at any time, which election is irrevocable. We intend to rely on other exemptions provided by the JOBS Act, including without limitation, not being required to comply with the auditor attestation requirements of Section 404(b) of the Sarbanes-Oxley Act.

We are also a "smaller reporting company" as defined in the Securities Exchange Act of 1934, as amended. We may continue to be a smaller reporting company even after we are no longer an emerging growth company. We may continue to be a smaller reporting company after this offering if either (i) the market value of our shares held by non-affiliates is less than $250.0 million as measured on the last business day of our second fiscal quarter or (ii) our annual revenue was less than $100.0 million during the most recently completed fiscal year and the market value of our shares held by non-affiliates is less than $700.0 million as measured on the last business day of our second fiscal quarter. Specifically, as a smaller reporting company, we may choose to present only the two most recent fiscal years of audited financial statements in our Annual Report on Form 10-K and have reduced disclosure obligations regarding executive compensation. Further, if we are a smaller reporting company with less than $100.0 million in annual revenue, we would not be required to obtain an attestation report on internal control over financial reporting issued by our independent registered public accounting firm.

Recently Adopted Accounting Pronouncements

See the section titled "Notes to Consolidated Financial Statements — Note 2" included elsewhere in this prospectus for additional information.

BUSINESS

Overview

We are an early-stage psychotropics contract manufacturing company focused on becoming the premier contract research, development, and manufacturing organization for the emerging psychotropics-based medicines industry. In August 2021, Health Canada's Office of Controlled Substances granted us a Controlled Drugs and Substances Dealer's Licence under Part J of the Food and Drug Regulations promulgated under the Food and Drugs Act (Canada), or a Dealer's Licence. A Dealer's Licence authorizes us to develop and manufacture (through extraction or synthesis) certain pharmaceutical-grade active pharmaceutical ingredients, or APIs, used in controlled substances and their raw material precursors. Since current Canadian regulations prohibit the commercial sales of APIs and other products we intend to produce, APIs and such other products would only be authorized for sale in Canada for clinical testing purposes in an "institution," for the purpose of determining the hazards and efficacy of the drug, and for laboratory research in an institution by qualified investigators. Subject to receipt of further approvals by Health Canada, our mission is to make our products and research services available to our clients for the development of medicines and experimental therapies to address certain psychiatric health disorders and other medical needs. We cannot guarantee that we will receive such further approvals from Health Canada, and a failure to receive such approvals would have a material adverse effect on our business and result in an inability to generate revenue from said substances. Further, as of the date of this prospectus, we have not manufactured any psychedelics-based products or generated any revenues from the sale of such psychedelics-based products.

Recent research involving the testing of psychedelics and psychotropics has resulted in promising clinical trial outcomes with respect to a variety of conditions and disorders. Many of these trials are targeting direct replacements for current pharmaceuticals, some of which are considered substandard and ineffective. These outcomes are fueling interest in potential therapies among legislators, universities, and investors around the world. In addition, an increasing number of the leading universities, hospitals and other public, private, and government institutions throughout the world have launched research programs and are conducting clinical studies aimed at understanding the therapeutic potential of a range of psychedelic substances, including the John Hopkins Center for Psychedelic and Conscious Research at Johns Hopkins University, the Imperial College London Centre for Psychedelic Research, the Center for the Science of Psychedelics at the University of California, Berkeley, the Depression Evaluation Service at Columbia University, the Center for Psychedelic Psychotherapy and Trauma Research at the Icahn School of Medicine at Mount Sinai Health System, New York City's largest academic medical system, and the Center for the Neuroscience of Psychedelics at Massachusetts General Hospital, among many others. We believe these efforts are largely fueled by a number of factors, including the following:

- the potential efficacy of psychotropic treatment therapies on various mental health and addiction disorders relative to traditional treatment options;
- the number of individuals suffering from various mental health and addiction disorders globally and the costs associated with treatment; and
- promising clinical outcomes and increasing public support spurring global regulatory change.

To address mounting demands for alternative therapies incorporating the use of psychedelics, we intend to leverage our 25,000 square foot facility located near Victoria, British Columbia, for research, development, and large-scale production of high-quality biological raw materials, APIs, and finished biopharmaceutical products. Supported by an executive leadership and advisory team consisting of highly experienced biotechnology and pharmaceutical industry experts, we will seek to position our company to be at the forefront of new discovery in this rapidly emerging market.

Psychotropics: An Emerging Market Opportunity

Psychotropics are a broad classification of chemical substances that can cause alterations in perception, mood, consciousness, cognition, or behavior through various interactions with the nervous system. Psychedelics are a subclassification of psychotropics that interact primarily with serotonergic receptors in the brain. Psychedelic compounds such as psilocybin, psilocin, lysergic acid diethylamide, or LSD, N,N-Dimethyltryptamine, or N,N-DMT, and 3,4-Methylenedioxymethamphetamine, or MDMA, have become a key area of interest for many new companies. The psychedelic compounds we are approved to produce under our Dealer's Licence — psilocybin, psilocin, N,N-DMT,

mescaline, MDMA, LSD, and 4-Bromo-2,5-Dimethoxybenzeneethanamine, or 2C-B — will represent our initial areas of focus for our research, development and manufacturing efforts on behalf of our clients. In addition, subject to further approvals by Health Canada with respect to the expansion of the scope of our Dealer's Licence, we expect to extend our research and production efforts to various non-serotonergic psychotropics, such as ketamine, as such compounds may provide significant future market opportunities for us. Since current Canadian regulations prohibit the commercial sales of APIs and other products we intend to produce, APIs and such other products would only be authorized for sale in Canada for clinical testing purposes in an "institution," for the purpose of determining the hazards and efficacy of the drug, and for laboratory research in an institution by qualified investigators. We cannot guarantee we will receive such approvals, and a failure to receive further approvals would have a material adverse effect on our business and result in an inability to generate revenue from said substances.

Psychotropic Therapies Yield Promising Results

To date, only a limited number of psychotropic- and psychedelic-based medicines have been approved by Health Canada and the FDA. However, a number of studies have been conducted in recent years to determine the efficacy of psychedelic therapies in patients suffering with various mental health and addiction disorders, including the following:

- **Depressive Disorders:** An estimated 3.8% of the global population, or approximately 280 million people, suffer from depressive episodes. The bulk of these episodes are part of major depressive disorder, or MDD, a mood disorder that causes a persistent feeling of sadness and loss of interest in normal activities. MDD affects approximately 17 million adults in the United States and an estimated 10% of the adult population of Canada with experience MDD at some point in their life. alone, and an estimated 10% of Canadians who experience MDD at some point in their life. Double-blind studies conducted by the National Center for Biotechnology Information showed that current, commonly prescribed antidepressant medications improved symptoms in only 20% of patients suffering from MDD. Of those patients who reported improvements, 73% experienced a significant depressive relapse within two years of sustained use of their current, commonly prescribed antidepressant medications. In addition, these studies indicated that more than 50% of all patients who take traditional antidepressant medications experienced side effects ranging from mild to severe, causing between 10-15% of these patients to discontinue their use of these medications. In contrast, in a small study of adults with major depression conducted in November 2020, Johns Hopkins Medicine researchers report that two doses of the psychedelic substance psilocybin, given with supportive psychotherapy, produced rapid and significant reductions in depressive symptoms, with most participants showing improvement and half of study participants achieving remission through the four-week follow-up period. Psilocybin has also shown promising efficacy with treatment-resistant depression, or TRD, in a small study conducted by the Psychedelic Research Group at the Department of Medicine, Imperial College of London. TRD is broadly defined as depressive disorders that do not respond satisfactorily to adequate treatment, and may affect as many as 50% of MDD sufferers as well individuals experiencing the depressed phase of bipolar disorder.

- **Anxiety Disorders:** Anxiety disorders are defined as frequent, intense, excessive, and/or persistent worry and fear about everyday situations, affecting an estimated 264 million individuals globally. Approximately 40 million U.S. adults and three million Canadians suffer from an anxiety disorder. Approximately 40 million U.S. adults and 3 million Canadians suffer from an anxiety disorder. Anxiety disorders include generalized anxiety disorder, social anxiety disorder, specific phobias, separation anxiety disorder, and many others. An individual may suffer from more than one anxiety disorder. The most effective form of psychotherapy currently administered to individuals suffering from an anxiety disorder is cognitive behavioral therapy, or CBT. Selective serotonin reuptake inhibitors such as escitalopram (Lexapro), duloxetine (Cymbalta), venlafaxine (Effexor XR), and paroxetine (Paxil, Pexeva) are commonly used in conjunction with CBT to treat a variety of anxiety disorders, as well as buspirone and even benzodiazepines in limited circumstances. However, as noted previously, many of these antidepressant medications come with mild to severe side effects. A systematic literature review of 20 studies published from 1940 to 2000 concluded that a combination of psychedelic drug administration and psychological therapy was most beneficial in treating individuals suffering from anxiety disorders.

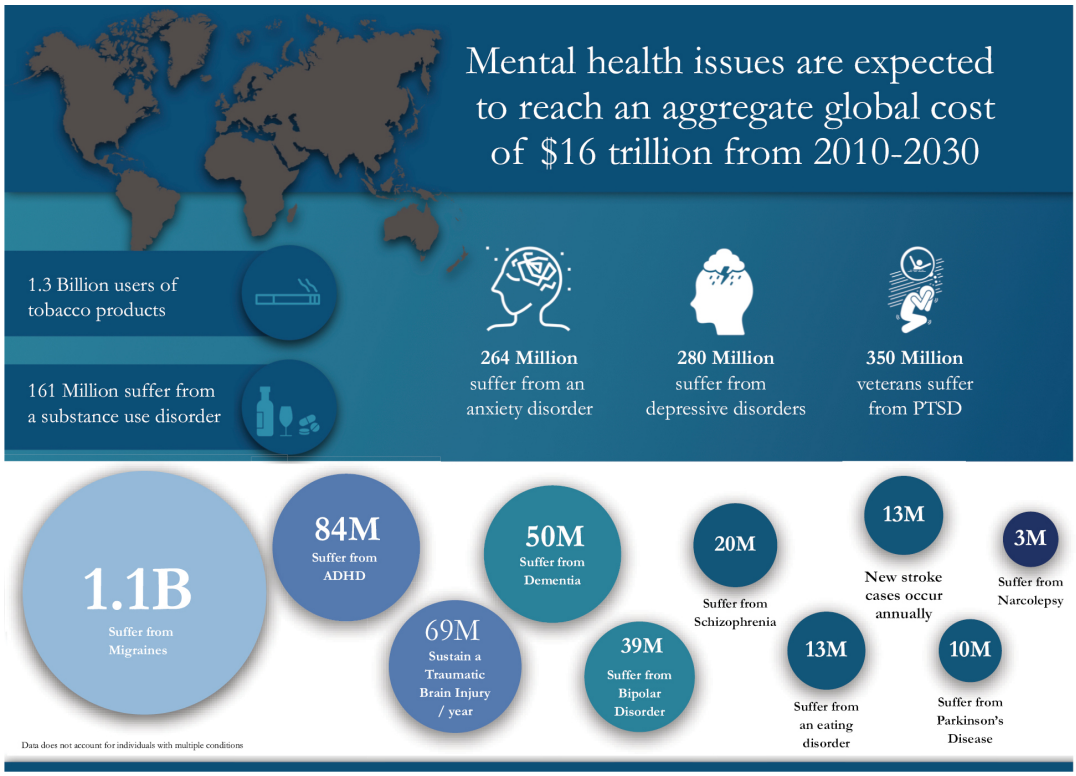
- **Post-Traumatic Stress Disorder:** Post-traumatic stress disorder, or PTSD, is a disorder characterized by a person's re-experiencing a past traumatic incident through flashbacks, bad dreams, frightening thoughts and other manifestations. PTSD affects approximately 350 million war survivors worldwide, in addition to others affected by traumatic events such as physical, sexual or psychological abuse. PTSD can result in avoidance of normal activities, sleep disturbances, angry outbursts, and distorted feelings of guilt or blame, and it is often accompanied by depression and/or substance abuse. According to the National Institute of Mental Health, or NIMH, about 6.8% of U.S. persons will experience PTSD in their lifetimes. CNS Neuroscience & Therapeutics estimated the prevalence rate of lifetime PTSD in Canada to be 9.2% in spite of comparably low rates of violent crime, a small military, and few natural disasters. While existing treatments for PTSD have been shown to be somewhat more effective relative to traditional MDD treatment outcomes, positive results heavily depend on sustained therapy and do not work well for individuals who have suffered multiple traumas or chronic PTSD. In contrast, a longitudinal pooled analysis of six Phase 2 clinical trials, published in 2020 by the Medical University of South Carolina's Dr. Michael Mithoefer and colleagues, considered the impact on PTSD symptoms (measured using a clinician-administered assessment of known as CAPS-IV, a well-established means of assessing PTSD severity) of administering two to three active doses of MDMA during psychotherapy sessions. The analysis showed a significant reduction in CAPS-IV total severity scores from baseline to treatment exit (i.e., one to two months after the last active MDMA psychotherapy session) and when assessed at least 12 months thereafter. From treatment exit to the 12 month follow-up, CAPS-IV scores continued to decrease (i.e., PTSD symptoms became less severe) and the percentage of trial participants who no longer met PTSD criteria increased. The authors concluded that these findings suggest MDMA-assisted psychotherapy, with appropriate preparation and follow-up, might have the potential to sustain clinically significant improvement in PTSD symptoms at least one year post-treatment.

  Addiction: Substance addiction and abuse represents a significant global problem, with approximately 1.3 billion people who are users of tobacco products, 107 million people suffering from alcohol use disorder, and 36 million people impacted by drug use disorder. In Canada, it is estimated that approximately 21% of the population, or about six million people, will meet the criteria for addiction in their lifetime. Approximately 21.2 million U.S. population have a substance abuse disorder, and in 2018, 11% of those patients received the treatment for such substance abuse disorder. Approximately 21.2 million people in the U.S. have a substance abuse disorder, and in 2018, just 11% of those patients received the treatment they needed. In a small study measured over the course of six months in 2014, researchers at Johns Hopkins University reported an 80% smoking abstinence rate in patients participating in a treatment program involving psilocybin, as compared to a 35% success rate in patients taking Varenicline, which is widely considered to be the most effective smoking cessation drug. In 2015, researchers at the University of New Mexico treated a small population suffering from alcohol dependence with 1-2 supervised psilocybin treatment sessions, resulting in immediate and sustained outcomes lasting 36 weeks. We believe that observational data and preliminary studies suggest psychedelics may hold potential in treating a variety of substance abuse disorders, including opioid use disorder.

- **Other Potentially Applicable Conditions:** According to a study published in 2020 by Frontiers in Synaptic Neuroscience in the United Kingdom and reviewed by universities in the United States, Brazil, and Switzerland, the renaissance in psychedelic research in recent years, in particular studies involving psilocybin and LSD, coupled with anecdotal reports of cognitive benefits from micro-dosing, suggests that they may have a therapeutic role in a range of psychiatric and neurological conditions due to their potential to enhance functional neuronal connectivity, stimulate neurogenesis, restore brain plasticity, reduce inflammation, and enhance cognition. This rationale for a new therapeutic target suggests that it may potentially be relevant to a variety of conditions and events, including traumatic brain injuries, dementia, and stroke. In 2021, for example, scientists at the University of California at Los Angeles made significant discoveries about the interaction of LSD with dopamine that they believe may lead to a better understanding and eventual treatment of schizophrenia and that shows promise in the pursuit of treating physically crippling disorders such as Parkinson's disease. Other conditions that may be viable candidates for psychedelic treatment therapy include eating disorders, bipolar disorders, narcolepsy, attention deficit hyperactivity disorder and migraines.

These promising outcomes suggest a significant opportunity for the continued discovery and refinement of alternative treatments using psychotropics-based medicines for a variety of mental health and addiction disorders. A number of major academic institutions, including those noted above, have established dedicated psychedelic research centers in the past two years. As of September 2021, clinicaltrials.gov reports 146 registered clinical studies (including those not yet recruiting, enrolling by invitation, and active) involving psychedelic compounds.

Mental Health and Addiction Disorders: Prevalence and Costs



Treatment Efficacy Prompts Regulatory Change

Notable academic and clinical research efforts, as well as broad support from both the psychiatric health community and the general public (according to an independent study conducted by Prohibition Partners in 2020), has prompted U.S. and Canadian regulatory bodies to re-evaluate various psychedelic compound classifications. In Canada, drug decriminalization is being strongly considered throughout the nation, and we believe that government initiatives such as Safe Supply and the Special Access Program for Drugs are indicators of the potential for significant ongoing liberalization in drug policy in Canada. Similarly, in 2017, the U.S. Food and Drug Administration, or the FDA, granted the Multidisciplinary Association for Psychedelic Studies, or MAPS, Breakthrough Therapy Designation to MDMA-assisted psychotherapy for the treatment of PTSD on the basis of pooled analyses showing a large effect size for this treatment. In 2018 and 2019, the FDA granted the Usona Institute Breakthrough Therapy Designation for psilocybin-assisted psychotherapy for the treatment of TRD and MDD, respectively. In 2019, the FDA approved the use of S-ketamine nasal spray, in conjunction with an oral antidepressant, for the treatment of TRD, which marked the first approval by the FDA of a psychedelics-based therapy. In February 2021, Oregon commenced the first state-regulated psilocybin program, and concurrently, Washington, D.C. joined other cities including Oakland and Santa Cruz, California, and Ann Arbor, Michigan in decriminalizing the cultivation and possession of all entheogenic plants and fungi. Decriminalize Nature, an entheogenic educational campaign, currently has active lobbying campaigns ongoing in 42 cities in the United States to decriminalize psychedelics. In January 2022, the Canada Gazette published a notice of amended regulations related to restricted drugs that allow practitioners the ability to request access to restricted drugs through the Special Access Program for the emergency treatment of patients with serious or life-threatening

injuries. With regulatory reform potentially on the horizon, which may include the rescheduling of numerous psychotropic compounds in the United States and Canada, we believe that greater access for research and therapeutic use will continue to drive demand for safe, pharmaceutical-grade APIs and consumer-ready psychotropics-based medications — a sizable market opportunity on which we are strategically positioned to capitalize.

Our Dealer's Licence

Our Health Canada Dealer's Licence, which we hold through our wholly owned subsidiary, LSDI Manufacturing Inc., authorizes us to produce and conduct research using psilocybin, psilocin, N,N-DMT, mescaline, MDMA, LSD, and 2C-B. We are permitted to produce up to one kilogram of each compound per year. Per current Canadian regulations, these APIs and other products we intend to produce would only be authorized for sale in Canada for clinical testing purposes in an "institution," for the purpose of determining the hazards and efficacy of the drug, and for laboratory research in an institution by qualified investigators; sales of APIs in Canada for commercial purposes are currently prohibited. We also anticipate submitting applications to Health Canada for additional approvals under our Dealer's Licence allowing us to produce and distribute ketamine. We acknowledge there is no guarantee that we will receive further approvals from the Office of Controlled Substances in a timely manner or at all. A failure to receive such further approvals would have a material adverse effect on our business and result in an inability to generate revenue from said substances.

Our Management Team

We have assembled a skilled management team with deep experience in the development and commercialization of products featuring controlled substances as well as the navigation of regulatory structures applicable to these products. Our management team is led by Christopher McElvany, our President and Chief Executive Officer. Mr. McElvany has experience throughout the United States and internationally in the cannabis industry, having served as President of Allied Concessions Group, a leading provider of cannabis-infused products, as Chief Technology Officer of National Concessions Group, a licensing and marketing company that sells cannabis products. In addition, Mr. McElvany co-founded O.penVAPE, the first licensed marijuana-infused products manufacturer in the state of Colorado, and was its Chief Science and Technology Officer, and previously served as Executive Vice President of Slang Worldwide, a leading company consolidating brands along the regulated supply chain in the global cannabis industry. Mr. McElvany holds multiple patents in advanced drug formulations and delivery technologies. Our management team also features Steven E. Meyer, our Chief Operating Officer, who previously served as Operations Lead for North America of the Crop Science division of Bayer and as the Knowledge Transfer Manager for the North America Commercial Operations of Monsanto AG, and has been in the biotechnology R&D and commercial production sector for more than 20 years; Dr. Jerry Heise, Ph.D., our Chief Technology Officer, who previously served as the North America Intellectual Property Protection Lead at Crop Science division of Bayer and held various positions, including as a U.S. Biotech Regulatory Affairs Manager, at Monsanto AG; and Assad J. Kazeminy, Ph.D., our Chief Scientific Officer, who previously served as Chief Executive Officer of Irvine Pharmaceutical Services Inc. and Avrio Biopharmaceutical LLC and has over 30 years of research and development experience in the biopharmaceutical industry.

What Sets Us Apart

As a contract research and manufacturing organization serving the emerging psychedelics-based medicines market, we believe that we can be distinguished from other companies in the psychedelics market and we have a number of competitive advantages, as described below:

- ***Strategic Approach Centered on Adaptability.*** We believe that most other companies in the psychedelics market are centered around very specific drug targets with rigid production and scaling plans that are heavily dependent on major regulatory changes. Our strategy has been designed to enable us to have agility and scalability necessary to pursue groundbreaking research, advance with the changing regulatory landscape, and expand to meet future market opportunities at scale.

- ***Executive Team and Board of Directors with Industry Experience.*** Our management team consists of accomplished business entrepreneurs with deep knowledge of agriculture, production, extraction, chemistry, research, medicine, and drug discovery. We intend to leverage our team's experience in an effort to target licensed organizations for contract manufacturing and research and development opportunities.

- ***Technologies, Processes, and Intellectual Property.*** Our management team brings to market several key advantages, including the utilization of our TerraCube horticulture/fungiculture growth chambers, which feature our patented downdraft technology, located on-site to our application of biosynthesis techniques. By leveraging our processes and technologies, we will continually pursue new opportunities to obtain critical patents and other intellectual property rights, and to develop advanced production methods and new enabling technologies in an effort to distinguish and position our company in a rapidly evolving competitive landscape. Our management team intends to remain dedicated to ensuring the quality of our products and forging a cooperative culture of perpetual discovery and advancement.

Our History

We were was initially founded in 2017 as Hollyweed North Cannabis, Inc., or HNCI. In May 2018, our newly-constructed facility was inspected by Health Canada, and we received our Controlled Substances Dealer's Licence in June of that year. Shortly thereafter, our wholly-owned subsidiary TerraCube was founded, and the first TerraCube prototype was constructed. Later that same year, HNCI obtained a Health Canada Cannabis Standard Processing Licence. In May of 2020, we submitted an application to Health Canada for a Controlled Substances Dealer's Licence for the ability to produce and conduct research using psilocybin, psilocin, N,N-DMT, and mescaline. In parallel, we began the process of rebranding to our current name, Lucy Scientific Discovery, Inc. In February 2021, the Health Canada Office of Controlled Substances completed the inspection, and the licence was obtained by Lucy in August 2021. In October 2021, we filed an amendment with Health Canada to add the ability to sell, send, transport, and deliver the substances currently included on our licence and add MDMA, LSD, and 2C-B to our license, which was approved on December 17, 2021.

Our Business Strategy

Our mission is to become the premier research, development, and contract manufacturing organization in the emerging psychotropics-based medicines industry, while aggressively working to pursue expanding global market frontiers. Leveraging our highly skilled and experienced management team, we have designed a competitive business strategy centered around agility, speed, and innovation. We aim to first establish and secure base revenues by quickly commencing production capabilities and partnerships, and to continually pursue new opportunities for growth in our market.

Secure Base Revenue

- ***Leverage Assets to Facilitate Market Entry:*** Our research, development, and manufacturing operations will be conducted at our 25,000 square foot facility near Victoria, British Columbia, Canada. This facility was designed to optimize workflow and support industry-leading current good manufacturing practices, or cGMP, good laboratory practices, or GLP, cultivation, processing, sanitation, and physical security standards. Featuring energy-efficient design and equipment, compartmentalized production bays, testing and analytics laboratories, and dedicated office space, this complex will provide our team of experts and research partners a premier venue for productivity and innovation. Our facility features multiple TerraCubes for cultivating plant and fungi biomass, thereby minimizing reliance on external suppliers for naturally derived materials.
- ***Establish Ability to Rapidly Commence Contract Manufacturing:*** By establishing the capability to produce APIs through various methods of cultivation, purification, advanced cell expression, and direct synthesis, we believe that we will be able to quickly execute highly scalable, flexible, and efficient production operations while keeping batch-manufacturing costs low. We plan to enter into supply agreements with institutions, clinicians, and licensed researchers throughout the United States and Canada. To that end, we have already entered into a preliminary agreement for a project involving psychedelics cultivation and supply, and we are currently engaged in discussions with counterparties for two additional projects. Our goal is to rapidly commence scaled cGMP manufacturing capabilities for psilocybin, psilocin, N,N-DMT, and mescaline. We expect to be able to commence production following minimal buildout and infrastructure acquisition. See "Use of Proceeds" for more information.
- ***Facilitate and Conduct Contract Psychotropics Research:*** We seek to serve as an incubator and facilitator for the advancement of the psychotropics-based medicines industry. We will pursue this objective by building a comprehensive support suite with the means to provide research collaboration and contract research, production, funding, data capture, intellectual property and IP-capture opportunities,

quality assurance, and compliance capabilities. Our team brings vast relevant experience to bear regarding the development and commercialization of APIs and finished products, and we intend to partner with researchers in an effort to advance the market. We believe that acting as a contract research organization will provide diversified revenue sources under a number of different partnerships in accordance with our project assessment and advancement pipeline, and that these activities will lead to further opportunities as our clients develop and commercialize various psychotropics-based therapies.

- ***Achieve and Maintain Compliance Excellence:*** In addition to maintaining necessary licensing for the production of APIs, we will uphold rigorous internal operating standards, employing cGMPs for production and GLPs for testing and analysis. Our management team brings a wealth of relevant knowledge about, and extensive experience with, regulatory compliance and quality controls, which we believe will enable us to comply with evolving legal frameworks.

Pursue New Frontiers

- ***Expand Market Access:*** We plan to pave the way for growth into new and emerging market landscapes by designing and executing strategic market access initiatives. These initiatives involve collaborating with regulators and participating in legislative study campaigns while strategically aligning and optimizing our partnerships and capabilities to thrive in the regulated markets we intend to incubate. We believe this will be a highly effective method of expanding the viability, access, and control of government regulated business and will provide us with substantial advantages in both placement and speed-to-market.

- ***Meet Emerging Demands with Innovative Products:*** We intend to develop raw materials, cGMP-grade APIs, and finished biopharmaceutical products in an ongoing effort to meet the needs of new and evolving markets. Our management team aims to develop or acquire technology that could, for example, be applied to optimize the delivery of drug compounds for use in conjunctive treatment therapy, ensuring a safer and more consistent dose. We may seek to add new compounds to our Health Canada Dealer's Licence through a 45-day application process, potentially facilitating the means to perpetually innovate and adapt to the developing needs of the psychedelics industry and market.

- ***Develop and Acquire Intellectual Property Assets:*** Members of our management and research and development teams have significant experience with establishing and protecting critical process, product, and technological differentiators. We intend to actively pursue the direct development and acquisition of relevant intellectual property related to the psychotropics-based medicines industry, with an initial focus on intellectual property that will support and enhance our contract research and manufacturing capabilities. We expect that our extensive market and research knowledge will allow us to recognize and define a number of opportunities to acquire and create intellectual property, and enable iterative process improvements, to maintain a competitive advantage.

- ***Achieve Business and Technological Diversification:*** To further capitalize on direct, indirect, and ancillary opportunities created by the market, we may further diversify by investing in and acquiring additional biotechnology companies and/or specific technologies that are complementary to our products and business strategy when suitable opportunities arise, subject to the availability of sufficient financial and other resources to enable us to make such investments and acquisitions. These efforts are designed to support our goal of creating deeper levels of resilience and integration, and to differentiate our company from our competitors.

In an effort to actualize each facet of our overall business strategy as outlined above, we have established the following three-phase plan:

- **Phase 1 — Gain occupancy permit and commence operations (Projected Jan 2022):** We are currently awaiting receipt of the occupancy permit for the facility as well as the procurement of general equipment to enable process development for the production of key APIs from natural product extraction before we can commence operations and begin fulfilling orders. We anticipate the costs associated with Phase 1 of our business plan to be approximately $35,000. We believe that achieving this manufacturing capability will allow us to fulfill supply agreements with academic and research facilities or other companies as permitted by our licence, resulting in first revenue generation. We cannot guarantee that we will receive the occupancy permit, be successful in acquiring the necessary equipment, or secure supply agreements, and such failures would have a material adverse effect on our business and result in an inability to generate revenue.

- **Phase 2 — Complete construction of R&D labs and initiate cGMP certification (Projected April 2022):** In order to broaden our research capabilities and expand into lab-scale synthetic and biosynthetic production, we will need to complete construction of R&D labs by acquiring equipment utilized in standard synthetic and biosynthetic laboratories. We anticipate the costs associated with Phase 2 of our business plan to be approximately $700,000. We believe these expanded capabilities will allow us to potentially generate more revenue contingent upon future supply agreements. In parallel, we intend to initiate the process of obtaining cGMP certification of key processes involved in the production of APIs. We cannot guarantee that we will be able to obtain additional supply agreements that would warrant the planned expansion, and we may not be able to procure the critical infrastructure necessary to expand. Any such failure would have a material adverse effect on our business and may result in an inability to generate additional revenues. We may choose to delay any such expansions in the event that the needs of the market do not warrant such production outputs in an effort to minimize overhead.
- **Phase 3 — Achieve production-scale manufacturing capabilities and cGMP certification (Projected Nov 2022):** Contingent upon market demands, we intend to expand to production-scale manufacturing capabilities by procuring larger production-scale equipment. We also aim to obtain cGMP certification pursuant to our goal of becoming a preferred supplier of cGMP-grade APIs and other compounds. We anticipate the costs associated with Phase 3 of our business plan to be approximately $2,000,000. Contingent upon obtaining additional supply agreements and growing our network, we intend to generate increased revenues from additional sales and expand into human clinical trials. We cannot guarantee that we will be able to obtain additional supply agreements that would warrant our planned expansion, we may not be able to procure the critical infrastructure necessary to expand, and we may not successfully obtain a cGMP certification. Any such failure would have a material adverse effect on our business and may result in an inability to generate additional revenues. We may also choose to delay any such expansions in the event that the needs of the market do not warrant such production outputs in an effort to minimize overhead.

These timing of the target milestones may be subject to change due to a variety of factors. In the event that the net proceeds from this offering are not sufficient to enable us to commence or continue our operations as currently planned, we will need to obtain additional financing through the issuance of debt or equity securities. There can be no assurance that we will be able to obtain any such financing, if needed, upon commercially reasonable terms or at all. The failure to obtain such financing, if needed, would have a material adverse effect on our business.

Production Program

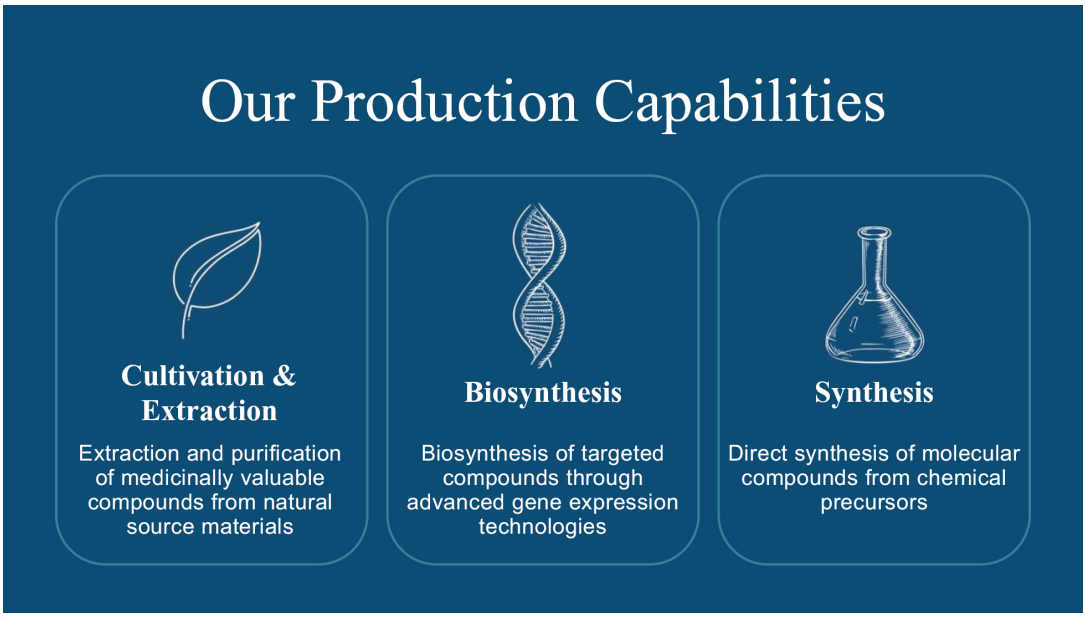
Our goal is to position our company as a premier contract manufacturer of high-quality biological raw materials, cGMP-grade APIs, and finished biopharmaceutical products, utilizing various methods of scalable production capabilities, to meet the needs of the rapidly growing psychotropics-based medicines market. Leveraging advanced and efficient systems and processes, we will seek to minimize production costs while maintaining the highest standards in quality and safety. We believe that our purpose-built campus and use of state-of-the-art technology will facilitate a variety of scaled production methods that adhere to cGMP pharmaceutical standards.

To meet immediate and anticipated rising demands from researchers and clinicians, our initial focus of production will be centered around the classic serotonergic psychedelics: psilocybin, psilocin, and N,N-DMT. These APIs are in increasingly high demand, and we believe that there are very few cGMP-compliant sources that are currently available in the market.

Our Strategic Approach to Production

Recognizing the broad range of product requirements needed to best support ongoing research, trials, and treatments, our production program will take a highly scalable and tiered approach to manufacturing that we believe has the potential to secure a strong foundation for revenue and growth. This approach will leverage three key methods

of production, with the goal of achieving best-in-class quality and facilitating market penetration through competitive pricing. Regardless of method, all production and formulation efforts will involve proper analytical procedures and quality controls that are designed to ensure the highest standards of purity, quality, and safety.



- ***Cultivation and Extraction:*** We intend to utilize a full suite of cGMP-grade cultivation, extraction, and purification systems to fulfill biological raw material and small volume API orders for a rapid market entry. Our state-of-the-art medicinal fungiculture and horticulture program, featuring our TerraCube growth chambers, will be capable of facilitating the production of consistent and high-quality raw materials, from which we may derive medicinally valuable key-compounds and minor constituent molecules. Utilizing this production suite, our team has the ability to observe broad-spectrum compositions, advance superior trait lines, and support various research organizations with best-in-class raw materials and APIs as well as crude extracts, single-molecule fractions, and targeted formulations as required.

- ***Biosynthesis:*** Through the development or acquisition of transgenic yeast, bacteria, and/or other cell lines, we will employ lab and pilot-scale bioreactors to produce a master repository of API expression systems which can be rapidly scaled to meet emerging market demands. Our biopharmaceutical-based core manufacturing approach involves the use of designer expression cassettes genetically encoded to produce APIs of interest from host cells such as yeast or bacteria. The APIs expressed in these cultures can be subsequently purified and characterized. This production methodology will provide us with a far greater ability to control post-translational modifications and allows for rapid scalability and precise manufacturing of cGMP grade APIs.

- ***Synthesis:*** To accommodate the need for consistent and scalable production capabilities, we intend to employ direct chemical synthesis methods coupled with subsequent chromatographic and crystallization techniques for the isolation and purification of APIs. In addition, we expect that our team's wealth of experience in industrial scale organic and pharmaceutical chemistry will allow us to apply process optimizing retrosynthetic methodologies, a technique that involves the transformation and examination of target molecules into precursor molecules. These methods will maximize safety, quality, and consistency while providing critical flexibility in production.

Finished Product Development and Commercialization Support

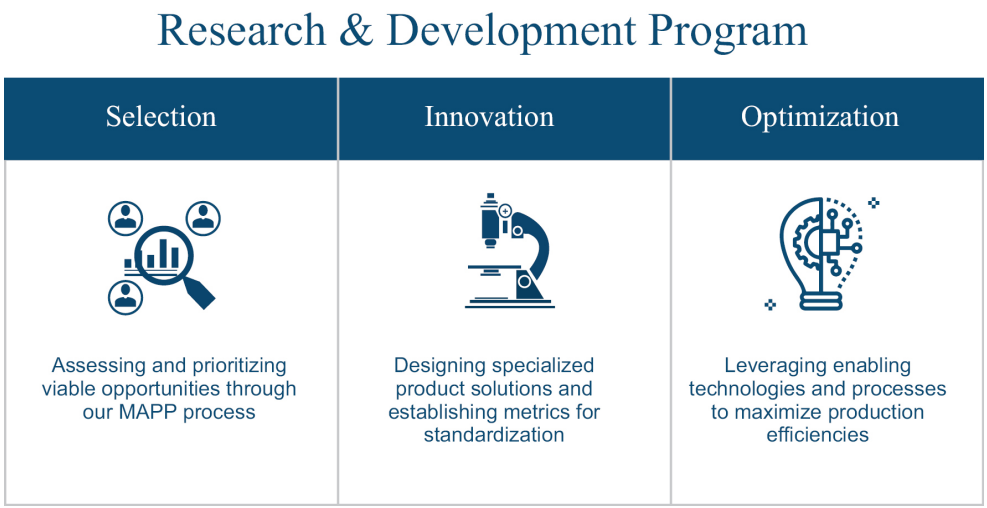
Moving beyond raw material and single-molecule API manufacturing, our team intends to develop the capacity to support the development and production of finished pharmaceutical products. In addition to contract-based projects

for our customers, our team will independently pursue scientific breakthroughs in optimized drug delivery and molecular enhancement for licensed application in finished drug products. The overall aim of these strategic ventures is to expand our market reach and involvement while creating additional revenue streams. We have and will continue to build strong relationships with pharmaceutical research and development groups and clinicians studying the efficacy of psychedelic and emerging psychotropic compounds in an effort to ensure all product designs and applications will best achieve the desired outcome for patients.

Research and Development Program

Our mission is to become a best-in-class producer of pharmaceutical-grade psychotropic APIs and finished products. Our research and development program will be established with the goal of supporting this mission by providing better APIs, target formulations, and finished drug products faster and more affordably to a broadening marketplace. Our employment of critical performance assessments, analyses, and improvement practices function with the objective of optimizing production, maintaining high quality standards, and lowering costs. We expect that our projected revenue increases will drive aggressive advancements in our production and formulation projects, as well as in intellectual property and critical patent capture programs.

We expect that continuously improving our product offerings and iterating our production processes will best enable us to support advancements in clinical research and applied therapies. To that end, our team is committed to conducting research and development activities aimed at optimizing our production program — from initial project selection through post-clinical commercialization — by strategically employing enabling technologies and innovative processes to meet the rigors of the emerging psychotropics-based medicines industry.



Market Assessment and Project Prioritization

Leveraging strategies from the most successful growth companies in the biotechnology and pharmaceutical development industries, our Market Assessment and Project Prioritization, or MAPP, process is designed to identify emerging market opportunities and direct our research and development pipeline. The MAPP process quantifies and ranks opportunities in the following categories:

- Potential for Treatment Efficacy
- Current & Forecasted Market Demand
- Market Regulation and Accessibility
- Competitive Advantages

This data-driven approach is designed to enable our team to determine key success and sustainability factors within each opportunity to inform selection, prioritization, and resource allocation decisions. The intended outcome of the MAPP process is to support and pursue projects with the highest probabilities of success and implement a consistent method to understand the value and risks associated with each R&D project candidate.

Project Selection and Advancement Pipeline

We seek to actively drive a diversified research and development pipeline designed to accelerate potentially market-disrupting products from discovery through commercialization. By combining powerful market opportunity analytics with well-established project selection and advancement processes, we believe that our approach will maximize value-capture opportunities, success probabilities, and competitive advantages in new and emerging market spaces.

To best support these dynamic project advancement efforts, our research and development teams will be well-equipped for success through the allocation of cutting-edge technological systems and a centralized operational support network. These critical assets will facilitate project selection and advancement decisions through:

- **Establishment of Success Metrics:** A key component of our pipeline process is a reliance on data to drive decisions. We will establish a set of measurable metrics and key performance indicators, or KPIs, for all projects. We will track these KPIs and supporting metrics on a project dashboard to create transparency and enable data-driven selection and advancement decisions.

- **Prioritization of Functional Needs:** To facilitate effective functional support of all pipeline projects and the efficient use of assets, resources will be allocated to projects determined to have the greatest impact and probability of success. Proper resource allocation and prioritization will enable our team to support a broader range of projects appropriately and efficiently.

- **Pipeline Advancement Decisions:** Using a structured process and well-defined advancement criteria our team will conduct periodic project reviews to assess KPIs, and success probabilities. These reviews will consist of reports provided by project leadership and key personnel to a review panel of cross-functional representatives from within the R&D organization. These process standards will be applied to all projects within the company's R&D pipeline, ensuring company assets are employed and redirected in accordance with company strategies.

Furthermore, we intend to fully leverage the broad network of collaborative relationships between the senior members of our management team and clinical research institutions, contract research organizations, and licensed therapeutic clinicians to accurately assess emerging market needs and identify opportunities. We believe that the value of our research and development program is enhanced by our commitment to explore and access enabling technologies that can benefit and support our programs in a rapidly evolving emerging industry. We will seek to achieve sustainable revenue growth by establishing and fostering a culture of continuous improvement and leveraging proven process and systems improvement philosophies.

Facilities

Our corporate headquarters and operations are located near Victoria, British Columbia, Canada, where we currently lease approximately 25,000 square feet of laboratory and office space. The property lease expires on July 31, 2022, at which point we may, at our option, either extend this lease for up to two additional five-year terms or purchase the facility. Our facilities have been designed to support key enabling technologies and production workflow, and feature two floors of compartmentalized production bays, analytics laboratories, office space, and loading docks. With critical input from our highly experienced leadership team, operators, and advisors, our facility was designed to maximize production while minimizing waste through the use of high-efficiency climate and lighting systems. Furthermore, our security-by-design approach maintains high standards of safety and security, including expert implementation of overlapping surveillance and monitoring systems, controlled access and alarms, and multiple Health Canada security level 8 vaults. We believe that our current facilities are adequate to meet our ongoing needs, and that, if we require additional space, we will be able to obtain additional facilities on commercially reasonable terms.

TerraCube Advanced Cultivation Module

Our TerraCube system, which consists of climate-controlled agriculture/fungiculture growth chambers that employ our patented downdraft HEPA filtration technology, is designed to provide our medicinal horticulture and

fungiculture program leaders environmental control and manipulation capabilities. These stackable and highly efficient systems are expected to facilitate multiple revenue-producing cultivation-based operations, adding production scalability and sustainability to our program by allowing for modular and iterative expansion and project prioritization. From cultivation of raw source materials and superior-trait psilocybe to contract ethnobotany research of rare medicinally valuable plants from around the world, our TerraCube system will allow our team to rapidly begin researching and producing naturally derived products and raw materials.

Each TerraCube module features a patent-pending environmental control system drawing information from more than 100 data sensors. Each unit's air-handling system provides a positive pressure environment designed to ensure cultivars remain unadulterated by impurities or cross-contaminants. These growth modules are expected to enable our team to conduct highly advanced genomic assessment and superior trait selection, intellectual property capture, and Genetic Use Restriction Technology, or GURT, programs.

Bioprocess Development Laboratory

Our bioprocess development laboratory, or BDL, which supports API biosynthesis, is expected to enable the development of plasmids containing API expression cassettes for insertion into host cell lines. The BDL will leverage both lab- and pilot-scale bioreactors in addition to necessary analytical and supporting equipment. Stable API-expressing host cell lines will be banked in cryogenic freezers for subsequent transfer to quality control and manufacturing processes.

Testing and Analysis Laboratory

Our testing and analysis laboratory, or TAL, will utilize high-performance liquid chromatography with mass spectrophotometric detectors, or HPLC-MS, a proven method for high purity quantification and low sensitivity detection of biopharmaceutical APIs. The HPLC-MS and supporting systems are designed to ensure all APIs meet

or exceed the standards for compliance and expectations of our customers. The TAL is capable of facilitating various analytic functions in support of contract and partner research projects and serves as a final quality check for production APIs prior to submission for third-party testing. The use of third-party laboratory testing is a requirement of good clinical practices and GLP protocols.

Competition

The psychotropics-based product manufacturing and contract research business is an emerging industry with increasing levels of competition and is subject to significant technological change. We face substantial competition from other psychotropics-based product manufacturing companies and suppliers of medical-grade psychedelic raw materials, APIs and finished drug products and/or contract research services. Our competitors are already in the process of development and contract manufacturing of psychotropics-based products and providing contract research services in the industry. Many of our competitors have substantially greater financial, technical and human resources, higher capitalization, a more experienced management team, and a more mature business than us. These factors could prevent us from achieving our revenue, market share and growth targets. Further, we may not be able to effectively manage our growth, if any, and operations, which could materially and adversely affect our business. If we are not able to compete effectively against our current and future competitors, our business will not grow, and our financial condition and operations will be materially and adversely affected.

Our potential competitors include large and specialty pharmaceutical companies and biotechnology companies, academic research institutions and governmental agencies, and public and private research institutions. Our plan to cultivate, extract and purify medical-grade psilocybin and other psychotropics-based products and to offer them to appropriately licensed research institutions, biopharmaceutical companies and other parties who are engaged in discovery and development with respect to psychotropics-based medicines, will compete with other entities that are developing or supplying psychoactive compounds for use in medical research. Due to the depth and diversity of our intended product offerings, we may face competition from a variety of companies, including:

- ***Developers of psychotropics-based products:*** Companies such as Mind Medicine (MindMed) Inc., a neuro-pharmaceutical drug development platform, Psygen Industries, Ltd., a manufacturer of pharmaceutical grade psychedelic drug products for clinical research and therapeutic applications and Numinus Wellness Inc., a health care company focused on creating wellness solutions centered on psychedelic therapies, and HAVN Life Sciences Inc., a biotechnology company pursuing standardized extraction of psychoactive compounds, the development of natural health care products and mental health treatments. To the extent we are unable to sell our products to these companies, our clients will face competition from them in the market for psychotropics-based medicines.

- ***Contract research providers:*** Companies known to provide contract research services to facilitate improved pharmaceutical and biotechnology product development, such as KGK Science Inc.

We expect to face increasing competition as new APIs and other products enter the market and further advancements in technologies are made. We expect market adoption of any products that we develop to be dependent on, among other things, purity, efficacy, and price.

Many of our current or potential competitors, either alone or with their collaboration partners, have significantly greater financial resources and expertise in the development and marketing of contract manufacturing and research services than we do. Mergers and acquisitions in the psychedelic and biotechnology industries may result in even more resources being concentrated among a smaller number of our competitors. Smaller or early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. As attention on the emerging psychotropics-based medicines industry intensifies, we expect that additional competitors will enter the marketplace.

Government Regulation

We are focused on developing and commercializing APIs comprising biologically sourced derivatives and synthetic compounds, primarily psychedelics, with potential medicinal and therapeutic value as regulated medicines. In order for our APIs and other products to be developed into regulated medicines, our process and our clients' operations must be conducted in strict compliance with the regulations of the regulatory agencies in the jurisdictions in which we and our clients operate or intend to operate, including the United States and Canada, at the federal,

state and (in the case of Canada) provincial level. These regulatory authorities extensively regulate, among other things, the cultivation, manufacture, import, export, research, testing, quality control, labeling, packaging, storage, record-keeping, promotion advertising, distribution, post-approval monitoring and reporting, marketing, and export and import and commercialization of drugs and their APIs, such as those we are developing, in specific jurisdictions under applicable laws and regulations.

We, along with our vendors and research and commercial clients, will be required to navigate the various manufacturing, importation, exportation, preclinical, clinical, and commercial approval requirements of the governing regulatory agencies of the countries in which we and our clients wish to manufacture, test, store, seek approval and distribute our or our clients' products and product candidates. The process of obtaining regulatory approvals of drugs and their APIs and of ensuring subsequent compliance with appropriate federal, state, local and foreign statutes and regulations requires the expenditure of substantial time and financial resources and may not be successful.

International Conventions Governing Controlled Substances

Our business involves the use of psychoactive compounds or materials that contain psychoactive compounds, including the manufacture, transportation, testing, storage and sale of such compounds and products, and as such, will be subject to extensive regulation under international and national laws.

The current international drug control system was established by three main international drug conventions: the 1961 United Nations, or UN, Single Convention on Narcotic Drugs, or the Single Convention; the 1971 UN Convention on Psychotropic Substances, or the 1971 Convention; and the 1988 UN Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, or the 1988 Convention. The Single Convention established the drug scheduling system, which is also used in the 1971 Convention, to establish various degrees of control applicable to controlled substances, or substances with a potential for abuse. The 1988 Convention focuses on criminal enforcement against illicit drug trafficking and money laundering. All three conventions seek to restrict the use of controlled substances to legitimate purposes and avoid their diversion into illicit markets through strict regulatory controls.

The 1971 Convention establishes a regulatory framework and four schedules for psychotropic substances, which are substances that affect one's mental state, including hallucinogenic, or psychedelic, drugs. In addition to requiring controls on the manufacture, trade, distribution, and possession of psychotropic substances, the 1971 Convention requires that signatories provide the International Narcotics Control Board, or INCB, with annual statistical reports of quantities of psychotropic substances manufactured, exported from, or imported to their country. If, based on the information provided, the INCB has reason to believe that the aims of the 1971 Convention are endangered, it can ask an endangering country to provide explanations for its deviation from the 1971 Convention; call on the government to adopt remedial measures; or, bring the matter to the attention of the greater UN and recommend that the country stop the export and/or import of a particular psychotropic substance. Regarding substances in Schedule I of the convention, such as MDMA, DMT, and psilocybin, signatories are required to "prohibit all use except for scientific and very limited medical purposes."

The Single Convention requires signatories to provide the INCB an annual estimate of the quantities of narcotic drugs to be used for medical and scientific purposes, to be used in the manufacture of other drugs, and the stocks of narcotic drugs to be held by the signatory country. Signatories may not exceed their submitted estimates without furnishing a supplementary estimate to the INCB explaining the need for the adjustment. The 1971 Convention does not establish the same type of ceiling on the manufacture and use of psychotropic substances.

The 1988 Convention outlines a criminal enforcement framework for the manufacture, distribution, and sale of narcotic drugs or psychotropic substances in contravention of the Single Convention and the 1971 Convention. It includes provision for the confiscation of proceeds from the illicit traffic of drugs and creates a system for requesting extradition of guilty parties between signatory countries. In order to stem the international illicit trade of narcotic drugs and psychotropic substances, all imports and exports of signatory countries — including the lawful import and export of narcotics and psychotropics — must be properly documented and controlled.

As signatories to the Single Convention, the 1971 Convention, and the 1988 Convention, Canada, our country of domicile, and the United States, one of our primary markets, have based their domestic regulation of narcotics and psychotropic substances on the frameworks established in these conventions, and they must comply with the conventions' ongoing recordkeeping and reporting requirements.

Canada

Certain psychoactive compounds, such as psilocybin, are considered controlled substances under Canada's Controlled Drugs and Substances Act, or the CDSA. Specifically, psilocin (3 — [2 — (dimethylamino)ethyl] — 4 — hydroxyindole) and any salt thereof and psilocybin (3 — [2 — (dimethylamino)ethyl] — 4 — phosphoryloxyindole) and any salt thereof, are listed under Schedule III of the CDSA. Psilocin and psilocybin are also restricted drugs under Part J of the Food and Drug Regulations. In Canada, MDMA and ketamine are Schedule I controlled substances, while LSD is a Schedule III controlled substance. The production, possession, obtaining, trafficking (including, among other things, sale, distribution, and administration), importing or exporting of controlled substances and precursors is prohibited in Canada unless specifically permitted by applicable law. Penalties for contravention of the CDSA related to Schedule I substances are the most punitive, with Schedule II being less punitive than Schedule I, and Schedule III being less punitive than Schedule I and II. A party may seek government approval for an exemption under Section 56(1) of the CDSA to allow for the possession, transport or production of a controlled substance for medical or scientific purposes or if such usage is otherwise in the public interest.

A licence may be obtained to produce, assemble, sell, provide, transport, send, deliver, import and export controlled substances and products that contain a controlled substance. A party can apply for a Dealer's Licence under the Canadian Food and Drug Regulations (Part J), which would permit a party to perform authorized activities in relation to a restricted drug, such as psilocybin and psilocin. By law, a Dealer's Licence for a restricted drug may only be issued to eligible persons, which include: (i) an individual who ordinarily resides in Canada; (ii) a corporation that has its head office in Canada or operates a branch office in Canada; or (iii) the holder of a position that includes responsibility for restricted drugs on behalf of the Government of Canada or of a government of a province, a police force, a hospital or a university in Canada.

To qualify for a Dealer's Licence, a party must meet all regulatory requirements, including having compliant facilities and security measures, compliant materials and staff that meet the qualifications under the regulations. An applicant must designate a senior person in charge, who is responsible for the management of the activities with respect to the restricted drugs subject to the licence application, and a qualified person in charge, who is responsible for supervising activities with respect to the restricted drug. The qualified person in charge must meet prescribed qualification requirements, in addition to working at the site specified in the Dealer's Licence. The proposed qualified person in charge must be a pharmacist or a practitioner of medicine, dentistry or veterinary medicine registered with a provincial professional licensing authority, or hold a degree in an applicable science from a recognized Canadian University, or a foreign degree recognized by a Canadian university or a Canadian professional association. Furthermore, an applicant must submit a criminal record check by a Canadian police force evidencing that during the 10 years prior to the application, the senior person in charge, and the qualified person in charge, was not convicted of a designated offenses as set out in Part J of the Food and Drug Regulations.

Licenced Dealers must have a secure facility for the storage of controlled drugs and substances. There are 11 security levels applicable to controlled drugs and substances, which are based upon the geographical location in Canada and the total value of controlled substances stored on the premises at any given time. A physical security inspection is required as part of the application process.

Assuming compliance with all relevant laws (Controlled Drugs and Substances Act, Food and Drugs Regulations) and subject to any restrictions placed on the licence by Health Canada, an entity with a Dealer's Licence may produce, assemble, sell, provide, transport, send, deliver, import or export a restricted drug (as listed in Part J in the Food and Drugs Regulations, which includes psilocybin and psilocin) (see s. J.01.009(1) of the Food and Drug Regulations). However, a licenced dealer may only import and export controlled substances and restricted drugs in accordance with a permit from Health Canada, which must be obtained for each import or export.

There are a number of reasons that Health Canada must refuse a licence under applicable law. For example, a licence must be refused if an applicant does not have prescribed security measures in place, the applicant has submitted false or misleading information with respect to its licence application, or there are reasonable grounds to believe that the issuance of the licence would likely create a risk to public health or safety, including the risk of a restricted drug being diverted to an illicit market or use. Once issued, Health Canada has the authority to suspend or revoke a Dealer's Licence if it has reasonable grounds to believe that it is necessary to do so to protect public health or safety, which includes preventing a restricted drug from being reverted to an illicit market or use.

Furthermore, permission to export psychedelics is not guaranteed under a Dealer's Licence, and there is risk that Health Canada may not issue an export permit at each or any request. By law, an export permit must not be issued for a restricted drug where, among other things, the issuing body has reasonable grounds to believe that the exportation would contravene an international obligation, or where there are reasonable grounds to believe that the exportation would contravene the laws of the country of final destination or any country of transit or transshipment. Therefore, even with a valid Dealer's Licence issued for the production of psilocybin, legal export of APIs to customers outside of Canada is not guaranteed.

Currently, a licenced dealer may only sell psychedelics to an institution for clinical or research purposes. In Canada, an "institution" under Part J of the Food and Drug Regulations is defined as any institution engaged in research on drugs and includes a hospital, a university in Canada or a department or agency of the Government of Canada or of a government of a province or any part of them. Prior to the sale, the research institution must obtain authorization for the sale from Health Canada.

In order to conduct research or clinical trials with psychedelics in Canada, an institution must either hold its own Dealer's Licence, or an exemption from Health Canada under Section 56(1) of the CDSA, and a clinical trial authorization from Health Canada. Section 56(1) of the CDSA allows for an exemption from the application of all or any of the provisions of the CDSA, and can permit the possession of a controlled substance for medical or scientific purposes (for example, in clinical trials), or where it is in the public interest to grant and exemption.

The activities permitted under a Section 56(1) exemption are not defined in the CDSA. An applicant seeking a Section 56(1) exemption for scientific purposes must provide a project or study description, including a research protocol and approval by an animal care committee if applicable. Administration to human subjects is not permitted under an exemption for scientific purposes, whereas administration to animals may be permitted under certain conditions. An application for an exemption to use a controlled substance for clinical studies requires the submission of a clinical trial protocol and an authorization from Health Canada to conduct a clinical trial (in the form of a No Objection Letter). Physical security measures must be maintained at any facility in which research or clinical trials are conducted under a Section 56(1) exemption. To our knowledge, the Canadian government has not yet granted a Section 56(1) exemption for the use of psychedelics.

Failure to comply with any of the above applicable regulations, regulatory authorities or other requirements may result in civil or criminal penalties, recall or seizure of products, partial or total suspension of production, or revocation of a licence or exemption.

Bringing New Drugs to Market

We expect that many of our clients will purchase our products for purposes of conducting research and development, and ultimately obtaining regulatory approval for and commercializing drug products designed to treat a range of mental health and cognitive conditions. In Canada, Health Canada regulates drug products under the federal Food and Drugs Act, and its regulations. Failure to comply with applicable Health Canada requirements at any time with respect to product development, clinical testing, approval or any other legal requirements relating to product manufacture, processing, handling, storage, quality control, safety, marketing, advertising, promotion, packaging, labeling, export, import, distribution, or sale may lead to administrative or judicial penalties or other consequences. These consequences could include, among other things, Health Canada's refusal to approve pending applications, suspension or revocation of approved applications, warning letters, recalls, product seizures, relabeling or repackaging, total or partial suspensions of manufacturing or distribution, or prosecution. The sale of pharmaceutical products may also be subject to other provincial regulations.

Before testing any drug in humans, the product candidate must undergo rigorous preclinical testing. Preclinical studies include laboratory evaluations of drug chemistry, formulation and stability, as well as in vitro and animal studies to assess safety and in some cases to establish the rationale for therapeutic use. If preclinical tests indicate that a substance produces a desired effect and is not toxic, a sponsor may apply to the Health Canada for authorization to conduct a clinical trial.

The clinical stage of development involves the administration of the product candidate to healthy volunteers or patients under the supervision of qualified investigators to research and gather information on a drug's dose, effectiveness and safety in humans. Clinical trials are conducted in accordance with good clinical practice, or GCP, requirements under protocols detailing, among other things, the objectives of the clinical trial, administration procedures, subject selection and exclusion criteria and the parameters and criteria to be used in monitoring safety

and evaluating effectiveness. Each protocol, and any subsequent amendments to the protocol, must be submitted to Health Canada for approval. Furthermore, each clinical trial must be reviewed and approved by a Research Ethics Board, or REB, for each site at which the clinical trial will be conducted. The REB is not affiliated with the clinical trial sponsor, and its principal mandate is to approve the initiation of, and conduct periodic reviews of, biomedical research involving human subjects in order to ensure the protection of subject rights, safety and well-being. If the clinical studies demonstrate that the potential therapeutic benefits outweigh associated risks, a clinical trial sponsor may file an New Drug Submission, or NDS, with Health Canada.

An NDS is a request for approval to market a new drug in Canada, and it contains information gathered regarding the safety, efficacy and quality of a drug. The NDS includes preclinical and clinical trial results, and information regarding therapeutic claims, side effects, production, packaging and labelling. To support marketing approval, the data submitted must be sufficient in quality and quantity to establish the safety and efficacy of the drug to the satisfaction of Health Canada. Health Canada must approve an NDS and issue a Notice of Compliance, or NOC, and a Drug Identification Number, or DIN, before a drug may be marketed Canada.

Drugs approved for marketing in Canada but remaining on Schedule III of the CDSA will still be subject to the restrictions contained therein. To date, no drugs containing psilocybin or psilocin have been issued a NOC in Canada.

The United States

In the United States, the Drug Enforcement Administration, or DEA, the Food and Drug Administration, or FDA, and other regulatory authorities at federal, state and local levels, extensively regulate the research, development, testing, manufacture, quality control, import, export, safety, effectiveness, labeling, packaging, storage, distribution, recordkeeping, approval, advertising, promotion, marketing, post-approval monitoring and post-approval reporting of drugs and their APIs. Importantly, the United States' federal Controlled Substances Act, or CSA, the Controlled Substances Import Export Act, or the CSIEA, and their implementing regulations regulate the substances we intend to manufacture, refine and export to the United States.

The Controlled Substances Act

Controlled substances are defined as drugs or other substances that have a potential for abuse. The CSA imposes registration, security, recordkeeping and reporting, storage, disposal and other requirements on any person or entity that manufactures, distributes, dispenses, imports, exports, or conducts research with controlled substances. These requirements have been established to prevent the diversion of controlled substances to illicit channels of commerce while providing for the legitimate medical and scientific needs of the United States. The United States Attorney General has delegated responsibility for the regulation of controlled substances to the DEA.

The DEA categorizes controlled substances into one of five schedules — Schedule I, II, III, IV or V — with varying qualifications for listing in each schedule. Schedule I controlled substances are those that have a high potential for abuse, have no currently accepted medical use in the United States and are not accepted as capable of being safely used under medical supervision. Substances having a currently accepted medical use, including pharmaceutical products, may be listed as Schedule II, III, IV or V controlled substances, with Schedule II controlled substances presenting the highest potential for abuse and physical or psychological dependence, and Schedule V controlled substances presenting the lowest relative potential for abuse and dependence. The regulatory requirements are more restrictive for handlers of Schedule II controlled substances than Schedule III-V controlled substances. For example, all Schedule II drug prescriptions must be signed by a physician, physically presented to a pharmacist in most situations, and cannot be refilled. Psychotropics such as psilocybin, psilocin, DMT and MDMA are regulated as Schedule I controlled substances, and have the strictest controls imposed upon their use for any purpose.

Scheduling determinations by the DEA are dependent on FDA approval of a substance or a specific formulation of a substance for medical use and marketing in the United States. Therefore, while psilocybin and the other psychedelic substances we may cultivate and manufacture are primarily Schedule I controlled substances, products approved by FDA for medical use and marketing in the United States that contain psilocybin or another such substance would be placed in Schedules II-V, since approval by FDA satisfies the "accepted medical use" requirement. If and when a product candidate developed by one of our clients receives FDA approval, the DEA will likely make a scheduling determination and place it in a schedule other than Schedule I in order for it to be prescribed to patients in the United States.

Registration to Handle Schedule I Substances Required by U.S. Facilities

While we are required to comply with Canadian law governing manufacture and export of controlled substances, our U.S. clients will be required to comply with DEA policy regarding the handling — including the import — of the U.S.-designated Schedule I substances they purchase from us. Facilities conducting research, manufacturing, distribution, importation, exportation, or dispensing of any controlled substances must register and receive a certificate of registration from the DEA. In order to obtain DEA registration, the facilities will first need to register with the narcotics enforcement department of the state in which they are located. Once a facility receives a certificate of registration from the DEA, it is referred to as a registrant. Registrants must have the security, control, recordkeeping, reporting, and inventory mechanisms required by the DEA to prevent loss and diversion of any controlled substances.

Several categories of registrations are available, depending on a registrant's principal activity. These categories are:

- Manufacturing (bulk or dosage form)
- Distributing
- Reverse Distributing (controlled substance waste disposal)
- Dispensing or Instructing (for medical practitioners, hospitals/clinics, pharmacies and teaching institutions)
- Research with Schedule I substances
- Research with Schedule II through V substances
- Narcotic Treatment Program
- Importing
- Exporting
- Chemical Analysis

The certificate of registration will specify the exact substances authorized to be used and the activities the registrant is authorized to engage in. Any facility that engages in more than one group of independent activities must obtain a separate registration for each group of activities, unless the additional activities are listed as "coincident activities" to the primary activity for which a registration is issued. For instance, manufacturing registrants may, as an activity coincident to the primary activity of manufacturing, distribute the class of substance for which registration was issued.

DEA registrations must be renewed annually, except for dispensing facility registrations, which must be renewed every three years. The DEA conducts periodic inspections of certain registered establishments that handle controlled substances. Our U.S. clients must receive certificates of registration before they may apply to import our products.

A new application for registration will include a DEA field investigation, analysis and review of the application at DEA headquarters, and a request for any other information that the DEA deems necessary. Applications for importers or bulk manufacturers of controlled substances are published in the Federal Register, and other registered bulk manufacturers may submit comments or objections to the new registration.

All applicants and registrants must provide effective controls and procedures to guard against theft and diversion of controlled substances. In evaluating the overall security system of a registrant or applicant, the DEA will consider, among other things, the adequacy of the applicant's system for monitoring the receipt, distribution, and disposition of controlled substances in its operations. The DEA may deny an application for registration if it finds that the registration is inconsistent with the public interest, which is determined by considering:

- maintenance of effective controls against diversion into other than legitimate medical, scientific, research, or industrial channels by limiting the importation and bulk manufacturer of controlled substances to establishments that can produce an adequate and uninterrupted supply of these substances under adequately competitive conditions for legitimate medical, scientific, research, and industrial purposes;

- compliance with applicable state and local law;
- prior conviction records of applicants relating to the manufacture, distribution, or dispensing of controlled substances;
- past experience in the applied for activity, and the existence in the establishment of effective controls against diversion;
- for manufacturing registrants, promotion of technical advances in the art of manufacturing the controlled substances and the development of new substances; and
- other factors as may be relevant to and consistent with the public health and safety.

Failure to comply with applicable requirements of registration, particularly as manifested in the loss or diversion of controlled substances, can result in enforcement action that could have a material adverse effect on a registrant's business, operations and financial conditions. The DEA may seek civil penalties, refuse to renew necessary registrations, or initiate proceedings to revoke those registrations. In certain circumstances, violations could lead to criminal prosecution.

Registration Requirements for Research Facilities

We anticipate that some of our clients will be research facilities at U.S. academic institutions or companies conducting research. Such research facilities that wish to study Schedule I controlled substances must, in addition to meeting the applicable requirements described above, send their research protocol to the DEA. The research protocol must include a statement of the purpose of the research project; the researchers' institutional affiliation and qualifications; the name of the Schedule I substances involved and the amount of each needed; and the source of the Schedule I substances, including whether they will be provided by a domestic or foreign manufacturer; a description of the research to be conducted; a statement of the security provisions for storing and dispensing the substances in a way that prevents diversion; and a statement of the quantity and sources of the substances to be manufactured or imported. All of the foregoing will be submitted by the DEA to the Department of Health and Human Services (HHS) for approval. The research registrant must justify the need for import of the substances, and HHS must approve the importation as part of the research protocol. If the registrant has already submitted an Investigational New Drug, or IND, application to the FDA, proof of such application may be submitted to the DEA in lieu of the foregoing.

If a research registrant needs to increase the quantity of a Schedule I substance used for an approved research project, a request must be submitted to the DEA, which will forward the request to FDA for approval. Any change in the research protocol likewise must be submitted to the DEA. Facilities registered to conduct research with Schedule I controlled substances may conduct research only with the substances for which the facility's research protocol was approved.

In September 2021, the U.S. Office of National Drug Control Policy (ONDCP) issued a legislative proposal to the U.S. Congress to amend the process for obtaining a DEA registration for research with Schedule I substances to align it more closely with Schedule II research registrations. If implemented, the changes may shorten the timeline and simplify the paperwork required for U.S. research facilities to obtain registrations allowing them to access Schedule I substances for scientific purposes. On December 2, 2021, the DEA expressed support for ONDCP's proposal via written testimony submitted to a House Energy and Commerce subcommittee.

U.S. Import Regulations Applicable to Schedule I Substances

Once registered, our U.S. clients must apply for permission from the DEA to import our APIs. Import of Schedule I substances into the United States is governed by the CSIEA and its implementing regulations. Although it is generally unlawful to import Schedule I substances into the United States, certain specified substances may be imported if the DEA finds such import would serve medical, scientific or other legitimate purposes. Specifically, an application to import Schedule I substances may be authorized if competition among domestic manufacturers of the controlled substance is inadequate and will not be rendered adequate by the registration of additional manufacturers, or, if the domestic supply of any controlled substance is inadequate for scientific studies.

As described above, DEA registrations comprise various categories based on the primary activity of the registrant. Only three of the DEA registration categories allow the registrant to apply for authorization to import Schedule I substances: research, import, and chemical analysis. Registrants, such as manufacturers and distributors, without the ability to import must obtain controlled substances from another entity registered under one of the following categories:

- ***"Research — Schedule I" registration.*** The primary activity of this category of registrants is research with Schedule I substances. Coincident activities include: manufacture or import of the "basic class" (i.e., encompassing all the chemical forms) of substance or substances for which registration was issued (provided that such manufacture or import is set forth in the research protocol approved by FDA), and distribution of such class to persons registered or authorized to conduct research with such class of substance or registered or authorized to conduct chemical analysis with controlled substances. We anticipate that the majority of our prospective clients will pursue DEA registration under this category.

- ***"Importing" registration.*** The primary activity of this category of registrants is importation of controlled substances specified on the registration. Coincident activities include distribution of that substance or class for which registration was issued. Importers may not distribute any substance or class for which not they are not registered. Applications for import registrations are subject to a notice and comment period during which bulk manufacturers of the affected basic classes may file written comments or objections to the issuance of the proposed registration.

- ***"Chemical Analysis" registration.*** The primary activity of this category of registrants is analysis of controlled substances. Coincident activities include manufacture and import controlled substances for analytical or instructional activities; distribution of such substances to persons registered or authorized to conduct chemical analysis, instructional activities, or research with such substance; and the conduct of instructional activities with controlled substances.

In addition to needing a registration for their primary activities, the above registrants must apply for import permits from the DEA to import particular shipments. A separate permit is required for each shipment of a Schedule I substance to be imported. The DEA is authorized to issue an import permit if it finds that the domestic supply of particular substance is inadequate for scientific studies or to meet the needs of an emergency, or, in any case, if it finds that competition among domestic manufacturers of the controlled substance is inadequate and will not be rendered adequate by the registration of additional manufacturers. U.S. policy favors domestic production of controlled substances. If there are domestic manufacturers of the Schedule I substances, the registrant will have to justify the need for import. If an import permit is approved, it must describe the precautions that the applicant will take to guard against storage or in-transit losses, such as ensuring that shipping containers are unmarked. Applicants must indicate the source of the substances, the port of entry into the United States, the name of the importing carrier or vessel, and the date the shipment will leave the foreign port or country. Registrants are responsible for selecting common or contract carriers that can provide adequate security to guard against in-transit losses.

The DEA will send a copy of the import permit to the Canadian authorities (the country of export) and our importing registrant-clients will be required to submit a copy of the import permit and information about the transaction to the customs officer at the port of entry. If shipments are denied release by a customs officer at the port of entry for any reason, the importer must submit a new application for an import permit. After receipt of the Schedule I substance, registrants must submit a follow-up report to the DEA, confirming receipt and conformity of the shipment to the import permit.

Some of our clients may wish to register as importers, with importation as their primary activity and distribution as a coincident activity. The DEA grants an importer registration if it determines that "such registration is consistent with the public interest and with United States obligations under international treaties, conventions, or protocols." The DEA is required to limit imports by registered importers to amounts necessary to provide for the medical, scientific, or other legitimate needs of the United States in the case that competition among domestic manufacturers of the controlled substance is inadequate and will not be rendered adequate by the registration of additional manufacturers. In determining whether domestic competition is adequate, the DEA must consider price rigidity, conditions of supply

and demand, and the extent of service and quality competition among the domestic manufacturers. The fact that there are only a small number of registered manufacturers for a particular controlled substance is not indicative of a lack of competition.

Customs Considerations

The importation of goods into the United States is managed by U.S. Customs and Border Protection, or CBP. In addition to complying with DEA policy regarding importation of Schedule I substances, our clients must also ensure that shipments comply with CBP laws and regulations regarding the importation of merchandise from foreign countries. CBP requires the use of shipping manifests, bills of lading, inspection of merchandise, payment of duties, if applicable, and reporting. The Toxic Substances Control Act, or TSCA, requires that importers of any chemicals include a certification that the chemical either complies with the TSCA or is exempt from the TSCA. Failure to follow CBP and TSCA requirements may result in detention or even destruction of shipments.

Procurement Quotas

Some of our clients may be U.S. registered manufacturers who plan to convert our bulk APIs into dosage forms or into other substances. These U.S. registrants must obtain procurement quotas from the DEA. Procurement quotas set a ceiling on the amount of a Schedule I or II controlled substance a registered manufacturer may obtain for conversion into dosage form or other substances. A separate application for a procurement quota must be submitted for each Schedule I or II substance a manufacturer wants to acquire. The applications must state the purpose for which the substance is being acquired, and the quantity desired for that purpose during a calendar year. Procurement quota applications must be submitted by April 1 of the year preceding the calendar year for which the procurement quota will apply. Only manufacturers who plan to convert bulk quantities of controlled substances into dosage form or into other substances must apply for a procurement quota; research registrants and chemical analysis registrants are not required to apply for procurement quotas.

Manufacturers that have been issued a procurement quota may request an adjustment to the quota by applying with the DEA and showing the need for the adjustment. An increase to a procurement quota is at the discretion of the DEA. If there exist sufficient domestically-produced quantities of a certain Schedule I or II substance, the DEA may limit the issuance of import permits.

Production Quotas

Similar to procurement quotas, production quotas set a ceiling on the amount of bulk Schedule I or II substances that may be manufactured in, or imported into, the United States in any given year. The country's aggregate production quota, or APQ, reflects the total quantity of each basic class of controlled substances in Schedule I or II necessary to be manufactured in the United States in a given year to provide for the estimated medical, scientific, research, and industrial needs of the country, for lawful export requirements, and for the establishment and maintenance of reserve stocks. The APQ can be adjusted at any time, but only at the discretion of the DEA. The APQ is divided among registered bulk manufacturers as individual manufacturing quotas. Registered bulk manufacturers wishing to manufacture bulk quantities of Schedule I or II controlled substances in the United States must apply for individual manufacturing quotas every year, and may not manufacture more than their assigned allotment without a modification to their manufacturing quota from the DEA. The APQs and individual manufacturing quotas are established in terms of bulk quantities of each basic class of controlled substances, and not in terms of individual pharmaceutical dosage forms prepared from, or containing a controlled substance. The DEA recently increased the 2021 aggregate production quotas for psilocybin, psilocin, MDMA, and DMT. It has proposed increased 2022 aggregate production quotas for psilocybin, psilocin, MDMA, DMT, LSD, mescaline, 5-MeO-DMT, and MDA.

State and Local Regulation of Psychedelics

Each state in the Unites States also maintains separate controlled substance laws and regulations, including licensing, recordkeeping, security, distribution, and dispensing requirements. State authorities, including Narcotics Control Boards and Boards of Pharmacy, regulate use of controlled substances in each state. Though state-controlled substances laws often mirror federal law, because the states are separate jurisdictions, they may separately schedule a

controlled substance or product containing a controlled substance. While some states automatically schedule a drug based on federal action, other states schedule drugs through rule making or a legislative action. However, any state law in positive conflict with the CSA is superseded by the CSA.

Nonetheless, beginning with the state legalization of cannabis for medical use in California in 1996, U.S. jurisdictions have been modifying their own controlled substance laws and criminal enforcement policies to allow for broader manufacture, distribution, dispensing, and possession of certain controlled substances, in contravention of the CSA. While cannabis has been the most widespread example of this tension between state and federal law, the therapeutic use of psychedelics is now gaining traction in U.S. cities and states. For instance, the city and county of Denver voted in 2019 to make the enforcement of any laws imposing criminal penalties for the personal use and personal possession of psilocybin mushrooms the lowest law enforcement priority in the city and county of Denver, and in Oregon, Measure 109 was passed in November 2020 directing the Oregon Health Authority, or OHA, after a two-year development period, to license and regulate the manufacturing, transportation, delivery, sale and purchase of psilocybin products and the provision of psilocybin services. Oakland and Santa Cruz, California, Washington, D.C., and Ann Arbor, Michigan have declared the enforcement of laws that criminalize the non-commercial planting, cultivating, purchasing, transporting, distributing, possessing or engaging in practices with entheogenic plants among their lowest law enforcement priorities. Forty-one states and the U.S. Congress have adopted “right-to-try” laws, allowing patients with terminal conditions to try investigational drugs which have passed Phase I clinical trials but have not yet been approved for general use. The investigational drugs accessible via right-to-try laws include psychedelics-based drugs. In September 2021, the Washington State attorney general argued in defense of the state’s right-to-try laws in a case challenging the DEA’s assertion that it has no authority to help practitioners implement the laws. The case arose from a doctor’s request to give psilocybin to terminally ill patients.

Although jurisdictions in the United States have decriminalized or even legalized and regulated psychedelics to varying extents, employing varying regulatory frameworks, participation in these state frameworks would be in violation of the CSA and could lead to federal prosecution, including seizure of assets and criminal penalties. We will only be able to distribute our products to DEA-registered facilities and cannot participate in state-specific psychedelics markets that are in contravention of U.S. federal law.

Bringing New Drugs to Market

We expect that many of our clients will purchase our products for purposes of conducting research and development, and ultimately obtaining regulatory approval for and commercializing, drug products designed to treat a range of mental health and cognitive conditions. In the United States, the FDA regulates drug products under the Federal Food, Drug, and Cosmetic Act, as amended, or the FDCA, its implementing regulations and other laws. Failure to comply with applicable FDA or other requirements at any time with respect to product development, clinical testing, approval or any other legal requirements relating to product manufacture, processing, handling, storage, quality control, safety, marketing, advertising, promotion, packaging, labeling, export, import, distribution, or sale may lead to administrative or judicial sanctions or other legal consequences. These sanctions or consequences could include, among other things, the FDA’s refusal to approve pending applications, issuance of clinical holds for ongoing studies, suspension or revocation of approved applications, warning or untitled letters, product withdrawals or recalls, product seizures, relabeling or repackaging, total or partial suspensions of manufacturing or distribution, injunctions, fines, civil penalties or criminal prosecution. Pharmaceutical products are also subject to other federal, state and local statutes and regulations. A failure to comply with any requirements during the product development, approval, or post-approval periods, may lead to administrative or judicial sanctions, which could include the imposition of a hold on clinical trials, refusal to approve pending marketing applications or supplements, withdrawal of approval, warning letters, product recalls, product seizures, total or partial suspension of production or distribution, injunctions, fines, civil penalties or criminal prosecution.

Before testing any drug in humans, the product candidate must undergo rigorous preclinical testing. Preclinical studies include laboratory evaluations of drug chemistry, formulation and stability, as well as in vitro and animal studies to assess safety and in some cases to establish the rationale for therapeutic use. The conduct of preclinical studies is subject to federal and state regulation, including good laboratory practice, or GLP, requirements for safety/toxicology studies and the Animal Welfare Act, which is enforced by the Department of Agriculture. The results of the preclinical studies, together with manufacturing information and analytical data, must be submitted to FDA as part of an IND. An IND is a request for authorization from FDA to administer an investigational product to humans and must become effective before clinical trials may begin.

The clinical stage of development involves the administration of the product candidate to healthy volunteers or patients under the supervision of qualified investigators, who generally are physicians not employed by or under the trial sponsor's control, in accordance with good clinical practice, or GCP, requirements, which include the requirements 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 clinical trial, administration procedures, subject selection and exclusion criteria and the parameters and criteria to be used in monitoring safety and evaluating effectiveness. Each protocol, and any subsequent amendments to the protocol, must be submitted to the FDA as part of the IND. Furthermore, each clinical trial must be reviewed and approved by an institutional review board for each institution at which the clinical trial will be conducted to ensure that the risks to individuals participating in the clinical trials are minimized and are reasonable compared to the anticipated benefits.

Clinical trials to evaluate therapeutic indications to support NDAs for marketing approval are typically conducted in three sequential phases, which may overlap.

- ***Phase 1*** — Phase 1 clinical trials involve initial introduction of the investigational product into healthy human volunteers or patients with the target disease or condition. These studies are typically designed to test the safety, dosage tolerance, absorption, metabolism and distribution of the investigational product in humans, excretion, the side effects associated with increasing doses, and, if possible, to gain early evidence of effectiveness.
- ***Phase 2*** — Phase 2 clinical trials typically involve administration of the investigational product to a limited patient population with a specified disease or condition to evaluate the drug's potential efficacy, to determine the optimal dosages and administration schedule and to identify possible adverse side effects and safety risks. Phase 2 clinical trials are typically controlled and conducted in a limited patient population.
- ***Phase 3*** — Phase 3 clinical trials typically involve administration of the investigational product to an expanded patient population to further evaluate dosage, to provide statistically significant evidence of clinical efficacy and to further test for safety, generally at multiple geographically dispersed clinical trial sites. These clinical trials are intended to establish the overall risk/benefit ratio of the investigational product and to provide an adequate basis for product approval and physician labeling. In most (though not all) cases, FDA requires two adequate and well controlled Phase 3 clinical trials to support approval of a drug. The Multidisciplinary Association for Psychedelic Studies recently completed Phase 3 trials of a study evaluating MDMA-assisted therapy for severe PTSD.

Assuming successful completion of the required clinical testing, the results of the preclinical studies and clinical trials, together with detailed information relating to the product's chemistry, manufacture, controls and proposed labeling, among other things, are submitted to the FDA as part of an NDA package requesting approval to market the product for one or more indications. An NDA is a request for approval to market a new drug for one or more specified indications and must contain proof of the drug's safety and efficacy for the requested indications. The marketing application is required to include both negative and ambiguous results of preclinical studies and clinical trials, as well as positive findings. Data may come from company-sponsored clinical trials intended to test the safety and efficacy of a product's use 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 efficacy of the investigational product to the satisfaction of the FDA. The FDA must approve an NDA before a drug may be marketed in the United States.

Drugs approved for marketing in the United States but remaining on Schedule II will still be subject to the import permit requirements described herein. If an approved nonnarcotic drug is listed on Schedule III, IV, or V in the United States, but remains listed on Schedule I or II of the 1971 Convention, it will also continue to be subject to the import regulations described herein. If an approved nonnarcotic drug in the United States is listed on Schedule III, IV, or V in the United States and is not listed on Schedule I or II of the 1971 Convention, then it will be subject to modified import regulations. Specifically, this type of approved drug may be imported pursuant to a controlled substances import declaration filed with the DEA no less than 15 days prior to the shipment's anticipated date of release by a custom's officer. If we will be supplying the finished dosage form an approved Schedule III, IV, or V drug which is not listed on Schedule I or II of the 1971 Convention, our products may be imported using an import declaration. If however, we will be supplying bulk APIs for use in manufacturing such drugs, and those APIs remain on Schedules I or II in the United States, they will be subject to the import permit requirements described herein.

From time to time, legislation is drafted, introduced and passed in the U.S. Congress that could significantly change the statutory provisions governing the approval, manufacturing and marketing of products regulated by the FDA. In addition to new legislation, FDA regulations and policies are often revised or reinterpreted by the agency in ways that may significantly affect our business and its product candidates.

Employees and Human Capital Resources

As of June 30, 2021, we had no employees and all of our executed officers provided services to us as independent consultants. We are currently converting contract and consulting management team members into regular employees and expect to engage five employees immediately prior to or shortly after the completion of this offering. We have in the past, and may in the future, hire additional employees and engage consultants and advisors, if and to the extent our management team determines that such actions would be helpful to implement our business plans and strategy. We have also identified additional management team members and professionals that are expected to join us upon completion of this offering. None of our employees is represented by a labor union or covered under a collective bargaining agreement. We consider our relationship with our employees and consultants to be good.

Our human capital resources objectives include, as applicable, identifying, recruiting, retaining, incentivizing and integrating our existing and new employees, consultants and advisors. The principal purposes of our equity and cash incentive plans are to attract, retain and reward personnel through the granting of stock-based and cash-based compensation awards, in order to increase stockholder value and the success of our company by motivating such individuals to perform to the best of their abilities and achieve our objectives.

We recognize that our continued ability to attract, retain and motivate exceptional employees is vital to ensuring our long-term competitive advantage. Our employees are critical to our long-term success and are essential to helping us meet our goals. Among other things, we support and incentivize our employees in the following ways:

- ***Talent development, compensation, and retention.*** We strive to provide our employees with a rewarding work environment, including the opportunity for success and a platform for personal and professional development. We provide a competitive benefits package designed to attract and retain a skilled and diverse workforce. We also offer employees a 401(k) plan.
- ***Health and safety.*** Employee health and safety in the workplace is one of our core values. One of the ways in which we support the health and safety of our employees includes a generous health insurance program.
- ***Inclusion and diversity.*** We are committed to efforts to increase diversity and foster an inclusive work environment that supports our workforce.

Our top priority during the ongoing COVID-19 pandemic remains protecting the health and well-being of our employees, consultants, customers, partners and communities. Since the onset of the COVID-19 pandemic, we have maintained a work-from-home policy for all our employees and consultants.

Legal Proceedings

From time to time, we may become involved in litigation or other legal proceedings or be subject to claims arising in the ordinary course of our business. We are not currently subject to any material legal proceedings. Regardless of outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources and other factors.

MANAGEMENT

Executive Officers and Directors

The following table sets forth information regarding our executive officers and directors as of the date of this prospectus.

Name	Age	Position
Executive Officers		
Christopher McElvany	44	President, Chief Executive Officer, Chair and Director
Steven E. Meyer	42	Chief Operating Officer
Assad J. Kazeminy, Ph.D.	72	Chief Scientific Officer
Jerald D. Heise, Ph.D.	53	Chief Technology Officer
Brian Zasitko CPA, CA	41	Interim Chief Financial Officer
Non-Employee Directors		
Paul Abramowitz	66	Director
Brittany Kaiser[(1)(2)(3)]	33	Director
Sonia Luna[(1)(2)]	47	Director
Charles B. Nemeroff, M.D., Ph.D.[(1)(2)]	71	Director
Scott M. Reeves	52	Director
Livio Susin[(3)]	65	Director

(1) Member of the Audit Committee.
(2) Member of the Compensation Committee.
(3) Member of the Nominating and Corporate Governance Committee.

Executive Officers

Christopher McElvany has served as our President and Chief Executive Officer since March 2021 and as a member of our board of directors since November 2021. From July 2020 to March 2021, Mr. McElvany worked as a consultant to multiple cannabis companies and startups. From January 2019 to December 2019, Mr. McElvany served as a director and as the Executive Vice President of Innovation of Slang Worldwide Inc., a leading company consolidating brands along the regulated supply chain in the global cannabis industry. From January 2015 to December 2019, Mr. McElvany served as President of Allied Concessions Group, a leading provider of cannabis-infused products, and as Chief Technology Officer of National Concessions Group, a licensing and marketing company that sells consumption gear and accessories in the cannabis industry. Mr. McElvany also pioneered one of the world's best-selling cannabis products, O.penVAPE. From March 2012 to December 2019, Mr. McElvany served as Chief Technology Officer of a number of companies in the cannabis space, including Organa Labs, Bakked and Organa Brands. Mr. McElvany holds a Bachelor of Science degree in Agricultural Economics from Texas A&M University.

We believe that Mr. McElvany is qualified to serve on our board of directors because of his extensive experience leading companies in other highly regulated industries and his product research, formulation and development skills.

Steven Edward Meyer has served as our Chief Operating Officer since November 2021. Mr. Meyer has been the Principal of S.E. Meyer Consulting LLC, a consulting firm, since January 2020. From April 2019 to May 2021, Mr. Meyer served as the chief executive officer and co-founder of Heya, LLC, a medical cannabis company. From August 2018 until May 2020, Mr. Meyer served as the Operations Lead for North America of Crop Science division of Bayer. From March 2017 until July 2018, Mr. Meyer was the Knowledge Transfer Manager for the North America Commercial Operations of Monsanto AG, a leading producer of chemical, agricultural, and biochemical products that was acquired by Bayer AG in June 2018. Mr. Meyer also served at Monsanto AG as Entomology Systems Improvement Project Lead from 2009 to 2013 and Advanced Testing and Systems Improvement Team Lead from 2013 to February 2017. During his tenure at Monsanto AG, where he started working as a biology intern in 1999, Mr. Meyer invented, developed, and advanced several biotechnology traits in core row crop plants. Mr. Meyer received a Bachelor of Science degree in Biology from Lindenwood University and a Master of Arts degree in Molecular Biology from Washington University, St. Louis.

Dr. Assad J. Kazeminy, Ph.D. has served as our Chief Scientific Officer since February 2021. Since 2018, Dr. Kazeminy has also served as the Chairman and Chief Executive Officer of AJK Biopharmaceutical, a drug development company. Dr. Kazeminy is the founder of Partum Biopharma, which he started in October 2018, and the founder and director of TheraVida, Inc., a drug development company, which he started in April 2005. Dr. Kazeminy also founded Irvine Pharmaceutical Services Inc., a premier contract development and manufacturing organization providing support to the pharmaceutical, biopharmaceutical, and medical device industries, and served as its Chief Executive Officer from 1988 to October 2016. He founded Avrio Biopharmaceutical LLC, a cGMP contract development and manufacturing organization supporting the pharmaceutical and biopharmaceutical industries from Phase I through post-market life cycle management, and served as its Chief Executive Officer from 2008 to October 2016. Both Irvine Pharmaceutical Services Inc. and Avrio Biopharmaceutical LLC were acquired in October 2016 by Nitto Denko Avecia Inc., a recognized leader in therapeutic nucleic acid manufacturing and development services. Dr. Kazeminy served as a member of the United States Pharmacopeia (USP) Expert Committee from 2000 to 2020 and has served as a member of Dean Advisory Panel at Chapman University School of Pharmacy since 2014. He has been appointed as Executive Industry Liaison and Adjunct Professor of Pharmacy at Chapman University School of Pharmacy and has served as a board member of UCI Applied Innovation. Since September 2014, he serves as a Board Member of the Physical Science Dean's Leadership Council. He recently accepted an invitation to become board member of Dean's Leadership Council at UCI School of Pharmaceutical Science. Dr. Kazeminy has been awarded by United States Pharmacopeia a Winner for Innovative Responses to a Public Health Challenge related to his outstanding work on a new General Chapter of USP on elemental Impurity. Dr. Kazeminy held various leadership roles in national and local organizations, including as the Chairperson of the FDA Grass Roots, Pacific Region Importing Community Steering Committee; the President of AOAC, International Southern California Section; the Executive Chairperson of the Southern California Pharmaceutical Discussion Group; the President of American Chemical Society, Southern California Section; the Chairperson of the Pharmaceutical section of American Council of Independent Laboratories; the President of Association of Iranian Pharmaceutical Scientists; and a Board Member of AIHA Laboratory Accreditation Programs, LLC. Dr. Kazeminy received his Ph.D. in Pharmaceutical Science and Biochemistry from Esfahan University in Esfahan, Iran and continued his graduate studies in Biochemistry at Colorado State University. He completed a Post Doctorate course of study at the University of Southern California Medical School, Department of Pharmacology.

Jerald D. Heise, Ph.D. has served as our Chief Technology Officer since November 2021. Since June 2020, Dr. Heise has been the owner of JD Heise Enterprises, a consulting firm. From April 2019 to May 2021, Mr. Heise served as the Chief Operating Officer of Heya LLC, a medical cannabis company. From January 2017 until April 2020, he served as the North America Intellectual Property Protection Lead at Crop Science division of Bayer. He served as a member of the board of directors of Seed Innovation and Protection Alliance from January 2017 to April 2020 and of POS Biosciences (currently KeyLeaf — a Canopy Growth Corporation) from June 2010 to October 2014. He served as the U.S. Biotech Regulatory Affairs Manager (Oilseed Licensing) for Soybean Licensing from June 2014 to December 2016 and for Vistive Gold Xtend and Canola Portfolio from November 2013 to June 2014 at Monsanto AG. Dr. Heise was the Process Development Team Lead at Seed Treatment of the Future from May 2012 to October 2013. He also served as the Oilseed Processing Facility Director at Food-Nutrition Consumer Quality Traits from July 2003 to October 2013. In addition, Dr. Heise currently has seven publications and sixteen patents and he is a member of American Seed Trade Association and American Chemical Society. Dr. Heise received a Bachelor of Science degree in Chemistry from South East Missouri State University and a Ph.D. in Inorganic Chemistry from Purdue University.

Brian Zasitko, CPA, CA, has served as our Interim Chief Financial Officer since November, 2021. Since December 2018, he has been a Senior Consultant of Invictus Accounting Group LLP, a professional services firm providing a host of finance, advisory and accounting services. Since August 2021, he has served as Chief Financial Officer of Future Burger Corp. a company developing plant-based meat alternatives. Since August 2021, he has also served as Chief Financial Officer, Corporate Secretary and Director of Dinamic IP Holdings Inc, a non-listed reporting issuer on the Canadian Securities Exchange which is inactive. Since January 2020, he has served as Chief Financial Officer of Lobe Sciences Ltd, a company developing psychedelic compounds as therapeutics for the treatment of mild traumatic brain injuries and post-traumatic stress disorder. From May 2018 to June 2018, he was the treasurer of the Oppenheimer Group, a worldwide marketer and distributer of fresh produce. He has an undergraduate degree from Simon Fraser University and a CPA (CA) from Certified Professional Accountants, British Columbia.

Non-Employee Directors

Paul Abramowitz has served as a member of our board of directors since November 2021. He is a seasoned business strategist with over 35 years of corporate finance and strategy experience across multiple industries. Since 1991, Mr. Abramowitz has served as a Principal for Special Investments, Inc., a Seattle-based agency with an emphasis on providing operational and financial strategy consulting services. From 2008 to present, he has served as President and Chief Executive Officer of Liquidity Capital Group, LLC, a private company specializing in the purchase of illiquid assets. In 1983, he served as President and CEO at Infa Inc., a Las Vegas-based products company, where he tripled sales by developing the core product and restructuring operations, marketing, and distribution. In 1988, Abramowitz became President and CEO of Western Costume Co. in Los Angeles, the #1 theatrical costume company in the world. From 1991 until 1995, he acted as Chief Restructuring Officer of DAK Industries, a $250 million direct marketing association in Chapter 11 at the time, where he raised gross margins 23% through the implementation of various strategies. In 1995, Mr. Abramowitz joined National Claims Management Corporation in Encino, CA as Principal, where he worked to penetrate the class action settlement script market by purchasing coupons from corporations for resale to a leasing company for substantial profits. In 2003, Abramowitz was brought on as CEO of Experience Learning Communities to develop and implement a strategy to reduce operating losses and install internal controls, resulting in a 40% reduction in expenses. From 2006 to 2008, he served as President and CEO of Neah Power Systems Inc., where he financially revived the organization after shutdown and engineered a reverse merger. He is also the creator of the silicone baby bottle nipple, an invention purchased by Hasbro. Mr. Abramowitz has served as Board Member for the Technology Alliance and as President of Young Leadership, Israel Bonds in Los Angeles. He is a member of Certified Public Accountants with a BS from Ohio State University and an MBA from the University of Southern California.

We believe that Mr. Abramowitz is qualified to serve on our board of directors because of his product development and intellectual property protection knowledge and well as his demonstrable success in strategic repositioning and organizational transformation for over 20 enterprises.

Brittany Kaiser has served as a member of our board of directors since November 2021. She is an entrepreneur, activist and expert in data protection and privacy. Since August 2019, Ms. Kaiser has served as president and director of the Own Your Data Foundation, an organization she co-founded that teaches digital literacy education and provides training to governments, corporates and families. In February 2018, she co-founded the Digital Asset Trade Association (DATA) Technology for legal advocacy where she does legislative drafting and lobbying on privacy and blockchain laws. She worked as director of program development of Cambridge Analytica from 2014 to January 2018 and its business development director from February 2017 to January 2018. She also worked as a director of program development at SCL Group from February 2015 to January 2018. Ms. Kaiser sits on the board of many companies across industries, including Gryphon Digital Mining since December 2020 and Achayot Partners, LLC since April 2019, working on data ethics, compliance and privacy protocols. Ms. Kaiser has been a featured at events at the United Nations, the European and British Parliaments, the G20, and WebSummit, as well as guest lecturing at universities such as Harvard, Oxford and Columbia. Ms. Kaiser received a Master of Arts degree in International Relations from the University of Edinburgh, a Master of Laws degree in Human Rights from Birkbeck College, University of London and a Master of Philosophy degree in International Law from Middlesex University.

We believe that Ms. Kaiser is qualified to serve on our board of directors because of her varied experience in business operations, lobbying and education efforts and product development, as well as her service on the boards of companies across various industries.

Sonia Luna has served as a member of our board of directors since November 2021. Since July 2004, Ms. Luna has served as the chief executive officer and owner of Aviva Spectrum, a consulting firm she founded. Ms. Luna has more than 18 years of accounting, compliance and audit experience. Ms. Luna was an accountant at Ernst & Young LLP from February 1999 until June 2006. Prior to that, she worked as an accountant at SingerLewak LLP and Arthur Andersen LLP Ms. Luna served on the board of directors of CrowdfundX from May 2016 to February 2019 and Life on Earth, Inc. from November 2019 to September 2020. She served on the Board of Governors for the Institute of Internal Auditors (IIA) from July 2012 to July 2017. She was appointed by the Securities Exchange Commission Chair, Mary Jo White, to the Advisory Committee on Smaller & Emerging Growth Companies in October 2014. Ms. Luna received a Bachelor of Science degree in Accounting and Finance from California State University, Northridge and has been a certified public accountant since January 2006.

We believe that Ms. Luna is qualified to serve on our board of directors because of her expertise in accounting and experience in cannabis industry.

Charles B. Nemeroff, M.D., Ph.D., has served as a member of our board of directors since November 2021. Since May 2019, Dr. Nemeroff has served as the Chair of the Department of Psychiatry and Behavioral Sciences at the University of Texas, Austin, Dell Medical School and he has been a professor in the same department since October 2018. From December 2009 to October 2018, he was a professor and served as the Chair of the Department of Psychiatry and Behavioral Sciences at the University of Miami, Miller School of Medicine. Since 2018, Dr. Nemeroff founded and served as the Chief Scientific Officer of EMA Wellness, a company focused on collection and analysis of Ecological Momentary Assessments and digital biomarkers in clinical trials. In 2005, he also founded CeNeRx BioPharma, a drug development company that engages in developing therapeutics to treat diseases related to the nervous system. Dr. Nemeroff previously served on the board of directors of Cypress Bioscience and NovaDel Pharma Inc. Since January 2020, Dr. Nemeroff has served as the elected president of Anxiety and Depression Association of America. He was elected to the National Academy of Medicine in 2002. He has published more than 1,000 research reports and reviews, and his research is currently supported by grants from the National Institutes of Health. He also served on the Mental Health Advisory Council of National Institute of Mental Health and the Biomedical Research Council for NASA; is co-editor in chief (with Alan F. Schatzberg, M.D.) of the Textbook of Psychopharmacology, published by the APA Press and now in its Fifth Edition; and is the co-editor in chief of a new journal published by Elsevier, Personalized Medicine in Psychiatry. Dr. Nemeroff received a Bachelor of Science degree in Biology from the City College of New York, a Master of Science degree in Biology from Northeastern University and medical degree and Ph.D. from University of North Carolina, Chapel Hill.

We believe that Dr. Nemeroff is qualified to serve on our board of directors because of his expertise in psychiatry and behavioral sciences and his extensive research experience in the medical field generally, and with psychiatry and behavior sciences specifically.

Scott M. Reeves has served as a member of our board of directors since November 2021 and as our Corporate Secretary since October 2019. Mr. Reeves has been a corporate securities lawyer based in Calgary, Alberta, Canada for 26 years and a partner at TingleMerrett LLP, a law firm, since October 2003. He has acted as corporate and securities counsel to numerous Canadian, U.S. and international public and private corporations, including pharma, oil and gas, technology, mining and industrial issuers, and has wide experience in private and public debt and equity offerings, corporate acquisitions of assets and/or shares, corporate structuring and debt financing. He is currently a director of several Canadian and U.S. public companies, including Radiko Holdings, Inc. since February 2017, Tree of Knowledge International Corp. since May 2018, Navion Capital Corp. since May 2018, CBD Global Sciences Inc. since July 2019, and Starrex International Ltd. since December 2019. Mr. Reeves previously served as a director of Quattro Exploration and Production Ltd. from November 2011 to March 2017, Perisson Petroleum Corporation from November 2016 to September 2017, EastWest Biosciences Inc. from January 2015 to March 2019 and Canadabis Capital Inc. from May 2019 to January 2020. Mr. Reeves received a Bachelor of Commerce degree in Business Administration and Bachelor of Laws degree from University of Alberta.

We believe that Mr. Reeves is qualified to serve on our board of directors because of his expertise in corporate and securities law and his experience as a director of various public companies.

Livio Susin has served as a member of our board of directors since September 2017. In November 2017, Mr. Susin founded Navion Capital Inc., a Capitol Pool Company listed on the TSX, and he currently serves as a member of its board of directors. From June 2013 to June 2020, Mr. Susin operated two cafes under Rewind Coffee Co. Inc. He has been active in public markets for over 40 years having been on the boards of numerous public companies, including Rock Tech Lithium Inc. and RNS Software, Inc. He has significant experience in mining companies, early-stage start-ups, exploration financing, all aspects of corporate governance, regulatory details and project management. Mr. Susin received a Bachelor of Science degree in Business Administration from the British Columbia Institute of Technology.

We believe that Mr. Susin is qualified to serve on our board of directors because of his experience with serving on the board of directors of numerous public companies and his related knowledge about corporate governance.

Board Structure and Composition

Our board of directors currently consists of seven members. The number of directors will be fixed by our board of directors, subject to the terms of our articles.

Our board of directors is divided into three classes with staggered three-year terms. Only one class of directors will be elected at each annual meeting of stockholders, with the other classes continuing for the remainder of their respective three-year terms. Our current directors will be divided among the three classes as follows:

- the Class I directors will be Mr. Abramowitz and Mr. Susin, and their terms will expire at the annual meeting of stockholders to be held in 2022;
- the Class II directors will be Ms. Kaiser, Ms. Luna and Mr. Reeves, and their terms will expire at the annual meeting of stockholders to be held in 2023; and
- the Class III directors will be Mr. McElvany and Dr. Nemeroff, and their terms will expire at the annual meeting of stockholders to be held in 2024.

At each annual meeting of stockholders, upon the expiration of the term of a class of directors, the successor to each such director in the class will be elected to serve from the time of election and qualification until the third annual meeting following his or her election and until his or her successor is duly elected and qualified, in accordance with our articles. Any additional directorships resulting from an increase in the number of directors will be distributed among the three classes so that, as nearly as possible, each class will consist of one-third of our directors.

This classification of our board of directors may have the effect of delaying or preventing changes in control of our company.

In addition, under the terms of our articles, members of our board of directors may only be removed for cause. This may also have the effect of delaying or preventing changes in control of our company.

Director Independence

We have applied to list our common shares and warrants on the Nasdaq Capital Market under the symbol “LSDI and “LSDIW,” respectively. Under the Nasdaq Marketplace Rules, or the Nasdaq Listing Rules, independent directors must comprise a majority of a listed company’s board of directors within a specified period following the completion of this offering. In addition, the Nasdaq Listing Rules require that, subject to specified exceptions, each member of a listed company’s audit, compensation and nominating and governance committees be independent. Under the Nasdaq Listing Rules, a director will only qualify as an “independent director” if, in the opinion of that company’s board of directors, that person does not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

Audit committee members must also satisfy the independence criteria set forth in Rule 10A-3 under the Securities Exchange Act of 1934, as amended, or the Exchange Act. In order to be considered independent for purposes of Rule 10A-3, a member of an audit committee of a listed company may not, other than in his capacity as a member of the audit committee, the board of directors or any other board committee: (i) accept, directly or indirectly, any consulting, advisory or other compensatory fee from the listed company or any of its subsidiaries; or (ii) be an affiliated person of the listed company or any of its subsidiaries. We intend to satisfy the audit committee independence requirements of Rule 10A-3 as of the completion of this offering.

Additionally, compensation committee members must not have a relationship with us that is material to the director’s ability to be independent from management in connection with the duties of a compensation committee member. We intend to satisfy the compensation committee independence requirements as of the closing of this offering.

Our board of directors has undertaken a review of its composition, the composition of its committees and the independence of each director. Based upon information provided by each director, our board of directors has determined that all of our directors, other than Mr. McElvany and Mr. Reeves, qualify as “independent” directors as defined under the applicable rules and regulations of the Securities and Exchange Commission, or SEC, and the Nasdaq Listing Rules. In making these determinations, our board of directors considered the current and prior relationships that each non-employee director has with our company and all other facts and circumstances our board of directors deemed relevant in determining their independence, including the beneficial ownership of our shares by

each non-employee director, and the transactions involving them described in the section titled "Certain Relationships and Related Party Transactions." Mr. McElvany is not considered independent by virtue of his position as our President and Chief Executive Officer. Mr. Reeves is not considered independent because the law firm in which he serves as a partner, Tingle Merrett LLP, has received compensation in excess of $120,000 in a 12 consecutive month period with respect to legal services provided to the Company.

There are no family relationships among any of our directors or executive officers.

Board Leadership Structure

Our board of directors regularly reviews its leadership structure to evaluate whether the structure remains appropriate for the Company. Our board of directors does not have a policy on whether the role of Chair and Chief Executive Officer should be separate or combined. Our board of directors believes that our existing board leadership structure with Mr. McElvany acting as Chief Executive Officer and Chair of the board of directors provides the most effective governance framework and allows us to benefit from his in-depth knowledge of our business, talent, leadership in formulating and implementing the strategic transformation of the business, and comprehensive understanding of the current market environment. Having Mr. McElvany serve as both Chair and Chief Executive Officer provides us with both the most decisive and effective leadership for the Company and effective and efficient leadership of our board of directors. Further, having a combined Chair and Chief Executive Officer role enables the Company to speak with a unified voice to our stakeholders, and is optimal for the Company because it provides us with consistent leadership.

Our board of directors has concluded that our current leadership structure is appropriate at this time. However, our board of directors will continue to periodically review our leadership structure and may make such changes in the future as it deems appropriate.

Role of the Board in Risk Oversight

Risk is inherent with every business, and how well a business manages risk can ultimately determine its success. We face a number of risks, including risks relating to our financial condition, development and commercialization activities, and operations, as more fully discussed in the section entitled "Risk Factors" appearing elsewhere in this prospectus. Management is responsible for the day-to-day management of risks we face, while our board of directors, as a whole and through its committees, has responsibility for the oversight of risk management. In its risk oversight role, our board of directors is responsible for determining to its satisfaction that the risk management processes designed and implemented by management are adequate and functioning as designed.

The role of the board of directors in overseeing the management of our risks is conducted primarily through committees of the board of directors, as disclosed in the descriptions of each of the committees below and in the charters of each of the committees. The full board of directors (or the appropriate board committee in the case of risks that are under the purview of a particular committee) discusses with management our major risk exposures, their potential impact on us, and the steps we take to manage them. When a board committee is responsible for evaluating and overseeing the management of a particular risk or risks, the chair of the relevant committee reports on the discussion to the full board of directors during the committee reports portion of the next board meeting. This enables our board of directors and its committees to coordinate the risk oversight role, particularly with respect to risk interrelationships. For example:

- Our audit committee oversees management of financial reporting, compliance and litigation risks, including risks related to our insurance, information technology, human resources and regulatory matters, as well as the steps management has taken to monitor and control such exposures.
- Our compensation committee is responsible for overseeing the management of risks relating to our executive compensation policies, plans and arrangements and the extent to which those policies or practices increase or decrease risks for our company.
- Our nominating and corporate governance committee manages risks associated with the independence of our board of directors, potential conflicts of interest and the effectiveness of our board of directors.

Board Committees

Our board of directors has established an audit committee, a compensation committee and a nominating and corporate governance committee, each of which will have the composition and the responsibilities described below as of the completion of this offering. In addition, from time to time, our board of directors may establish other committees to facilitate the management of our business, when deemed necessary to address specific issues. Members serve on these committees until their resignation or until otherwise determined by our board of directors.

Each committee intends to adopt a written charter that satisfies the applicable rules and regulations of the SEC and the Nasdaq Listing Rules, which we will post on our website at *www.lucyscientific.com* upon the completion of this offering. The reference to our website address does not constitute incorporation by reference of the information contained or available through our website, and you should not consider our website or the information included on our website to be a part of this prospectus.

Audit Committee

Our audit committee consists of Ms. Luna, Dr. Nemeroff and Ms. Kaiser. Our board of directors has determined that each member of our audit committee is independent under the Nasdaq Listing Rules and Rule 10A-3(b)(1) of the Exchange Act. The chair of our audit committee is Ms. Luna. Our board of directors has determined that each member of the audit committee satisfies the financial literacy and sophistication requirements of the SEC and Nasdaq Listing Rules and that Ms. Luna is an "audit committee financial expert" as such term is currently defined in Item 407(d)(5)(ii) of Regulation S- K promulgated under the Securities Act of 1933, as amended, or the Securities Act. This designation does not impose any duties, obligations or liabilities that are greater than those generally imposed on members of our audit committee and our board of directors.

Our audit committee is directly responsible for, among other things:

- selecting a firm to serve as the independent registered public accounting firm to audit our consolidated financial statements;
- approving or, as permitted, pre-approving all audit and non-audit services to be performed by the independent registered public accounting firm;
- ensuring the independence of the independent registered public accounting firm;
- discussing the scope and results of the audit with the independent registered public accounting firm and reviewing, with management and that firm, our interim and year-end operating results and related disclosures as well as critical accounting policies and practices used by us;
- establishing procedures for employees to anonymously submit concerns about questionable accounting or audit matters;
- considering the adequacy of our internal controls and internal audit function;
- preparing and approving the audit committee report required to be included in our proxy statement relating to our annual meeting of stockholders;
- reviewing material related party transactions or those that require disclosure; and
- reviewing quarterly earnings releases.

Compensation Committee

Our compensation committee consists of Dr. Nemeroff, Ms. Luna and Ms. Kaiser. Our board of directors has determined that each member of this committee is a non-employee director, as defined by Rule 16b-3 promulgated under the Exchange Act, and meets the requirements for independence under the Nasdaq Listing Rules. Each member of this committee meets the requirements for independence under the current Nasdaq Listing Rules. The chair of our compensation committee is Dr. Nemeroff.

Our compensation committee is responsible for, among other things:

- reviewing and making recommendations to our board of directors as to our general compensation philosophy and overseeing the development and implementation of an executive compensation program and policies related to such program;
- annually reviewing and recommending to the board of directors the corporate performance goals and objectives relevant to the compensation of our Chief Executive Officer, and annually reviewing the performance of our Chief Executive Officer and recommending to our board of directors the compensation level for our Chief Executive Officer;
- reviewing and approving the compensation of our other executive officers;
- reviewing and recommending to our board of directors the compensation of our directors;
- overseeing the administration of our equity incentive plans;
- reviewing and approving, or making recommendations to our board of directors with respect to, incentive compensation and equity plans;
- reviewing and approving the retention or termination of any consulting firm or outside advisor to assist in the evaluation of compensation matters; and
- evaluating and assessing potential and current compensation advisors in accordance with the independence standards identified in the applicable Nasdaq rules.

Nominating and Corporate Governance Committee

Our nominating and corporate governance committee consists of Ms. Kaiser and Mr. Susin. Our board of directors has determined that each member of the nominating and corporate governance committee meets the requirements for independence under the Nasdaq Listing Rules. The chair of our nominating and corporate governance committee is Ms. Kaiser.

Our nominating and corporate governance committee is responsible for, among other things:

- developing criteria for the selection of new directors and committee membership, including policies regarding the desired knowledge, experience, skills, independence, diversity, and other characteristics of board and committee members;
- identifying, reviewing and evaluating candidates for membership on our board of directors and making recommendations to our board of directors regarding the size, composition and structure of our board of directors and its committees;
- considering proposals submitted by our shareholders and establishing any policies, requirements, criteria and procedures to facilitate shareholder communications with our board of directors;
- annually reviewing and recommending to our board of directors determinations with respect to the independence of continuing and prospective directors within the meaning prescribed by the SEC and Nasdaq;
- annually reviewing and recommending to our board of directors (i) the assignment of directors to serve on each of our board of directors committees, (ii) the chair of each committee and (iii) the chair of our board of directors or lead independent director, as appropriate, and recommending additional committee members to fill vacancies or as otherwise needed;
- developing, recommending and overseeing the implementation of our corporate governance guidelines and a code of business conduct and ethics;
- reviewing proposed waivers of the corporate governance guidelines or the code of business conduct and ethics for directors, executive officers and other senior financial officers;
- overseeing the process of evaluating the performance of our board of directors and its committees; and
- assisting our board of directors on corporate governance matters.

Code of Business Conduct and Ethics

In connection with this offering, we will adopt a written code of business conduct and ethics that will apply to all of our directors, officers and employees, including our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. Our code of business conduct and ethics will cover fundamental ethics and compliance-related principles and practices such as accurate accounting records and financial reporting, avoiding conflicts of interest, the protection and use of our property and information and compliance with legal and regulatory requirements. Upon completion of this offering, we will post a current copy of our code of business conduct and ethics on the investor relations section of our website at *www.lucyscientific.com*. We intend to disclose future amendments to such code, or any waivers of its requirements, applicable to any principal executive officer, principal financial officer, principal accounting officer or controller or persons performing similar functions or our directors on our website identified above, or in a Current Report on Form 8-K. The inclusion of our website address in this prospectus does not include or incorporate by reference the information on our website into this prospectus. We will provide any person, without charge, upon request, a copy of our code of conduct and ethics. Such requests should be made in writing to the attention of Christopher McElvany, President and CEO, at Lucy Scientific Discovery Inc., 301-1321 Blanshard Street, Victoria, British Columbia V8W 0B6 Canada.

Compensation Committee Interlocks and Insider Participation

None of the members of our compensation committee is currently, or has been at any time during the past three years been, an officer or one of our employees. None of our executive officers currently serves, or in the past year has served, as a member of the board of directors or compensation committee (or other board committee performing equivalent functions or, in the absence of any such committee, the entire board of directors) of any entity that has one or more executive officers serving on our board of directors or compensation committee.

Limitations on Liability and Indemnification Agreements

We are governed by the *Business Corporations Act* (British Columbia), or BCBCA. Under the BCBCA, and our articles, we may (or must, in the case of our articles) indemnify all eligible parties against all eligible penalties to which such person is or may be liable, and we must, after the final disposition of an eligible proceeding, pay the expenses actually and reasonably incurred by such person in respect of that proceeding. Each director is deemed to have contracted with us on the terms of indemnity contained in our articles.

For the purposes of such an indemnification:

"*eligible party*," in relation to the Company, means an individual who

- is or was a director or officer of the Company;
- is or was a director or officer of another corporation
- at a time when the corporation is or was an affiliate of the Company, or
- at the request of the Company; or
- at the request of the Company, is or was, or holds or held a position equivalent to that of, a director or officer of a partnership, trust, joint venture or other unincorporated entity and includes the heirs and personal or other legal representatives of that individual;

"*eligible penalty*" means a judgment, penalty or fine awarded or imposed in, or an amount paid in settlement of, an eligible proceeding;

"*eligible proceeding*" means a proceeding in which an eligible party or any of the heirs and personal or other legal representatives of the eligible party, by reason of the eligible party being or having been a director or officer of, or holding or having held a position equivalent to that of a director or officer of, the Company or an associated corporation:

- is or may be joined as a party, or
- is or may be liable for or in respect of a judgment, penalty or fine in, or expenses related to, the proceeding;

"*expenses*" includes costs, charges and expenses, including legal and other fees, but does not include judgments, penalties, fines or amounts paid in settlement of a proceeding; and

"*proceeding*" includes any legal proceeding or investigative action, whether current, threatened, pending or completed.

In addition, under the BCBCA, we may pay, as they are incurred in advance of the final disposition of an eligible proceeding, the expenses actually and reasonably incurred by an eligible party in respect of that proceeding, provided that the Company first receives from the eligible party a written undertaking that, if it is ultimately determined that the payment of expenses is prohibited by the restrictions noted below, the eligible party will repay the amounts advanced.

Notwithstanding the provisions of the Company's articles noted above, the Company must not indemnify an eligible party or pay the expenses of an eligible party, if any of the following circumstances apply:

- if the indemnity or payment is made under an earlier agreement to indemnify or pay expenses and, at the time that the agreement to indemnify or pay expenses was made, the Company was prohibited from giving the indemnity or paying the expenses by its articles;
- if the indemnity or payment is made otherwise than under an earlier agreement to indemnify or pay expenses and, at the time that the indemnity or payment is made, the Company is prohibited from giving the indemnity or paying the expenses by its articles;
- if, in relation to the subject matter of the eligible proceeding, the eligible party did not act honestly and in good faith with a view to the best interests of the Company or the associated corporation, as the case may be; or
- in the case of an eligible proceeding other than a civil proceeding, if the eligible party did not have reasonable grounds for believing that the eligible party's conduct in respect of which the proceeding was brought was lawful.

In addition, if an eligible proceeding is brought against an eligible party by or on behalf of the Company or by or on behalf of an associated corporation, the Company must not do either of the following:

- indemnify the eligible party in respect of the proceeding; or
- pay the expenses of the eligible party in respect of the proceeding.

Notwithstanding any of the foregoing, and whether or not payment of expenses or indemnification has been sought, authorized or declined under the BCBCA or the articles of the Company, on the application of the Company or an eligible party, the Supreme Court of British Columbia may do one or more of the following:

- order the Company to indemnify an eligible party against any liability incurred by the eligible party in respect of an eligible proceeding;
- order the Company to pay some or all of the expenses incurred by an eligible party in respect of an eligible proceeding;
- order the enforcement of, or any payment under, an agreement of indemnification entered into by the Company;
- order the Company to pay some or all of the expenses actually and reasonably incurred by any person in obtaining an order under this section; or
- make any other order the court considers appropriate.

The BCBCA and our articles that will be in effect upon the completion of this offering authorize us to purchase and maintain insurance for the benefit of an eligible party against any liability that may be incurred by reason of the eligible party being or having been a director or officer of, or holding or having held a position equivalent to that of a director or officer of, the Company, a current or former affiliate of the Company or a corporation, partnership, trust, joint venture or other unincorporated entity at our request.

In addition, we have entered, or will enter, into separate indemnity agreements with each of our directors and officers pursuant to which we agree to indemnify and hold harmless our directors and officers against any and all liability, loss, damage, cost or expense in accordance with the terms and conditions of the BCBCA and our articles.

We maintain a directors' and officers' insurance policy pursuant to which our directors and officers are insured against liability for actions taken in their capacities as directors and officers. We believe that these provisions in our articles and these indemnity agreements are necessary to attract and retain qualified persons as directors and officers. There is no pending litigation or proceeding naming any of our directors or officers as to which indemnification is being sought, nor are we aware of any pending or threatened litigation that may result in claims for indemnification by any director or officer.

This description of the indemnification provisions of our articles and our indemnification agreements is qualified in its entirety by reference to these documents, each of which is attached as an exhibit to the registration statement of which this prospectus forms a part.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to our directors, officers and controlling persons pursuant to the foregoing provisions, or otherwise, we have been advised that, in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act, and is, therefore, unenforceable.

EXECUTIVE AND DIRECTOR COMPENSATION

This section discusses the material components of the executive compensation program for our executive officers who are named in the "2021 Summary Compensation Table" below. As an "emerging growth company" as defined in the JOBS Act, we are not required to include a Compensation Discussion and Analysis and have elected to comply with the scaled disclosure requirements applicable to emerging growth companies. In 2021, our "named executive officers" were as follows:

- Christopher McElvany, our Chief Executive Officer;
- Renee Gagnon, our former Chief Executive Officer; and
- Dr. Assad J. Kazeminy, Ph.D., our Chief Scientific Officer.

2021 Summary Compensation Table

The following table sets forth information concerning the compensation of our named executive officers for the year ended June 30, 2021.

Name and Principal Position	Year	Salary ($)[1]	Option Awards ($)[2]	Total ($)
Christopher McElvany *Chief Executive Officer*[3]	2021	57,887[4]	—	57,887
Renee Gagnon	2021	90,765[6]	65,814	156,579
Former Chief Executive Officer[5]				
Dr. Assad J. Kazeminy, Ph.D. *Chief Scientific Officer*	2021	59,542[7]	—	59,542

(1) The NEOs were compensated in Canadian dollars during the fiscal year ended June 30, 2021 and the amounts they received were converted using the Bank of Canada average daily rate of exchange on June 30, 2021 of US$1.00 = CAD $1.2398 or CAD $1.00 = US$0.8068.

(2) Amounts shown in this column represent the aggregate grant date fair value for each option award granted in the fiscal year ending June 30, 2021, as computed in accordance with FASB ASC Topic 718. For a discussion of the assumptions and methodologies used to calculate the amounts referred to above, please see the discussion of option awards contained in note 6 to the audited consolidated financial statements appearing elsewhere in this prospectus.

(3) Compensation was paid to our executive officers personally and/or to certain entities on their behalf, as described further in "— Narrative to Summary Compensation Table — Compensatory Arrangements with our NEOs."

(4) Under Mr. McElvany's arrangements with the Company, all of the fees accrued were deferred.

(5) Ms. Gagnon also served as a director during fiscal 2020 and 2021; however, Ms. Gagnon did not receive any additional compensation for any of the services she provided in her capacity as a director during fiscal 2020 and 2021.

(6) Under Ms. Gagnon's arrangements with the Company, a total of $48,610 was paid to her when earned and a total of $42,155 was deferred.

(7) Under Dr. Kazeminy's arrangements with the Company, all of the fees accrued were deferred.

Narrative to Summary Compensation Table

Compensatory Arrangements with our NEOs

Christopher McElvany

On February 22, 2021, we entered into an executive consulting agreement, which we refer to as the, with Supercritical Labs, LLC, a limited liability company, the sole member of which is Christopher McElvany, our Chief Executive Officer. Pursuant to the McElvany Agreement, Mr. McElvany serves as our Chief Executive Officer in exchange for compensation of $175,000 per annum. We also agreed to issue an option to Supercritical Labs to purchase 471,229 of our common shares. This option was granted on with an exercise price of $ per common share. The option will vest with respect to one third of the shares immediately upon grant and will vest with respect to an additional third of the shares on each of February 22, 2022 and February 22, 2023. In addition, Mr. McElvany may be granted annual or incentive bonuses under the McElvany Agreement, in an amount and on such terms and conditions as the Compensation Committee may determine from time to time.

Under the McElvany Agreement, Mr. McElvany will provide services for continuous annual terms, until terminated in accordance with the agreement. We are entitled to terminate the McElvany Agreement at any time and for any reason. In the event we terminate the McElvany Agreement, we are required to pay Supercritical Labs upon such termination, as severance, an amount equal to six months' compensation, or $87,500.

Supercritical Labs may terminate the McElvany Agreement by providing 90 days' prior written notice to us. If Supercritical Labs terminates the agreement, we are required to pay Mr. McElvany all unpaid compensation earned up to the date of termination, and we may either require Mr. McElvany to continue performing his duties as our Chief Executive Officer for the entirety of the 90-day notice period, or dismiss him any time after receiving notice and make a severance payment equal to two months' compensation under the agreement. If Supercritical Labs voluntarily terminates the McElvany Agreement for any reason other than the occurrence of a change of control of the Company, then all vested and unvested portions of all stock options held by Supercritical Labs as of the date of termination shall be cancelled.

Supercritical Labs may also terminate the McElvany Agreement within 60 days following a change of control of the Company, in which case we (or our successor) would be required to pay Supercritical Labs upon such termination, as severance, an amount equal to six months' compensation, or $87,500, plus the per month fees payable to Supercritical Labs under the agreement for the number of months remaining in the then-current annual term of the agreement, with the aggregate severance payment not to exceed 12 months' compensation, or $175,000. In addition, in the event that Supercritical Labs terminates the McElvany Agreement following a change of control of the Company as described above, the entire unvested portion of all stock options granted to Supercritical Labs (or Mr. McElvany) prior to such termination and then held as of the date of termination will accelerate and vest in full, and may thereafter be exercised at any time and from time to time during the six-month period following such termination.

Supercritical Labs, on its behalf and on behalf of its affiliates, including Mr. McElvany, is required to release all claims it or he may have against us in connection with, and as a condition to, the payment of the severance and other benefits described above, and is required to cooperate with and assist us in connection with any change of control and the associated transitional period.

The McElvany Agreement also provides for various customary confidentiality, non-competition and non-solicitation provisions. The non-competition and non-solicitation provisions generally apply for a period of two-years following termination of the McElvany Agreement. In the event that we terminate the agreement, or Supercritical Labs terminates the agreement within 60 days following a change of control, Supercritical Labs is generally further restricted for an additional three months from engaging in certain activities relating to stock ownership and participation in our governance and affairs. The McElvany Agreement also includes customary indemnification rights.

In connection with this offering, we will enter into a new employment agreement with Mr. McElvany, which we refer to as the McElvany Employment Agreement, that will be effective upon closing of this offering and will replace and supersede the McElvany Employment Agreement in all respects. Under the McElvany Employment Agreement, Mr. McElvany will continue to serve as our Chair, President and Chief Executive Officer. As Chief Executive Officer, Mr. McElvany will receive an initial annual base salary of $300,000, which will increase to $400,000 on the first anniversary of the closing of this offering, and he is eligible to receive an annual performance cash bonus of up to 30% of his base salary, as determined by our board of directors in its discretion, based upon achievement of performance goals to be established by the compensation committee of our board of directors, his overall personal performance and such other factors as may be determined in the sole discretion of our board of directors. In addition, at the time of this offering, Mr. McElvany will be granted a stock option to purchase common shares under our equity incentive plan, which shares represent 3% of the of our outstanding common shares on the date of grant. This stock option will vest as to 25% of the underlying common shares on the first anniversary of the grant date, and the balance of this stock option will vest and become exercisable with respect to common shares in 36 equal monthly installments commencing on the 13th month following the date of grant and continuing until the 48th month following the date of grant, subject to Mr. McElvany's continued employment with us through each vesting date.

Under the McElvany Employment Agreement, Mr. McElvany will be eligible to participate in certain pension, retirement, insurance and other employee benefit plans maintained by us for our employees generally, subject to the eligibility provisions of these plans, and he will be entitled to participate in all other bonus and benefit programs that we establish and make available to our employees, if any, to the extent his position, tenure, salary, health and other

qualifications make him eligible to participate in these programs. In addition, Mr. McElvany is entitled to 20 business days of paid time off per annum (inclusive of personal and sick days), and to be reimbursed for all reasonable travel, entertainment and other business expenses incurred or paid by him in connection with, or related to, the performance of his duties, responsibilities or services, subject to, and in accordance with, our policies in effect from time to time.

Mr. McElvany's employment with us is "at will," meaning that either he or we may terminate his employment with us at any time, for any reason or no reason, and with or without Cause (as such term is described below). In the event that Mr. McElvany's employment with us is terminated without Cause or he resigns as an employee with Good Reason (as such term is described below), the portion of his stock option that would have otherwise vested during the period that is 12 months following such termination or resignation will accelerate and will vest in full, the portion of his stock option that has not vested as of the date of such termination or resignation will expire on, and may no longer be exercised after, the effective date of such termination or resignation, and the portion of his stock option that has vested prior to such termination or resignation may only be exercised for a period of 90 days following the effective date of such termination or resignation, and will thereafter expire and may no longer be exercised after such 90-day period. If, however, there is a change of control of our company and Mr. McElvany is terminated without Cause or he resigns for Good Reason before his stock option has vested in full, the vesting of Mr. McElvany's stock option will accelerate in full and his stock option may thereafter be exercised with respect to all of the underlying common shares for a period of 90 days following such termination or resignation. Further, if Mr. McElvany's employment with us is terminated for Cause or he resigns without Good Reason, or he is terminated or resigns as a result of his Disability (as such term is described below), the portion of his stock option that has not vested as of the date of such termination or resignation shall expire on the date of such termination or resignation, and the portion of his stock option that has vested as of the date of such termination or resignation shall expire on the date that is 10 days following such termination or resignation.

If Mr. McElvany's employment with us is terminated by us without Cause or he resigns with Good Reason, he will be entitled to receive cash payments, as severance, in an amount equal to (i) six months of his base salary plus (ii) one month of base salary in respect of each full year that he has been employed by us prior to such termination or resignation, paid to him in six equal monthly installments commencing 30 days following the effective date of such termination or resignation.

Under the McElvany Employment Agreement, "Cause" means generally the occurrence of any of the following: (A) Mr. McElvany's gross negligence in connection with the performance of his duties that results in material injury to us; (B) his willful and continued failure (except where due to a Disability) or refusal to perform substantially his duties; (C) any willful or intentional act by Mr. McElvany that constitutes illegal conduct or gross misconduct and that materially injures our reputation or business; (D) the material breach of his obligations under the McElvany Employment Agreement; (E) Mr. McElvany's conviction of, or pleading nolo contendere to, a felony, or a misdemeanor involving moral turpitude; (F) his commission of an act of fraud or embezzlement, or any other act that involves the misappropriation of our material funds or assets; (G) chronic absenteeism (except where due to a Disability) or other dereliction of duty; or (H) his failure to follow the reasonable and lawful instructions of the Board, subject to his ability to cure such breach or conduct in certain of the foregoing instances.

"Good Reason" means generally (A) a material reduction in Mr. McElvany's base salary in then in effect; (B) a material diminution in his duties, responsibility or authority; (C) a material change in the geographic location at which he is required to perform his services; or (D) any material breach by us of the McElvany Employment Agreement, subject to our ability to cure such breach or conduct in certain of the foregoing instances.

"Disability" shall be deemed to occur generally if our board of directors determines that Mr. McElvany is unable to perform the essential functions of his position, regardless of reason, with a reasonable accommodation, for a total (whether consecutive or cumulative) of 16 weeks in any rolling 52-week period, or in the event we receive a medical certification that he will not be able to perform the essential functions of his position permanently or for the indefinite future. Mr. McElvany's resignation as an employee as a result of his Disability will be treated for all purposes under his employment agreement as a resignation without Good Reason, and his death shall also be deemed to constitute his Disability for purposes of under his employment agreement.

The McElvany Employment Agreement includes customary confidentiality and invention assignment covenants, and an agreement by Mr. McElvany that he will not solicit our current or former employees clients, customers or accounts either during the period of his employment with us or the one year period after the termination or expiration of his employment with us.

Renee Gagnon

Ms. Gagnon initiated employment with the company in May 2017. Ms. Gagnon served as our Chief Executive Officer, as an employee of the Company, during the 2020 fiscal year until March 2020. Ms. Gagnon was compensated CAD $325,000 annually for the services she provided in her capacity as Chief Executive Officer. As of March 2020, Ms. Gagnon's employment with the Company terminated but she continued to serve as our Chief Executive Officer under an informal contractor arrangement without additional pay. Additionally, Ms. Gagnon continued to provide services to the Company as a director.

In October 2020, we entered into a consulting agreement with Ms. Gagnon, which we refer to as the Gagnon Agreement. Pursuant to the Gagnon Agreement, as amended in December 2020, Ms. Gagnon (initially personally, and subsequently through 1118737 BC LTD, a company of which she was one of two principals) provided Executive Chairman advisory and consulting services to the Company and was compensated CAD$12,500 a month (CAD$150,000 annually), with half of such amount to be paid monthly and half to be deferred (with interest accruing once the deferred amount exceeds CAD$30,000) until the earlier of, termination of the Gagnon Agreement or a financing/sale of the Company. The Gagnon Agreement was terminable by Ms. Gagnon or the company with 10 days written notice, or by mutual agreement, and did not provide for the payment of severance. The Gagnon Agreement is a non-exclusive agreement and either party is free, during and after the term, to engage or contract with third parties for the provision of services, similar to those provided under the Gagnon Agreement.

The Gagnon Agreement provides for customary confidentiality covenants. Additionally, pursuant to the consulting agreement, intellectual property remains the sole property of the company. The Gagnon Agreement also provides for mutual indemnification provisions.

The Gagnon Agreement terminated on .

Dr. Assad J. Kazeminy, Ph.D.

In February 2021, we entered into an Executive Consulting Agreement, which we refer to as the Kazeminy Agreement, with AJK Biopharmaceutical LLC — Canadian Consulting Series, a limited liability company, the principal for which is Dr. Assad J. Kazeminy, Ph.D. Pursuant to the Kazeminy Agreement, Dr. Kazeminy serves as our Chief Scientific Officer in exchange for compensation of $180,000 per annum for a term of three years. Dr. Kazeminy provides services to us as an independent contractor, for up to 20 hours per week. The Kazeminy Agreement provides for the issuance of an option to purchase 3,000,000 shares of our common shares on a one-time basis. This option was granted on with an exercise price of $ per common share. The options will vest over a one-year period, with 1,000,000 shares vesting immediately, and 500,000 shares vesting at the end of each subsequent three-month period. Moreover, pursuant to the Kazeminy Agreement, Dr. Kazeminy may be granted annual or incentive bonuses in an amount and on such terms and conditions as the Compensation Committee in its sole discretion may determine from time to time.

If AJK Biopharmaceutical LLC terminates the Kazeminy Agreement for any reason other than a change of control of the Company, Dr. Kazeminy is entitled to both the vested and unvested portion of all stock options held by AJK Biopharmaceutical LLC as of the date of termination will be cancelled as of the termination date.

The Kazeminy Agreement also provides for various customary confidentiality, non-competition and non-solicitation provisions. The non-competition provision only applies while the Kazeminy Agreement is in effect, whereas the non-solicit extends for two years following termination of the agreement. Notwithstanding the non-compete provision, the Kazeminy Agreement permits Dr. Kazeminy to continue to carry out any of his duties with Aingeal Therapeutics and AJK Biopharmaceutical LLC, other entities for which he provides services. Additionally, in the event that we terminate the agreement or Dr. Kazeminy terminates the agreement within 60 days following a change of control, Dr. Kazeminy is restricted for a further three months from certain activities relating to stock ownership and participation in company governance and affairs. The Kazeminy Agreement provides for customary indemnification rights.

We expect to enter into a formal employment agreement with Dr. Kazeminy that will be effective upon the closing of this offering.

Equity Compensation During Fiscal Year 2021

Our equity-based incentive awards are designed to align our interests and the interests of our stockholders with those of our employees and consultants, including our NEOs. On December 28, 2020, Ms. Gagnon was granted an option to purchase 750,000 common shares at an exercise price of $0.09349 per share, with a five-year term. One-third of the option vested and became exercisable immediately upon grant, and two thirds of the option grant vests on a linear basis every quarter for four consecutive quarters commencing March 31, 2021, subject generally to Ms. Gagnon's continued service through each such date.

Mr. McElvany and Dr. Kazeminy were not granted any equity compensation during the 2021 fiscal year.

No Other Benefits Arrangements During Fiscal Year 2021

We did not maintain any other benefit plans applicable to the NEOs during the 2021 fiscal year.

Outstanding Equity Awards at Fiscal Year-End

The following table summarizes the number of common shares underlying outstanding equity incentive plan awards for each named executive officer as of June 30, 2021.

	Option Awards						Stock Awards	
Name	Grant Date	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan awards: Number of Securities Underlying Unexercised Unearned Options	Option Exercise Price ($)[1]	Option Expiration Date	Number of Shares of Stock That Have Not Vested	Market Value of Shares of Stock That Have Not Vested[2]
Christopher McElvany	—	—	—	—	—	—	—	—
Renee Gagnon	12/28/20	27,778	13,889[2]	—	1.6283	12/28/25	—	—
Dr. Assad Kazeminy	—	—	—	—	—	—	—	—

(1) The options shown in this table were granted with exercise prices expressed in Canadian dollars and the amount of such exercise prices were converted using the Bank of Canada average daily rate of exchange on December 24, 2020 of CAD $1.00 = US $0.7791.

(2) Ms. Gagnon's option will vest and become exercisable on the following schedule: One-third of the option vested and became exercisable immediately upon grant, and two thirds of the option grant vests on a linear basis every quarter for four consecutive quarters commencing March 31, 2021, subject generally to Ms. Gagnon's continued service through each such date.

Equity Compensation Plan Information

The table below sets forth information with respect to compensation plans under which equity securities of the Company are authorized for issuance as of June 30, 2021:

Plan Category	Number of securities to be issued upon exercise of outstanding options and rights (a)	Weighted-average exercise price of outstanding options and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by shareholders	—	—	—
Equity compensation plans not approved by shareholders	353,181		294,488
Total	353,181		294,488

Equity Compensation Plans

2021 Equity Incentive Plan

Our Lucy Scientific Discovery Inc. 2021 Equity Incentive Plan, or the 2021 Plan, will become effective upon the effectiveness of the Registration Statement of which this prospectus forms a part. Upon the effectiveness of the 2021 Plan, we will cease granting awards under our prior plan. A summary of the material terms of the 2021 Plan follows below.

The 2021 Plan authorizes the award of both equity-based and cash-based incentive awards, including: (i) stock options (both incentive stock options and nonqualified stock options), (ii) stock appreciation rights, or SARs, (iii) restricted stock awards, or RSAs, (iv) restricted stock units, or RSUs, and (v) cash or other stock based awards. Incentive stock options may be granted only to employees. All other types of awards may be issued to employees, directors, consultants and other service providers.

Shares Subject to 2021 Plan. We will initially reserve of our common shares for issuance under our 2021 Plan.

The following common shares will be added (or added back) to the shares available for issuance under the 2021 Plan:

- Common shares subject to 2019 Plan or 2021 Plan awards that expire, terminate or are cancelled or forfeited for any reason after the effectiveness of the 2021 Plan;
- Common shares that after the effectiveness of the 2021 Plan are withheld to satisfy the exercise price of an option issued under the 2019 Plan or the 2021 Plan; and
- Common shares that after the effectiveness of the 2021 Plan are withheld to satisfy tax withholding obligations related to any award under the 2019 Plan or the 2021 Plan.

However, the total number of common shares underlying 2019 Plan awards that may be recycled into the 2021 Plan pursuant to the above-described rules will not exceed shares.

Common shares issued by us through the assumption or substitution of awards in connection with a future acquisition of another entity will not reduce the number of shares available for issuance under the 2021 Plan.

Administration. We expect that our 2021 Plan will be administered by our compensation committee. The administrator of the plan will have the authority to, among other things, interpret the plan and award agreements, select grantees, determine the vesting, payment and other terms of awards, and modify or amend awards. Our compensation committee may delegate to one or more of our officers the authority to issue awards under the 2021 Plan to grantees who are not executive officers, subject to parameters established by the compensation committee.

Stock options. The 2021 Plan provides for the grant of both incentive stock options and non-qualified stock options to purchase our common shares at a stated exercise price. The exercise price of stock options granted under the 2021 Plan must be at least equal to the fair market value of our common shares on the date of grant. The maximum term of options granted under our 2021 Plan is ten years.

Our compensation committee may provide in the terms of the applicable award agreement that the participant may exercise an unvested portion in exchange for restricted stock subject to the same vesting terms as the option.

Stock appreciation rights. An SAR provides for a payment, in cash or our common shares or a combination of both, to the holder based upon the difference between the fair market value of our common shares on the date of exercise and a predetermined exercise price, multiplied by the number of shares. The base price of a SAR must be at least the fair market value of a common share on the date of grant. SARs may not have a term that is longer than ten years from the date of grant.

Adjustments. In the event of certain corporate events or transactions (such as a merger, consolidation, reorganization, recapitalization, stock split, reverse stock split, spin-off, stock dividend, or similar transaction or change in our capital structure), our compensation committee will make adjustments or substitutions to the number

and kind of shares that may be issued under the 2021 Plan, the number and kind of shares subject to outstanding awards, the exercise price or base price of outstanding awards, and/or any other affected terms and conditions of the 2021 Plan or outstanding awards, in each case as it deems appropriate and equitable.

Restricted stock awards. An RSA is an issuance of our common shares subject to forfeiture restrictions that lapse based on the satisfaction of service and/or performance conditions. The price, if any, of each share subject to an RSA will be determined by the compensation committee. During the vesting period, a participant will have the right to vote and receive any dividends with respect to restricted stock, provided that our compensation committee may specify that any such dividends are subject to the same vesting schedule as the shares to which they relate.

Restricted stock units. RSUs represent the right to receive our common shares (or cash equal to the value of such shares) at a specified time in the future, following the satisfaction of specified service and/or performance conditions.

Cash or other stock based awards. Cash or other stock based awards (including awards to receive our unrestricted common shares or immediate cash payments) may be granted to participants. Our compensation committee will determine the terms and conditions of each such award, including, as applicable, the term, any exercise or purchase price, performance goals, vesting conditions, and other terms and conditions. Payment in respect of a cash or other stock based award may be made in cash, our common shares, or a combination of both, at the discretion of our compensation committee.

Change in control. Upon or in anticipation of a change in control (which includes certain merger, asset or stock transactions, certain changes in our board composition and any other event deemed by our board of directors to constitute a change in control), our compensation committee may take such actions as it deems appropriate with respect to outstanding awards under the 2021 Plan. Such actions may include (among other things) the acceleration of award vesting, the substitution of awards, the cancellation of unexercised or unvested awards and the redemption or cashout of awards. In the discretion of our compensation committee, any cash or other substitute consideration payable upon redemption or cashout of an award may be subjected to the same vesting terms that applied to the original award, or earn-out, escrow, holdback or similar arrangements comparable to those applicable to stockholders in connection with the change in control. The compensation committee need not treat all outstanding awards in an identical manner.

Repricing. The compensation committee may in its discretion: (i) cancel options or stock appreciation rights outstanding under the 2021 Plan in exchange for new options or stock appreciation rights with a lower exercise or base price per share; (ii) cancel underwater options or stock appreciation rights outstanding under the 2021 Plan in exchange for consideration payable in our equity securities or cash; or (iii) otherwise directly reduce the exercise or base price of options or stock appreciation rights outstanding under the 2021 Plan.

Clawback. Awards under the 2021 Plan will be subject to clawback or recoupment pursuant to any applicable policy, law or exchange listing requirement in effect from time to time.

Transferability. Except for certain estate planning transfers authorized by the compensation committee, awards granted under the 2021 Plan are generally nontransferable except by will or by the laws of descent and distribution.

Amendment and termination. Our board of directors may amend our 2021 Plan at any time, subject to stockholder approval if required by applicable law or exchange listing requirement. The 2021 Plan will terminate ten years after it becomes effective.

2019 Stock Option Plan

Our Hollyweed North Cannabis, Inc. Stock Option Plan was made effective May 27, 2019, or the 2019 Plan. Our Stock Plan was originally adopted to provide a share-related mechanism to attract, retain and motivate directors, employees, officers and consultants, to reward such of those directors, employees, officers and consultants as may be awarded options under the Stock Plan by the board from time to time for their contributions toward the long-term goals of the company.

As noted above, we expect to will cease granting awards under the 2019 Plan upon the effective date of our 2021 Plan (described above). Any outstanding awards will continue to be subject to the terms of the 2019 Plan and the applicable award agreements, until such awards are exercised or settled, or until they terminate or expire by their terms.

A summary of the material terms of the 2019 Plan follows below.

Options. Under the 2019 Plan, stock options to purchase our common shares may be granted to directors, officers, employees and consultants of the Company.

Administration. The 2019 Plan is administered by the Board, which may delegate some or all of its administrative duties thereunder.

Shares Subject to the Plan. The aggregate number of shares that could be issued at any time under the 2019 Plan is equal to 10% of the then-issued and outstanding common shares of the Company, on a rolling basis. The portion of options available for grants to directors is limited to 10% of the option under the 2019 Plan available for grant at any time. Under the 2019 Plan, if any option is exercised, expires or otherwise terminates for any reason, the number of common shares in respect of such option will again be available for the purposes of the 2019 Plan. As of , 2021, the date on which the Board approved the 2021 Plan, there were shares underlying options outstanding under the 2019 Plan.

Option Terms. Under the 2019 Plan, the Board fixes the term of each option, which may be no longer than five years. The exercise price will generally be no less than the fair market value of our common shares on the grant date. Unless otherwise determined by the Board, options granted under the 2019 Plan will vest quarterly over a three-year period.

Post-Termination Exercisability. Unless otherwise provided by the Board, options granted under the 2019 Plan remain exercisable following an option holder's termination of service in accordance with the terms described below.

In the event that an option holder dies while his or her option remains outstanding, the 2019 Plan provides that the vested portion of the option will remain exercisable until the earlier of the original expiration date and one year from the date of the option holder's death. In the event that a director terminates service for any reason other than death, the vested portion of his or her option will remain exercisable until the original expiration date of the option. In the event that an option holder ceases to provide services as an officer, employee or consultant for any reason other than death, the vested portion of the option will remain exercisable until the earlier of the original expiration date and 90 days from the termination date. Notwithstanding the foregoing, if an option holder ceases to provide services due to a termination by the Company for cause, the option will expire immediately.

Initial Public Offering. In connection with an IPO, the board may in its sole discretion determine the treatment of outstanding awards in a manner it deems fair and reasonable. This may include, without limitation, accelerating the vesting of options, requiring the option holder to exercise the vested portion of the option prior to the IPO or automatically exercising such option through a cashless exercise if the option holder fails to so exercise.

Triggering Event. If we are subject to a "Triggering Event" which means generally an offer by a third party to acquire the equity securities of the Company which at least 50% of the outstanding shares of the Company has agreed to accept; a merger or other consolidation after which the voting securities of the Company outstanding immediately prior to the transaction represent less than 50% of the voting securities after the transaction; or any other sale of the business of the company, as determined by the Board, the Board will determine in its sole discretion how to treat outstanding awards under the 2019 Plan in a manner it deems fair and reasonable in light of the circumstances. This may include, but is not limited to, one or more of the following: (i) acceleration of vesting; (ii) cancelling unvested options and upon reasonable notice to the option holders, cancelling unexercised vested options; (iii) providing for the assumption of or replacement of options with comparable stock options; (iv) cashing out in-the-money options; (v) automatically exercising options through a cashless exercise; or (v) deeming an option to have been exercised in full without any payment by the option holder. The board may also require the option holder to sell all of the common shares acquired upon the exercise of an option under the Triggering Event.

Adjustments. In the event that: (i) the common shares are changed into or exchanged for a different number or kind of shares of the company or securities of another corporation, whether through an arrangement, amalgamation, recapitalization, subdivision or consolidation; (ii) a dividend is paid in shares, other than in lieu of dividends paid in the ordinary course; or (iii) there is any other change that the Board, in its sole discretion, determines equitably requires an adjustment to be make, then, subject to any required action by any of the shareholders of the company, any term of the 2019 Plan or outstanding options that the Board determines requires adjustment will be adjusted by the Board in the manner the Board deems appropriate and its determination will be final, binding and conclusive.

Transferability. Under the 2019 Plan, options may generally not be assigned or transferred.

Plan Amendment and Termination. The Board may generally terminate or amend the 2019 Plan at any time, provided that such amendment does not alter the terms or conditions of any outstanding option without the option holder's consent. The Board may in its discretion amend the terms of an outstanding option, subject to the consent of the option holder.

Non-Employee Director Compensation

Prior to this offering, the Company did not have a formal policy or any formal arrangements to provide any cash or equity compensation to our non-employee directors for their service on our Board or committees of our Board.

For the fiscal year ended June 30, 2021, Mr. Susin was our only non-employee director. On December 28, 2020, the Board granted Mr. Susin an option to purchase 450,000 common shares at an exercise price of CAD $0.12 per share, with a five-year term. One-third of the option vested and became exercisable immediately upon grant, and two thirds of the option grant vests on a linear basis every quarter for four consecutive quarters commencing March 31, 2021.

The following table presents the total compensation for each person who served as a non-employee member of our board of directors and received compensation for such service during the fiscal year ended June 30, 2021.

Name	Fees earned or paid in cash ($)	Stock Awards ($)	Option Awards ($)[1][2]	Total ($)[1]
Livio Susin	—	—	39,488	39,488

(1) Amounts shown were converted into USD in the table above using the Bank of Canada average daily rate of exchange on June 30, 2021 of US$1.00 = CAD $1.2398 or CAD $1.00 = US$0.8068.

(2) Amounts in this column represent the aggregate grant date fair value for each option award granted in the fiscal year ending June 30, 2021, as computed in accordance with FASB ASC Topic 718. For a discussion of the assumptions and methodologies used to calculate the amounts referred to above, please see the discussion of option awards contained in note 6 to the audited consolidated financial statements appearing elsewhere in this prospectus. As of June 30, 2021, Mr. Susin held outstanding options to acquire 25,000 common shares.

No other compensation was awarded to any other person who served as a non-employee director during the 2021 fiscal year.

Director Compensation Policy Following the IPO

In connection with this offering, our Board approved the following annual non-employee director compensation program, which will take effect following the closing of this offering.

Annual Cash Compensation

The following chart summarizes the retainer compensation to be provided to non-employee directors for their service on our board of directors following the closing of this offering. Cash payments are made in equal, quarterly installments and will be pro-rated for partial periods following the closing of this offering.

Annual Retainer	$
Annual Committee Chair Retainer	
Audit	$
Compensation	$
Nominating and Corporate Governance	$
Annual Committee Member Retainer	
Audit	$
Compensation	$
Nominating and Corporate Governance	$

In addition to the Board annual retainer, the Chair of the Board receives a $ cash retainer for service as Chair.

Each annual cash retainer will be paid quarterly.

Equity Compensation

The equity compensation awards to non-employee directors will be made under our 2021 Equity Incentive Plan, or 2021 Plan. All stock options granted to non-employee directors will have an exercise price per share equal to 100% of the fair market value (as defined in the 2021 Plan) of the underlying common shares on the date of grant, and a term of ten years from the date of grant (subject to earlier termination in connection with a termination of service as provided in the 2021 Plan).

- **Initial Grant.** On the date of the non-employee director's initial election or appointment to the Board, such non-employee director will be granted an option to purchase $ in common shares. Commencing on the first date that is three months after the date of grant, the shares subject to each stock option will vest in a series of 12 equal quarterly installments, such that the option is fully vested on the third anniversary of the date of grant, subject to the non-employee director's continuous service through each such vesting date; provided that the vesting date for the quarterly period in which our annual stockholders' meeting occurs shall be the date immediately prior to such annual meeting.

- **Annual Grant.** Each non-employee director serving as a non-employee director member of the Board immediately following the annual meeting will be granted a stock option for $ in grant date fair value, based on the closing stock price as of the date of the annual meeting.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

The following includes a summary of transactions since July 1, 2018, to which we have been a party in which the amount involved exceeded or will exceed the lesser of (i) $120,000 and (ii) one percent (1%) of the average of our total assets at year-end for the prior two fiscal years, and in which any of our directors, executive officers or, to our knowledge, beneficial owners of more than 5% of our capital stock or any member of the immediate family of any of the foregoing persons had or will have a direct or indirect material interest, other than equity and other compensation, termination, change in control and other arrangements, which are described under "Executive and Director Compensation." We also describe below certain other transactions with our directors, executive officers and stockholders.

McElvany Asset Purchase Agreement

In February 2021, we entered into an asset purchase agreement with Christopher McElvany, our President and Chief Executive Officer, whereby we acquired certain equipment and other assets in exchange for consideration of 990,741 Class B common shares, equivalent to a purchase price of $1,707,934. We assumed no liabilities as a result of the agreement other than obligations, commitments and liabilities relating to the purchased assets arising after the closing date. The agreement had customary indemnification provisions, pursuant to which (i) Mr. McElvany agreed to indemnify us against any loss, damages, expenses, costs, liabilities and deficiencies resulting from any misrepresentation or breach of warranty or covenant or arising in connection with the operation of Mr. McElvany's business prior to the closing date and (ii) we agreed to indemnify Mr. McElvany against any claim, damage, action, cause of action, loss, cost, liability or expense arising out of any misrepresentation, breach of warranty or covenant, and any action relating to the assets which arose after the closing.

McElvany Convertible Note

In February 2021, we issued a convertible promissory note in the amount of $500,000 to Downwind Investments, LLC, or Downwind. Mr. McElvany is the principal of Downwind. The convertible promissory note bears interest at the rate of 8% per annum and had a maturity date of August 25, 2021. There is no default rate of interest under the note. The outstanding principal amount and accrued interest under the note is convertible at the option of the holder into our common shares at a price of $1.7244 per common share. The convertible note contains customary events of default, including for failure to pay amounts under the note when due; the entry of certain judgments or orders against us; loss, theft, damage or description of our property in excess of specified amounts; the sale, transfer or other disposition of all or substantially all of our assets; and certain events respect to insolvency or bankruptcy.

The debt is secured pursuant to a general security agreement we entered into with Mr. McElvany, pursuant to which we pledged as collateral for the loan certain of our assets, including, without limitation, all of our personal property including debts, accounts, claims, equipment, inventory, documents of title, securities, money and intangible personal property such as licenses, contractual rights, patents, trademarks and other intellectual property; all real property or leasehold property; fixtures; and investment property including capital of each of our subsidiaries. The general security agreement contains customary affirmative and negative covenants undertaken by us, including that we may not sell, lease or otherwise dispose of any of the collateral except in the ordinary course of business on commercially reasonable terms. We are also restricted from permitting the collateral to become subject to any mortgage, charge, encumbrance or security interest, except in the ordinary course of business.

As of September 30, 2021, the amount of outstanding principal and accrued interest under the promissory note was $523,929. We expect that Mr. McElvany will convert such amount into common shares prior to the closing of this offering.

Origo Credit Facility and Warrants

In November 2020, we entered into a credit agreement with Origo BC Holdings Ltd. Under the credit agreement, we obtained a line of credit in an aggregate principal amount of up to $5,114,385 under which we can request an advance of up to $383,100 in any calendar quarter. The credit agreement has a term of three years and is subject to an interest rate of 8% per annum. In the event of default, the amounts owed under the credit agreement become subject to an interest rate of 15% per annum. As of September 30, 2021, there were no amounts outstanding under the Origo credit agreement.

In connection with the credit agreement, we issued to Origo Holdings, Inc., an affiliate of Origo BC Holdings Ltd., a warrant to purchase 3,906,209 of our common shares, exercisable at a price of $1.74 per share, or the Origo Warrant. The warrant expires five years from the date of issuance. The Origo Warrant includes a representation by the Company regarding the number of common shares outstanding and on a fully diluted basis. In the event that this representation was not true as of the date of the Origo Warrant and there were a greater number of common shares outstanding or on a fully diluted basis, then the Origo Warrant shall be exercisable for a number of common shares such that the warrant would be exercisable into 44% of our common shares outstanding and fully diluted as of the date of the warrant.

Under the terms of the Origo Warrant, we agreed that the exercise price for 1,111,112 shares underlying warrant would be reduced to CAD $0.015 per common share in the event that we consummate an offering of convertible debt securities in the aggregate amount of at least $1,000,000. The exercise price for an additional 1,111,111 shares is similarly reduced in the event that we consummate an offering of convertible debt securities in the aggregate amount of at least $2,000,000, and with respect to another 1,111,111 common shares if we consummate an offering in the aggregate amount of at least $3,000,000.

In the event that we register or intend to register under the Securities Act, or qualify for distribution in Canada under applicable Canadian securities laws, any of our common shares or other securities, or if we grant any demand or piggyback registration rights to any other holder of our securities, we are required to offer to the holder(s) of the Origo Warrant the ability to register the common shares underlying the Origo Warrant on no less favorable terms or conditions and/or to enter into an agreement on customary terms granting such holder(s) registration rights on a pari passu basis, as applicable. These registration rights do not apply to our initial public offering unless we also register for resale in such initial public offering common shares owned by other shareholders.

For so long as any of the Origo Warrant is outstanding or any time Origo Holdings, Inc. owns 10% or more of the our outstanding common shares, Origo Holdings, Inc. have the right to appoint 40% of the members of our board of directors.

In January 2021, Origo Holdings, Inc. transferred the warrant to its affiliates, as set forth in the table below:

Transferee	Number of Warrant Shares
Theseus Capital Ltd	439,449
Astatine Capital Ltd	439,449
Roxy Capital, Inc.	878,896
DPL Capital Inc.	878,896
2686225 Ontario Inc.	195,311
Roma Ventures, LLC	1,074,208

In connection with these transfers, we entered into letter agreements with each of the transferees which provided for the same adjustment of the warrant exercise price to $0.015 (CAD $0.018) per common share for a proportionate amount of the warrant shares upon the consummation of an offering of convertible debt securities in the aggregate threshold amounts set forth above.

Susin Promissory Notes

In December 2018, we issued a promissory note to Livio Susin, one of our directors, in the principal amount of $144,666, pursuant to which Mr. Susin loaned funds to us through a series of advances. All indebtedness under this promissory note bears interest at a rate of 21% per annum. The maturity date of this promissory note is December 31, 2021. As of September 30, 2021, the total outstanding principal amount of, and accrued interest under, this promissory note was $84,570.

In February 2019, we issued a second promissory note to Mr. Susin in the principal amount of $245,768, pursuant to which he loaned funds to us through a series of advances. Indebtedness under this promissory note bears interest at a rate of 2% per annum. The indebtedness under this promissory note is unsecured, and is repayable 90 days following

to the successful completion of an initial public offering or a reverse takeover transaction which results in our shares being listed on a Canadian public exchange. In January 2021, Mr. Susin forgave CAD $50,000 of indebtedness under this promissory note in exchange for 13,889 shares of our Class B common shares. As of September 30, 2021, the total outstanding principal of, and accrued interest under, this promissory note was $214,780.

Susin Consulting Agreement

Pursuant to a Consulting Agreement, dated December 16, 2020, Mr. Susin provides executive administration advisory and consulting services to us and our two subsidiaries, LSDI Manufacturing Inc. and TerraCube, in exchange for CAD $12,500 per month.

1118737 BC Ltd. Promissory Note

In April 2019, we issued a promissory note to 1118737 BC Ltd., one of our shareholders, in the initial principal amount of $374,076 pursuant to which funds were loaned to us through a series of advances. Renee Gagnon, one of our shareholders and our former chief executive officer, is a director and partner of 1118737 BC Ltd. The note bears interest at 2% per annum, is unsecured, and is repayable 90 days subsequent to the successful completion of an initial public offering or a reverse takeover transaction which results in our shares being listed on a Canadian public exchange. On June 30, 2020, the principal amount of the note and a portion of the accrued interest were forgiven and the remainder of the accrued interest was repaid by us in cash.

Bridge Loan Agreement

In January 2020, we entered into a loan agreement with MNB Enterprises, Inc. and R. Jay Management Ltd., or the lenders, and Ms. Gagnon, or the MNB Loan Agreement. Under the MNB Loan Agreement, the lenders advanced $114,836 to us and, in consideration thereof, Ms. Gagnon transferred an aggregate of our 16,667 Class B common voting shares to the lenders. The loan obligation accrued interest at 20.0% per annum and was secured by all of our assets, including all of the outstanding shares of our wholly owned subsidiaries, LSDI Manufacturing Inc. and TerraCube, pursuant to a general security agreement and a pledge agreement each entered into as of the same date. The loan was initially repayable on the earlier of (i) the date of closing of any third party equity or debt financing and (ii) February 13, 2020. In February 2020, the parties amended the MNB Loan Agreement to extend the maturity date to February 28, 2020, and in consideration for such extension Ms. Gagnon transferred to the lenders 11,112 of our Class B common shares with a fair value of $6.79 per common share for total consideration of $75,449. In February 2020, the parties amended the loan agreement to further extend the maturity date to March 30, 2020, and in consideration for such extension, we issued to the lenders 55,556 of our Class B common shares with a fair value of $6.74 per common share for total consideration of $374,223. Subsequently, the parties further extended the maturity date to each of April 30, 2020, June 30, 2020 and July 31, 2021, in each case for nominal cash consideration. As of September 30, 2021, the Class B common shares were redeemable at a cost of $669,962 in the event of default. In June 2021, we entered into a Debt Settlement Agreement with the lenders pursuant to which the lenders agreed to cancel and forgive the outstanding amount of the debt obligation under the MNB Loan Agreement in exchange for our issuance of 53,790 of our Class B common shares.

TerraCube Acquisition

In October 2017, we purchased (i) from 1118737 B.C. Ltd. 420,000 common shares of TerraCube and (ii) from Victoria Pavlovski, 280,000 common shares of TerraCube, which constituted in the aggregate 90% of the then-outstanding equity interests of TerraCube. As consideration for this acquisition, we issued to the sellers 15,556 common shares corresponding to CAD $900,000 in total based on a fair value of CAD $57.86 price per common share in accordance with two respective share exchange agreements. Ms. Gagnon, one of our shareholders and our former chief executive officer, is a director and partner of 1118737 BC Ltd., and Victoria Pavlovski was also a holder of our common shares at the time of the transaction. In September 2018, we acquired the remaining outstanding equity interests of TerraCube in exchange for our common shares, including the remaining interests of Victoria Pavlovski.

Stipancic Settlement Agreement

In connection with the termination of the employment agreement of Mary Stipancic by Ms. Stipancic, we entered into a Settlement Agreement, dated April 20, 2020, with Ms. Stipancic, or the Stipancic Settlement Agreement. Ms. Stipancic's employment terminated in October 2019. We reestablished a contractor arrangement with Ms. Stipancic in April 2020.

Pursuant to the Stipancic Settlement Agreement, we agreed to pay to Ms. Stipancic a lump sum in the amount of $165,990, which amount includes (i) Ms. Stipancic's then-outstanding annual base salary from December 30, 2018 to October 19, 2019, (ii) then-outstanding vacation pay and (iii) unpaid expenses. Such lump sum becomes payable upon the earlier of (a) any sale of our assets, our affiliates' or associates' assets or our common shares to a third party for a purchase price equal to or greater than $3,549,500, (b) any debt financing by us, our affiliates or our associates securing an amount equal to or greater than $3,549,500, (c) any issuance of our, our associates' our affiliates' common shares for an aggregate subscription price equal to or greater than $3,549,500 or (d) six months from the effective date of the Stipancic Settlement Agreement. In the event that any of the events described in items (a), (b) and (c) in the paragraph above occurs, we will also pay to Ms. Stipancic a sum of $106,485 to be paid in equal bi-monthly installments payable over the course of 12 months and issue to Ms. Stipancic our common shares with a value of $70,990. In the event that the proceeds of such events are less than $3,549,500, we agreed to negotiate in good faith to determine a reasonable reduction to the amount that would otherwise be paid or the amount of shares that would otherwise be issued. For the remaining unpaid wages in the amount of $28,396, we agreed to issue to Ms. Stipancic the corresponding number of our common shares based on a subscription price of lesser of (x) the price per share posted on the British Columbia Securities Commission website and (y) $6.30 per share.

Under the Stipancic Settlement Agreement, Ms. Gagnon personally guaranteed the performance by us of all our obligations therein. In consideration for the above payment and guarantee, Ms. Stipancic waived any entitlement to and any claim she had for any benefits from us. In addition, pursuant to the agreement, we waived retroactively the non-competition covenant contained in Ms. Stipancic's Employment Agreement, dated February 17, 2018.

In October, 2020, we entered into a first amendment to the Stipancic Settlement Agreement extending the payment date under the agreement to April 20, 2021. In May, 2021, we entered into a second amendment to the Stipancic Settlement Agreement extending the payment date under the agreement to May 31, 2021.

As of September 30, 2021, we owed CAD $244,938 to Ms. Stipancic under the terms of the Stipancic Settlement Agreement.

Employment and Consulting Agreements

1118737 BC LTD. Agreement

In July 2021, we entered into an executive consulting agreement with 1118737 BC LTD., or 1118737, which we refer to as the 1118737 Agreement. Ms. Gagnon and Heather Jennings are the principals of 1118737. Pursuant to the 1118737 Agreement, 1118737 is to provide consulting services through Ms. Gagnon and Ms. Jennings, as its dedicated personnel, for a period of three years unless the parties agree otherwise in writing, in exchange for compensation of CAD $14,583.33 a month commencing on August 1, 2021 (CAD$175,000) The consulting services include, among other things, training services, license application or other compliance services, correspondence with shareholders, legal counsel, auditors, government agencies and managing IT systems. Under the 1118737 Agreement, Ms. Gagnon and Ms. Jennings were to provide their services to the Company as independent contractors.

Under the agreement, 1118737 is to dedicate 225 hours per year towards the completion of the services specified in the 1118737 Agreement. In the event the Board requests in writing that 1118737 exceed its annually committed hours, 1118737 is to be paid CAD $1,500 per hour. Under the agreement, the Company is to reimburse 1118737 for all third-party costs incurred by 1118737 with our prior written authorization or approval, including any computer equipment, communication devices and travel-related expenses. Should the Company ever be required by any governmental authority to pay, on 1118737's behalf, any assessments such as income tax, employment insurance premiums, etc., 1118737 will reimburse the Company for such payment. The 1118737 Agreement also provides for the irrevocable grant to Ms. Gagnon and/or Ms. Jennings of 166,667 fully vested stock options at an exercise price of CAD $2.16 per share, in consideration for their contributions to the Company over the preceding five years.

The 1118737 Agreement acknowledges and confirms that, as of the date of the agreement, we are indebted to 1118737, Ms. Gagnon and Ms. Jennings in the total amount of CAD $515,143.17. Under the agreement, we affirm that we will use our best efforts to repay the indebtedness within 12 months of the effective date of the agreement. Additionally, the agreement provides for the reimbursement to 1118737 for up to CAD $10,000 in fees it incurred to obtain independent legal advice prior to entering into the 1118737 Agreement.

We are entitled to terminate the 1118737 Agreement at any time, for any reason, upon 90 days prior written notice to 1118737. In the event that we terminate the agreement, we will pay 1118737 an amount equal to any outstanding consulting fee, plus an additional amount equal to the total fees that would have been paid through the remainder of the term. Additionally, we will pay the full amount of the aforementioned indebtedness owed to Ms. Gagnon and Ms. Jennings. 1118737 may also terminate the agreement, at its discretion, upon 90 days' notice to us. If 1118737 terminates the agreement, 1118737 is entitled to any outstanding fees plus an additional amount equal to the lesser of the total fees that would have been paid to 1118738 until the expiration of the 90 day notice period, or the time remaining under the term of the agreement. We may either require 1118737 to continue performing duties until the end of the 90-day notice period, or release 1118737 from its duties. Additionally, even if 1118737 is the party to terminate, we are still required to pay any remaining indebtedness owed to Ms. Gagnon and Ms. Jennings.

The 1118737 Agreement includes customary confidentiality covenants pursuant to which 1118737 agrees not to disclose any confidential information it obtained in the scope of its services with us during the term of the agreement or after the termination of the agreement. Additionally, 1118737 agrees not to solicit any of our employees or consultants for a period of one year after the termination of the agreement and not to engage in any business that competes with our business without informing our Board.

The 1118737 Agreement includes customary indemnification provisions pursuant to which we agreed to indemnify and hold harmless 1118737 and its dedicated personnel against any liability that arises out of performance of the consulting services. The indemnification provisions will continue beyond the termination of the agreement.

Cheryl Evans

In September 2018, we entered into a letter agreement with Ms. Evans. Ms. Evan's letter agreement provided for her at-will employment as our Vice President, Finance, wherein Ms. Evans reported to our Chief Financial Officer and was accountable for the administrative, financial and risk management operations of the company, to include the development of a financial and operational strategy, metrics tied to that strategy, and the ongoing development and monitoring of control systems designed to preserve company assets and report accurate financial results of the company. Pursuant to her letter agreement, Ms. Evans was to be compensated CAD $160,000 annually for the services she provided in her capacity as Vice President, Finance, and became eligible to participate in any company-wide bonus program or executive stock option program, in the event such programs were created.

Ms. Evans' letter agreement provides for severance benefits upon a termination of her employment without "cause," consisting of two months' salary for a termination during her first year of employment, three months' salary, for a termination during her second year of employment, and six months' salary, for a termination thereafter.

Additionally, under the September 2018 letter agreement, Ms. Evans is a party to a confidentiality, proprietary rights, non-solicitation and non-competition covenant agreement, as well as a non-disclosure agreement with the company. Under the agreement, the non-solicitation extends to a period of up to one-year following Ms. Evans' termination of employment, and the non-competition extends to a period of up to six-months following termination of employment.

In March 2020, we entered into a contractor agreement with Cheryl Evans, or the Evans Agreement. Ms. Evans served as our Vice President, Finance, from October 2018 to March 2020. Pursuant to this agreement, Ms. Evans was to provide assistance (i) in the receipt of refund claimed for the year ended June 30, 2018 under the Scientific Research & Experimental Development Investment Tax Credit Program facilitated by Canada Revenue Agency, or the SR&ED Refund, and (ii) with the sale of our wholly-owned subsidiary, LSDI Manufacturing Inc., or the Subsidiary Sale. Ms. Evans was to be compensated (i) $234,004 in unpaid wages accruing from December 2018 through March 2020, plus unpaid wages, (ii) $4,443, all employment expenses claimed by Cheryl Evans from October 2018 to March 13, 2020, (iii) an amount equal to the lesser of $53,708 or 2.5% of the net proceeds of the Subsidiary Sale, a success fee on the Subsidiary Sale, and (iv) an amount equal to 20% of the SR&ED Refund. Of these amounts, the total amount attributable to services Ms. Evans provided in fiscal 2020 was $107,415 in fees, which is included in the "Summary Compensation Table" above.

In May 2020, we entered into a revised contractor agreement with Ms. Evans, or the Revised Evans Agreement. The Revised Evans Agreement engaged Ms. Evans as a contractor of the Company, provided for a revised compensation schedule with respect to the SR&ED Refund and restated our obligation to pay Ms. Evans for accrued wages and expenses incurred during her employment. The Revised Evans Agreement also provided for incentive compensation payable in connection with the potential sale of one or more of our wholly owned subsidiaries, a potential equity financing transaction resulting in a public listing of one or more of our wholly owned subsidiaries, and/or a potential equity financing transaction resulting in a change of control of the Company or one of our wholly owned subsidiaries, referred to herein collectively as a Transaction. Pursuant to the Revised Evans Agreement, Ms. Evans was to be paid (a) accrued wages from December 2018 to March 2020, including unpaid vacation pay, in the amount of $202,576 (to be paid net of applicable payroll withholdings, if any); (b) a success fee on the Transaction equal to $17,773, payable from the net proceeds of the Transaction; and (c) for service provided with respect to the facilitation of the SR&ED Refund, an amount equal to $35,545; provided, however, that the parties agreed that Ms. Evans would be paid $106,635 upon receipt of the SR&ED Refund, $71,090 of which would be offset against accrued wages. In addition, in consideration of the accounting and financial services, oversight of accounting staff, and coordination of accounting and financial service providers as required in support of the Transaction to be provided by Ms. Evans, we agreed to pay her an hourly fee.

Each of the Evans Agreement and the Revised Evans Agreement provided for a month-to-month term period and were terminable upon completion of payment of the aforementioned compensation, or as otherwise agreed between the parties. Under each agreement, we and Ms. Evans agreed to indemnify and hold harmless one another against any suit, proceeding, debt, obligation, loss or claim for costs or damages, and reasonable legal fees and costs, which result from or arise out of, directly or indirectly, such agreement. Additionally, each of the Evans Agreement and the Revised Evans Agreement provided that Ms. Evans remained bound to the terms and conditions of the non-disclosure covenants contained in the Evans Offer Letter.

The Revised Evans Agreement was terminated as of November 5, 2020. As of September 30, 2021, we had paid $125,943 under the Revised Evans Agreement and the remaining amount to be paid under the Evans Agreement was CAD $231,840.

Mary Stipancic

Ms. Stipancic initiated employment with the company in April 2017. Ms. Stipancic served as our Chief Operating Officer during the 2020 fiscal year until October 2019. Pursuant to her employment arrangement, Ms. Stipancic was compensated CAD $250,000 annually for the services she provided in her capacity as Chief Operating Officer.

In February 2018, we entered into a letter agreement with Ms. Stipancic. Ms. Stipancic's letter agreement provided for Ms. Stipancic's at-will employment as our Chief Operating Officer, wherein Ms. Stipancic was to manage the day-to-day business operations, and the execution of the business vision to drive extensive and sustainable growth. Pursuant to her letter agreement, Ms. Stipancic was to be compensated CAD $250,000 annually for the services she provided in her capacity as Chief Operating Officer. Additionally, under the letter agreement, Ms. Stipancic was eligible for a bonus payment of up to 30% of her base salary, payable at the Company's sole discretion, conditioned upon Ms. Stipancic's active employment with the company. Under the letter agreement, we issued 55,556 shares of our Class B common shares.

Under the letter agreement, in the event we terminated Ms. Stipancic's employment without cause, she was generally entitled to 52 weeks' advance notice, or pay in lieu of such notice, and continued health benefits during the 52-week period.

Additionally, per her letter agreement, Ms. Stipancic is a party to a confidentiality, proprietary rights, non-solicitation and non-competition covenant agreement, as well as a non-disclosure agreement with the company. The restrictive covenants contained within such agreements provides customary non-competition and non-solicitation provisions that extend for up to one-year following the termination of her employment.

Ms. Stipancic's letter agreement was terminated in October 2019.

In April 2020, we entered into a consulting agreement with M Advisory Services, an entity owned by Ms. Stipancic, or the Stipancic Agreement, pursuant to which Ms. Stipancic agreed to provide operations and compliance/quality assurance advisory and consulting services for the company and was to be compensated CAD $150 per hour for 40 hours per month.

In August 2020, we entered into a revised consulting agreement with M Advisory Services, or the Revised Stipancic Agreement, pursuant to which Ms. Stipancic agreed to provide operations and compliance/quality assurance advisory and consulting services for us, on a non-exclusive basis, and was to be compensated CAD $12,500 per month, or CAD $150,000 annually. Additionally, the Revised Stipancic Agreement provided for the reimbursement of any reasonable and necessary expenses Ms. Stipancic incurred in connection with providing her services, subject to pre-approval by us. The Revised Stipancic Agreement was terminable by either party with 10 days written notice, or by mutual agreement.

The Revised Stipancic Agreements provides for customary confidentiality covenants. Pursuant to these covenants, Ms. Stipancic agreed to not disclose, divulge, reveal, report or use any of the information she obtained in the scope of her services with the company. The confidentiality covenants apply to her during her term or service and for an additional five years upon termination of the agreement. Additionally, under the agreement, intellectual property remains our sole property.

The Revised Stipancic Agreement also provides for customary indemnification provisions, pursuant to which both parties agreed to indemnify and hold harmless one another and their respective directors, shareholders, affiliates, officers, agents, employees, and permitted successors and assigns against any and all claims, losses, damages, liabilities, penalties, punitive damages, expenses, reasonable legal fees and costs, which result form or arise out of any act or omission of the indemnifying party. The indemnification provisions will continue beyond the termination of Ms. Stipancic's services with the company.

Heather Jennings

Pursuant to a Consulting Agreement, dated September 24, 2020, with Heather Jennings, the sole director of one of our subsidiaries, Hollyweed Grow Inc., Ms. Jennings provides quality assurance and facility management advisory and consulting services to us in exchange for a compensation at the rate of CAD $45 per hour. Pursuant to the agreement, we are not allowed to hire another consultant for the same type of services during the term of the agreement.

Other Arrangements

We have also entered into certain consulting agreements with Mr. McElvany and Dr. Kazeminy, through affiliated entities, which are described above under "Executive and Director Compensation — Narrative to Summary Compensation Table — Contractual Arrangements with our NEOs." We expect to terminate these consulting agreements prior to the closing of this offering. With respect to Mr. McElvany and Dr. Kazeminy, we expect to enter into employment agreements effective upon the closing of this offering.

Stock Option Grants to Executive Officers and Directors

In September 2018, in connection with the TerraCube Acquisition, certain options to purchase common shares of TerraCube held by Chris Taylor, our former Chief Financial Officer, were converted into options to purchase 236,513 of our common shares. The options were fully vested upon the grant date and have an exercise price of CAD $1.0588.

For information regarding additional grants made to our directors, see "Executive and Director Compensation."

Indemnification Agreements

In connection with this offering, we will enter into new agreements to indemnify our directors and executive officers. These agreements will, among other things, require us to indemnify these individuals for certain expenses (including attorneys' fees), judgments, fines and settlement amounts reasonably incurred by such person in any action or proceeding, including any action by or in our right, on account of any services undertaken by such person on behalf of our company or that person's status as a member of our board of directors to the maximum extent allowed under Canadian law. For more information regarding these agreements, see the section entitled "Executive and Director Compensation — Limitations on Liability and Indemnification Matters" for information on our indemnification arrangements with our directors and executive officers.

Policies and Procedures for Related Party Transactions

Our board of directors will adopt a written related party transaction policy, to be effective upon the completion of this offering, setting forth the policies and procedures for the review and approval or ratification of related-party transactions. This policy will cover any transaction, arrangement or relationship or any series of similar transactions, arrangements or relationships, in which we were or are to be a participant and a related party had or will have a direct or indirect material interest, as determined by the audit committee of our board of directors, including, without limitation, purchases of goods or services by or from the related party or entities in which the related party has a material interest, and indebtedness, guarantees of indebtedness or employment by us of a related party.

All related party transactions described in this section occurred prior to adoption of this policy and as such, these transactions were not subject to the approval and review procedures set forth in the policy. However, these transactions were reviewed and approved by our board of directors. Our board of directors reviews and approves transactions with directors, officers and holders of five percent or more of our voting securities and their affiliates, each a related party. Prior to this offering, the material facts as to the related party's relationship or interest in the transaction are disclosed to our board of directors prior to their consideration of such transaction, and the transaction is not considered approved by our board of directors unless a majority of the directors who are not interested in the transaction approve the transaction. Further, when our stockholders are entitled to vote on a transaction with a related party, the material facts of the related party's relationship or interest in the transaction are disclosed to the stockholders, who must approve the transaction in good faith.

PRINCIPAL SHAREHOLDERS

The following table sets forth certain information known to us with respect to the beneficial ownership of our common shares, as of December 31, 2021, and as adjusted to reflect our sale of common shares in this offering, by:

- each person or group of affiliated persons known by us to beneficially own more than 5% of our common shares;
- each of our named executive officers;
- each of our directors; and
- all of our executive officers and directors as a group.

The column entitled "Shares Beneficially Owned Prior to this Offering" is calculated based on 10,125,476 common shares outstanding as of December 31, 2021. The column entitled "Shares Beneficially Owned After this Offering" is based on common shares outstanding immediately after the completion of this offering, assuming no exercise by the underwriters of their option to purchase additional common shares and/or additional warrants.

We have determined beneficial ownership in accordance with the rules of the Securities and Exchange Commission, and the information is not necessarily indicative of beneficial ownership for any other purpose. These rules generally attribute beneficial ownership of securities to persons who possess sole or shared voting power or investment power with respect to those securities as well as any common shares that the person has the right to acquire within 60 days of December 31, 2021 through the exercise of stock options or other rights. These shares are deemed to be outstanding and beneficially owned by the person holding those options for the purpose of computing the percentage ownership of that person, but they are not treated as outstanding for the purpose of computing the percentage ownership of any other person. Unless otherwise indicated, the persons or entities identified in this table have sole voting and investment power with respect to all shares shown as beneficially owned by them.

	Shares Beneficially Owned Prior to this Offering		Shares Beneficially Owned After this Offering	
	Shares	**Percentage**	**Shares**	**Percentage**
Name of beneficial owner				
5% shareholders:				
Astatine Capital Ltd.[1]	439,449	4.34%		%
DPL Capital Inc.[2]	892,990	8.82%		%
Profis Investment Corporation[3]	462,963	4.57%		%
Richard Kazimierz Zwicky	375,000	3.70%		%
Roma Ventures, LLC[4]	1,088,065	10.75%		%
Roxy Capital, Inc.[5]	893,280	8.82%		%
Theseus Capital Ltd.[6]	439,449	4.34%		%
Melanie Erickson/Gordon Erickson[7]	412,651	4.08%		%
Christopher Taylor[8]	340,610	3.36%		%
Named executive officers and directors:				
Renee Gagnon[9]	771,359	7.62%		%
Sonia Luna	—	—		%
Paul Abramowitz	—	—		
Brittany Kaiser[10]	25,000	*		%
Dr. Assad J. Kazeminy[11]	55,556	*		%
Christopher McElvany[12]	1,450,149	14.32%		%
Charles B. Nemeroff, M.D., Ph.D.	—	—		%
Scott M. Reeves[13]	36,112	*		%
Livio Susin[14]	137,725	1.36%		
All executive officers and directors as a group (nine (9) persons)	**2,475,901**	**23.30%**		**%**

* Less than 1%.

(1) Samantha Bauer is the sole shareholder of Astatine Capital Ltd. (“Astatine”) and has sole voting and investment control with respect to common shares held by the Astatine.

(2) Dean Lazer is the Director of DPL Capital Inc. (“DPL Capital”) and has sole voting and investment control with respect to common shares held by the DPL Capital.

(3) Eugene Profis is the sole shareholder and director of Profis Investment Corporation (“Profis”) and has sole voting and investment control with respect to common shares held by Profis.

(4) Benjamin Windle is the investment manager of Roma Ventures, LLC (“Roma Ventures”) and has sole voting and investment control with respect to common shares held by the Roma Ventures.

(5) Consists of (i) 878,897 warrants to purchase common shares held by Roxy Capital, Inc. (“Roxy Capital”) exercisable within 60 days of September 30, 2021 and (ii) 14,383 common shares subject to conversion of the outstanding amount under the convertible note held by Roxy Capital. Eric Lazer is the sole director of Roxy Capital and has sole voting and investment control with respect to common shares held by Roxy Capital.

(6) Ronald Bauer is the sole shareholder of Theseus Capital Ltd. (“Theseus Capital”) and has sole voting and investment control with respect to common shares held by Theseus Capital.

(7) Consists of (i) 260,294 common shared held by Gordon John Erickson; (ii) 142,557 common shares held by Melanie Erickson, Mr. Erickson’s spouse; (iii) 4,900 common shares held by Drake Erickson, Mr. Erickson’s son; and (iv) 4,900 common shares held by Mr. Erickson in trust for Drew Erickson, Mr. Erickson’s son.

(8) Consists of (i) 94,654 common shares held by Christopher Taylor; (ii) 236,511 common shares subject to options to purchase common shares held by Mr. Taylor exercisable within 60 days of December 31, 2021; (iii) 6,667 common shares held by Denise Taylor, Mr. Taylor’s spouse; and (iv) 2,778 common shares held by Scott Taylor, Mr. Taylor’s brother.

(9) Consists of (i) 354,600 common shares held by Ms. Gagnon; (ii) 13,889 common shares subject to options to purchase common shares exercisable within 60 days of December 31, 2021; (iii) 1,389 common shares held by Meagan Gagnon, Ms. Gagnon’s daughter; (iv) 1,389 common shares held by Fearon Gagnon, Ms. Gagnon’s son; (v) 271,267 common shares held by Heather Jennings, Ms. Gagnon’s spouse and our former employee; and (vi) 128,825 common shares held by 1118737 BC Ltd. Ms. Gagnon and Ms. Jennings are the sole shareholders of 1118737 BC Ltd and have shared voting and investment control with respect to common shares held by 1118737 BC Ltd.

(10) Consists of common shares subject to options exercisable within 60 days of December 31, 2021 held by Achayot Partners, LLC (“Ashayot Partners”). Ms. Kaiser is the sole member of Achayot Partners and has sole voting and investment control with respect to common shares held by Achayot Partners.

(11) Consists of common shares subject to options exercisable within 60 days of December 31, 2021.

(12) Consists of (i) 990,741 common shares held by Mr. McElvany, (ii) 302,331 common shares held by Downwind Investments, LLC (“Downwind Investments”), and (iii) 157,077 common shares subject to exercise of options exercisable within 60 days of December 31, 2021 held by Supercritical Labs, LLC (“Supercritical Labs”). Mr. McElvany and Ms. Sharon Lynn McElvany, his wife, are the sole members of Downwind Investments and have shared voting and investment control with respect to common shares held by Downwind Investments. Mr. McElvany is the sole member of Supercritical Labs and has sole voting and investment control with respect to common shares held by Supercritical Labs.

(13) Consists of (i) 27,778 common shares held by Mr. Reeves and (ii) 8,334 common shares subject to exercise of options exercisable within 60 days of December 31, 2021 held by Mr. Reeves.

(14) Consists of (i) 125,500 common shares held by Mr. Susin; (ii) 8,334 common shares subject to options held by Mr. Susin exercisable within 60 days of December 31, 2021; (iii) 2,223 common shares held by Ferruccio Susin, Mr. Susin’s brother; (iv) 278 shares held by Serge Susin, Mr. Susin’s brother; (v) 834 common shares held by Rose-Marie Susin, Mr. Susin’s sister; (vi) 278 common shares held by Darren Susin, Mr. Susin’s nephew; and (vii) 278 common shares held by Scott Susin, Mr. Susin’s nephew.

DESCRIPTION OF SHARE CAPITAL

The following descriptions are summaries of the material terms of the Amended and Restated Articles of the Corporation. We refer in this section to the articles of the Corporation, as amended, as our articles.

General

Our authorized share capital will consist of an unlimited number of common shares and an unlimited number of preferred shares, issuable in series, all of which preferred shares will be undesignated.

As of September 30, 2021, we had one Class A common share outstanding and held of record by one shareholder, 6,476,753 Class B common shares outstanding and held of record by 246 shareholders, and no preferred shares outstanding. On December 1, 2021 all of our outstanding Class A common shares and Class B common shares converted into a single class of common shares, consisting of an aggregate of 6,476,753 common shares.

Common Shares

The holders of our common shares are entitled to one vote for each share held on all matters submitted to a vote of the shareholders. Holders of our common shares are entitled to receive ratably any dividends declared by our board of directors out of funds legally available for that purpose, subject to any preferential dividend rights of any outstanding preferred shares. Our common shares have no preemptive rights, conversion rights or other subscription rights or redemption or sinking fund provisions.

In the event of our liquidation, dissolution or winding up, holders of our common shares will be entitled to share ratably in all assets remaining after payment of all debts and other liabilities and any liquidation preference of any outstanding preferred shares. The shares to be issued by us in this offering will be, when issued and paid for, validly issued, fully paid and non-assessable.

Preferred Shares

Upon the closing of this offering, our board of directors will have the authority, without further action by our shareholders, to issue an unlimited number of preferred shares in one or more series and to fix the rights, preferences, privileges and restrictions thereof. These rights, preferences and privileges could include dividend rights, conversion rights, voting rights, terms of redemption, liquidation preferences, sinking fund terms and the number of shares constituting, or the designation of, such series, any or all of which may be greater than the rights of common shares. The issuance of our preferred shares could adversely affect the voting power of holders of common shares and the likelihood that such holders will receive dividend payments and payments upon our liquidation, dissolution or winding up. In addition, the issuance of preferred shares could have the effect of delaying, deferring or preventing a change in control of our company or other corporate action. Immediately after consummation of this offering, no preferred shares will be outstanding, and we have no present plan to issue any preferred shares.

Units

Each unit being offered in this offering consists of one common share and a warrant to purchase one common share. The common shares and warrants that are part of the units are immediately separable and will be issued separately in this offering, although they will have been purchased together in this offering.

Warrants Issued in this Offering

Form. The warrants will be issued under a warrant agent agreement between us and Vstock Transfer, LLC, as warrant agent. The material terms and provisions of the warrants offered hereby are summarized below. The following description is subject to, and qualified in its entirety by, the form of warrant agent agreement and accompanying form of warrant, which is filed as an exhibit to the registration statement of which this prospectus is a part. You should review a copy of the form of warrant agent agreement and accompanying form of warrant for a complete description of the terms and conditions applicable to the warrants.

Exercisability. The warrants are exercisable immediately upon issuance and will thereafter remain exercisable at any time up to five (5) years from the date of original issuance. The warrants will be exercisable, at the option of each holder, in whole or in part by delivering to us a duly executed exercise notice accompanied by payment in full for the number of shares purchased upon such exercise (except in the case of a cashless exercise as discussed below).

Exercise Price. Each warrant represents the right to purchase one common share at an exercise price of $, assuming an initial public offering price of $ per unit (which is the midpoint of the estimated range of the initial public offering price shown on the cover page of this prospectus), equal to 125% of the initial public offering price $ per unit. The exercise price is subject to appropriate adjustment in the event of certain share dividends and distributions, stock splits, stock combinations, reclassifications or similar events affecting our common shares and also upon any distributions of assets, including cash, stock or other property to our shareholders. The warrant exercise price is also subject to anti-dilution adjustments under certain circumstances.

Cashless Exercise. If, at any time during the term of the warrants, the issuance of common shares issuable upon exercise of the warrants are not covered by an effective registration statement, the holder is permitted to effect a cashless exercise of the warrants (in whole or in part) by having the holder deliver to us a duly executed exercise notice, canceling a portion of the warrant in payment of the purchase price payable in respect of the number of common shares purchased upon such exercise.

Failure to Timely Deliver Shares. If we fail for any reason to deliver to the holder the shares subject to an exercise by the date that is the earlier of (i) two (2) trading days and (ii) the number of trading days that is the standard settlement period on our primary trading market as in effect on the date of delivery of the exercise notice, we must pay to the holder, in cash, as liquidated damages and not as a penalty, for each $1,000 of shares subject to such exercise (based on the daily volume weighted average price of our common shares on the date of the applicable exercise notice), $10 per trading day (increasing to $20 per trading day on the fifth (5^{th}) trading day after such liquidated damages begin to accrue) for each trading day after such date until such shares are delivered or the holder rescinds such exercise. In addition, if after such date the holder is required by its broker to purchase (in an open market transaction or otherwise) or the holder's brokerage firm otherwise purchases, common shares to deliver in satisfaction of a sale by the holder of the shares which the holder anticipated receiving upon such exercise, then we shall (A) pay in cash to the holder the amount, if any, by which (x) the holder's total purchase price (including brokerage commissions, if any) for the common shares so purchased exceeds (y) the amount obtained by multiplying (1) the number of shares that we were required to deliver to the holder in connection with the exercise at issue times (2) the price at which the sell order giving rise to such purchase obligation was executed, and (B) at the option of the holder, either reinstate the portion of the warrant and equivalent number of shares for which such exercise was not honored (in which case such exercise shall be deemed rescinded) or deliver to the holder the number of common shares that would have been issued had we timely complied with our exercise and delivery obligations.

Exercise Limitation. A holder will not have the right to exercise any portion of a warrant if the holder (together with its affiliates) would beneficially own in excess of 4.99% of the number of common shares outstanding immediately after giving effect to the exercise, as such percentage ownership is determined in accordance with the terms of the warrants. However, any holder may increase or decrease such percentage to any other percentage not in excess of 9.99%, provided that any increase in such percentage shall not be effective until 61 days following notice from the holder to us.

Exchange Listing. We have filed an application for the listing of the warrants offered in this offering on the Nasdaq Capital Market under the symbol "LSDIW."

Rights as a Shareholder. Except as otherwise provided in the warrants or by virtue of such holder's ownership of our common shares, the holder of a warrant does not have the rights or privileges of a holder of our common shares, including any voting rights, until the holder exercises the warrant.

Governing Law and Jurisdiction. The warrant agent agreement and warrant provide that the validity, interpretation, and performance of the warrant agent agreement and the warrants will be governed by the laws of the State of New York, without giving effect to conflicts of law principles that would result in the application of the substantive laws of another jurisdiction. In addition, the warrant agent agreement and warrant provide that any action, proceeding or claim against any party arising out of or relating to the warrant agent agreement or the warrants must be

brought and enforced in the state and federal courts sitting in the City of New York, Borough of Manhattan. Investors in this offering will be bound by these provisions. However, we do not intend that the foregoing provisions would apply to actions arising under the Securities Act or the Exchange Act.

Options

As of September 30, 2021, options to purchase 353,181 common shares at a weighted-average exercise price of $1.1094 (CAD$1.4226) per share were outstanding under our 2019 Stock Option Plan.

Warrants

As of September 30, 2021, warrants to purchase 3,906,209 of our common shares at an exercise price of $1.6092 (CAD$2.16) per share were outstanding, which warrants were not granted pursuant to a benefits plan. In December 2021, we issued 3,477,919 common shares upon the exercise of certain of our outstanding warrants, and as of December 31, 2021, warrants to purchase 428,290 common shares at a weighted-average exercise price of $1.6092 per share were outstanding.

Warrants held by affiliates of Origo Holdings, Inc., or the Origo Holders, contain registration rights as described herein. We refer herein to the warrants as the Origo Warrants. In the event that we register or intend to register under the Securities Act, or qualify for distribution in Canada under applicable Canadian securities laws, any of our common shares or other securities, or if we grant any demand or piggyback registration rights to any other holder of our securities, we are required to offer to the holder(s) of the Origo Warrants the ability to register the Origio Shares common shares underlying the Origo Warrants on no less favorable terms or conditions and/or to enter into an agreement on customary terms granting such holder(s) registration rights on a pari passu basis, as applicable. These registration rights do not apply to our initial public offering unless we also register for resale in such initial public offering common shares owned by other shareholders.

For so long as any of the Origo Warrants are outstanding or any time the Origo Holders collectively own 10% or more of the our outstanding common shares, the Origo Holders have the right to appoint 40% of the members of our board of directors.

Representative's Warrants

Upon completion of this offering, EF Hutton, division of Benchmark Investments, LLC, as representative of the underwriters, will receive warrants for the purchase of common shares at an exercise price of $. See "Underwriting" for the terms of the warrants.

Convertible Notes

In May 2021, we issued convertible promissory notes to certain accredited investors in the aggregate principal amount of $325,000. The notes bear interest at 8% per annum and have a maturity date of 6 months.

Between June 29, 2021 and December 28, 2021, we issued unsecured convertible notes with an aggregate face value of $2,379,500 which bear an interest rate of 8% per annum. The convertible notes are automatically convertible into common shares at a 40% discount to the price of an initial public offering and mature on the date that is two years after the date of issuance thereof.

Limitations of Liability and Indemnification

See "Executive and Director Compensation — Limitations on Liability and Indemnification Matters."

Exchange Listing

We have applied to list our common shares and warrants on the Nasdaq Capital Market under the symbol "LSDI and "LSDIW," respectively.

Transfer Agent and Registrar

Upon the completion of this offering, the transfer agent and registrar for our common shares will be VStock Transfer, LLC. The transfer agent and registrar's address is 18 Lafayette Place, Woodmere, New York 11598.

SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, there has been no public market for our common shares. Future sales of substantial amounts of our common shares in the public market after this offering, or the perception that those sales may occur, could adversely affect the prevailing market price for our common shares. Furthermore, since only a limited number of shares will be available for sale shortly after this offering because of contractual and legal restrictions on resale described below, sales of substantial amounts of common shares in the public market after the restrictions lapse could adversely affect the prevailing market price of our common shares as well as our ability to raise equity capital in the future. Furthermore, although we have applied to have our common shares listed on Nasdaq, we cannot assure you that there will be an active public trading market for our common shares.

Upon the closing of this offering, based on the number of our common shares outstanding as of September 30, 2021 and after giving effect to (i) the conversion of our outstanding convertible notes into an aggregate of common shares upon the completion of this offering, assuming an initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover page of this prospectus and (ii) the filing and effectiveness on December 1, 2021 of our articles of the Corporation, pursuant to which, among other things, all of our outstanding Class A common shares and Class B common shares will convert into a single class of common shares, we will have an aggregate of common shares outstanding (or common shares if the underwriters exercise in full their option to purchase additional shares). Of these common shares, all of the shares sold in this offering will be freely tradable without restriction or further registration under the Securities Act, except for any shares purchased by our "affiliates," as that term is defined in Rule 144 under the Securities Act, whose sales would be subject to the Rule 144 resale restrictions described below, other than the holding period requirement.

All remaining common shares held by existing stockholders immediately prior to the consummation of this offering will be "restricted securities," as such term is defined in Rule 144 under the Securities Act. These restricted securities are eligible for public sale only if they are registered under the Securities Act or if they qualify for an exemption from registration under Rules 144 or 701 under the Securities Act, which are summarized below. We expect that substantially all of these shares will be subject to the 180-day lock-up period under the lock-up agreements described below. Upon expiration of the lock-up period, we estimate that approximately shares will be available for sale in the public market, subject in some cases to applicable volume limitations under Rule 144.

In addition, of the common shares that were subject to stock options outstanding as of September 30, 2021, options to purchase common shares were vested as of September 30, 2021 and, upon exercise, these shares will be eligible for sale subject to the lock — up agreements described below and Rules 144 and 701 under the Securities Act.

Lock-Up Agreements

We and each of our directors and executive officers and holders of 5% or more of our outstanding capital stock, who will collectively own common shares upon the closing of this offering (based on our shares outstanding as of September 30, 2021 and after giving effect to (i) the conversion of all of our outstanding Class A common shares and Class B common shares into a single class of common shares, consisting of an aggregate of 6,476,753 common shares, (ii) the exercise of certain of our outstanding warrants for an aggregate of 3,477,919 common shares in December 2021, (iii) the conversion of certain of our outstanding convertible notes into an aggregate of 170,804 common shares in December 2021, and (iv) the conversion of our outstanding convertible notes into an aggregate of common shares, and is based on assumed initial public offering price of $ per unit, which is the midpoint of the estimated offering price range set forth on the cover page of this prospectus, in each case immediately prior to the closing of this offering, have agreed, subject to certain exceptions, not to offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any common shares or securities convertible into, exchangeable for, exercisable for, or repayable with common shares, or enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of our common shares, whether any transaction described above is to be settled by delivery of our common shares or such other securities, in cash or otherwise, for 180 days after the date of this prospectus without first obtaining the written consent of EF Hutton. EF Hutton may waive these restrictions as to some or all of the securities subject to these lock-up agreements at any time in their sole discretion.

Upon the expiration of the lock-up period, substantially all of the shares subject to such lock-up restrictions will become eligible for sale, subject to the limitations discussed above. For a further description of these lock-up agreements, please see “Underwriting.”

Rule 144

Affiliate Resales of Restricted Securities

In general, beginning 90 days after the effective date of the registration statement of which this prospectus is a part, a person who is an affiliate of ours, or who was an affiliate at any time during the 90 days before a sale, who has beneficially owned common shares for at least six months would be entitled to sell a number of restricted shares within any three-month period that does not exceed the greater of:

- 1% of the number of common shares then outstanding, which will equal approximately common shares immediately after this offering; or
- the average weekly trading volume in common shares on the Nasdaq Capital Market during the four calendar weeks preceding the filing of a notice on Form 144 with respect to such sale.

Sales of restricted shares under Rule 144 held by our “affiliates” are also subject to requirements regarding the manner of sale, notice and the availability of current public information about us. Rule 144 also provides that affiliates relying on Rule 144 to sell common shares that are not restricted shares must nonetheless comply with the same restrictions applicable to restricted shares, other than the holding period requirement. In addition, if the number of shares being sold under Rule 144 by an affiliate during any three-month period exceeds 5,000 shares or has an aggregate sale price in excess of $50,000, the seller must file a notice form on Form 144 with the SEC and Nasdaq concurrently with either the placing of a sale order with the broker or the execution directly with a market maker.

Non-Affiliate Resales of Restricted Securities

In general, beginning 90 days after the effective date of the registration statement of which this prospectus is a part, any person who is not an affiliate of ours at the time of sale, and has not been an affiliate at any time during the three months preceding a sale, and who has beneficially owned common shares for at least six months but less than a year, is entitled to sell such shares subject only to the availability of current public information about us. If such person has held our shares for at least one year, such person can resell under Rule 144(b)(1) without regard to any Rule 144 restrictions, including the 90-day public company requirement and the current public information requirement.

Non-affiliate resales are not subject to the manner of sale, volume limitation or notice filing provisions of Rule 144.

Notwithstanding the availability of Rule 144, the holders of substantially all of our restricted securities have entered into lock-up agreements as referenced above and their restricted securities will become eligible for sale (subject to the above limitations under Rule 144) upon the expiration of the restrictions set forth in those agreements.

Rule 701

Rule 701 generally provides that, once we have been subject to the public company reporting requirements of Section 13 or Section 15(d) of the Exchange Act for at least 90 days, a shareholder who purchased common shares pursuant to a written compensatory benefit plan or contract and who is not deemed to have been one of our affiliates at any time during the preceding 90 days may sell such shares (to the extent such shares are not subject to a lock-up agreement) in reliance upon Rule 144 without complying with the current public information or holding period conditions of Rule 144. Rule 701 also provides that a shareholder who purchased common shares pursuant to a written compensatory benefit plan or contract and who is deemed to have been one of our affiliates during the preceding 90 days may sell such shares under Rule 144 without complying with the holding period condition of

Rule 144 (subject to the lock-up agreement referred to above, if applicable). However, all shareholders who purchased common shares pursuant to a written compensatory benefit plan or contract are required to wait until 90 days after the date of this prospectus before selling such shares pursuant to Rule 701 (subject to the lock-up agreement referred to above, if applicable).

Equity Plans

In connection with this offering, we intend to file a registration statement on Form S-8 under the Securities Act covering all of the common shares subject to outstanding options and the common shares reserved for issuance under our stock plans. We expect to file this registration statement as soon as permitted under the Securities Act. However, the shares registered on Form S-8 may be subject to the volume limitations and the manner of sale, notice and public information requirements of Rule 144 and will not be eligible for resale until expiration of the lock-up agreements to which they are subject.

COMPARISON OF BRITISH COLUMBIA LAW AND DELAWARE LAW

We are governed by the Business Corporations Act (British Columbia), or the BCBCA. Significant differences between the BCBCA and the General Corporation Law of the State of Delaware, or the DGCL, which governs companies incorporated in the State of Delaware, include the following:

Capital Structure

Delaware	***British Columbia***
Under the DGCL, the certificate of incorporation must set forth the total number of shares of stock which the corporation shall have authority to issue and the par value of each of such shares, or a statement that the shares are to be without par value.	As permitted by the BCBCA and our articles that will be effective following the completion of this offering, our authorized share capital consists of (i) an unlimited number of common shares without par value, with special rights and restrictions attached and (ii) an unlimited number of preferred shares without par value, issuable in series, with special rights and restrictions attached.

Dividends

Delaware	***British Columbia***
The DGCL generally provides that, subject to certain restrictions, the directors of a corporation may declare and pay dividends upon the shares of its capital stock either out of the corporation's surplus (as defined in the DGCL) or, if there is no such surplus, out of its net profits for the fiscal year in which the dividend is declared and/or the preceding fiscal year. Further, the holders of preferred or special stock of any class or series shall be entitled to receive dividends at such rates, on such conditions and at such times as stated in the certificate of incorporation or in the resolution or resolutions providing for the issue of such stock adopted by the board of directors, payable in preference to, or in such relation to, the dividends payable on any other class or classes or of any other series of stock.	Under the BCBCA, dividends may be declared at the discretion of the board of directors. Any dividends declared shall be subject to the rights, if any, of shareholders holding shares with special rights as to dividends. Dividends may not be declared if there are reasonable grounds for believing that the company is insolvent or the payment of such dividends would render the company insolvent.

Number and Election of Directors

Delaware	***British Columbia***
Under the DGCL, the board of directors must consist of at least one person, and the number of directors is generally fixed by, or in the manner provided in, the by-laws of the corporation, unless the certificate of incorporation fixes the number of directors, in which case a change in the number of directors shall be made only by amendment of the certificate. The Board may be divided into three classes of directors, with one-third of the directors subject to election by the stockholder each year after such classification becomes effective.	Under the BCBCA, a company must have at least one director and, in the case of a public company, must have at least three directors. Our articles permit our board of directors to set the number of directors. Succeeding directors must be elected and appointed in accordance with the BCBCA and the articles of the company.

Removal of Directors

Delaware	*British Columbia*
Under the DGCL, any or all directors may be removed with or without cause by the holders of a majority of shares entitled to vote at an election of directors unless the certificate of incorporation otherwise provides or in certain other circumstances if the corporation has cumulative voting.	As permitted under the BCBCA, our articles provide that a director may be removed before the expiration of the director's term by a special resolution of shareholders. Our articles also provide that the directors may remove any director before the expiration of such director's term if the director is convicted of an indictable offence or if the director ceases to be qualified to act as a director.

Vacancies on the Board of Directors

Delaware	*British Columbia*
Under the DGCL, unless otherwise provided in the certificate of incorporation or the by-laws, vacancies and newly created directorships resulting from an increase in the authorized number of directors elected by all of the stockholders having the right to vote as a single class, may be filled by a majority of the directors then in office, although less than a quorum, or by a sole remaining director.	Under the BCBCA, filling vacancies on the board of directors will depend on whether a director was removed or if there is a casual vacancy. If the director was removed, the position can be filled by the shareholders at the shareholder meeting where the director is removed. If there is a casual vacancy, such vacancy can be filled by the remaining directors.

Qualifications of Directors

Delaware	*British Columbia*
Under the DGCL, directors are not required to be residents of Delaware or the United States. The certificate of incorporation or by-laws may prescribe other qualifications for directors.	Under the BCBCA, there are four criteria for a person to be qualified as a director. The director must (i) be 18 years of age or older, (ii) be capable of managing the director's own affairs, (iii) have no undischarged bankruptcy and (iv) not be convicted of an offence in connection with the promotion, formation or management of a corporation or unincorporated business or of an offence involving fraud. Directors are not required to be residents of British Columbia or Canada.

Board of Director Quorum and Vote Requirements

Delaware	*British Columbia*
Under the DGCL, a majority of the total number of directors shall constitute a quorum for the transaction of business unless the certificate of incorporation or by-laws require a greater number. The by-laws may lower the number of directors required for a quorum to one-third of the total number of directors, but no less.	The BCBCA does not set out any requirements for a meeting of directors, except that minutes must be kept of all proceedings at meetings of directors or committees of directors. The articles of a company may set out requirements and quorum for board meetings.

Transactions with Directors and Officers

Delaware	*British Columbia*
The DGCL generally provides that no contract or transaction between a corporation and one or more of its directors or officers, or between a corporation and any other corporation or other organization in which one or more of its directors or officers, are directors or officers, or have a financial interest, shall be void or voidable solely for this reason, or solely because the director or officer is present at or participates in the meeting of the board or committee which authorizes the contract or transaction, or solely because any such director's or officer's votes are counted for such purpose, if (i) the material facts as to the director's or officer's relationship or interest and as to the contract or transaction are disclosed or are known to the board of directors or the committee, and the board or committee in good faith authorizes the contract or transaction by the affirmative votes of a majority of the disinterested directors, even though the disinterested directors be less than a quorum; (ii) the material facts as to the director's or officer's relationship or interest and as to the contract or transaction are disclosed or are known to the stockholders entitled to vote thereon, and the contract or transaction is specifically approved in good faith by vote of the stockholders; or (iii) the contract or transaction is fair as to the corporation as of the time it is authorized, approved or ratified, by the board of directors, a committee or the stockholders.	Subject to certain exceptions, the BCBCA provides that a director or senior officer of a company holds a disclosable interest in a contract or transaction if the contract or transaction is material to the company, the company has entered, or proposes to enter, into the contract or transaction, and either of the following applies to the director or senior officer: (i) the director or senior officer has a material interest in the contract; or (ii) the director or senior officer is a director or senior officer of, or has a material interest in, a person who has a material interest in the contract or transaction. Under the BCBCA and our articles, a director who holds a disclosable interest in a contract or transaction may not vote on any directors' resolution to approve such contract or transaction unless all directors have a disclosable interest, in which case any or all of the directors may vote. Excluded directors will, however, count for the purposes of quorum. A director or senior officer is liable to account to the company for any profit that accrues to the director or senior officer under or as a result of the interested contract or transaction.

Limitation on Liability of Directors

Delaware	*British Columbia*
The DGCL permits a corporation to include a provision in its certificate of incorporation eliminating or limiting the personal liability of a director to the corporation or its stockholders for monetary damages for a breach of the director's fiduciary duty as a director, except for liability: • for breach of the director's duty of loyalty to the corporation or its stockholders; • for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of the law; • under Section 174 of the DGCL, which concerns unlawful payment of dividends, stock purchases or redemptions; or • for any transaction from which the director derived an improper personal benefit.	Under the BCBCA, a director of a company is jointly and severally liable to restore to the company any amount paid or distributed as a result of paying dividends, commissions and compensation, among other things, contrary to the BCBCA. A director will not be found liable if the director relied, in good faith, on (i) financial statements of the company represented to the director by an officer of the company or in a written report of the auditor of the company, (ii) a written report of a lawyer, accountant, engineer, appraiser or other person whose profession lends credibility, (iii) a statement of fact represented to the director by an officer of the company or any record, information or (iv) a representation that the court considers provides reasonable grounds for the actions of the director. Further, any director is not liable if the director did not know and could not reasonably have known that the act done by the director or authorized by resolution voted for or consented to by the director was contrary to the BCBCA.

Indemnification of Directors and Officers

Delaware	*British Columbia*
Under the DGCL, a corporation may indemnify any person who is made a party to any third-party action, suit or proceeding by reason of the fact that such person is or was a director, officer, employee or agent of the corporation (or is or was serving at the request of the corporation in such capacity for another corporation, partnership, joint venture, trust or other enterprise) against expenses, including attorney's fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with the action, suit or proceeding through, among other methods of approval, a majority vote of a quorum consisting of directors who were not parties to the suit or proceeding, if the person: • acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation; and • with respect to a criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful. The DGCL permits indemnification for derivative actions or suits against expenses (including legal fees) for the same set of persons entitled to indemnity for third party suits if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the corporation, and only if the person is not found liable to the corporation, unless a court determines despite the adjudication of liability but in view of all the circumstances of the case, the person is fairly and reasonably entitled to indemnity for such expenses that the court shall deem proper.	Our articles provide that we must indemnify all eligible parties (which includes our current and former directors and officers), and such person's heirs and legal personal representatives, as set out in the BCBCA, against all eligible penalties to which such person is or may be liable, and we must, after the final disposition of an eligible proceeding, pay the expenses actually and reasonably incurred by such person in respect of that proceeding. Each director is deemed to have contracted with us on the terms of indemnity contained in our articles. In addition, we may indemnify any other person in accordance with the BCBCA.

Call and Notice of Stockholder Meetings

Delaware

Under the DGCL, a stockholder meeting is held on such date, at such time and at such place as designated by or in the manner provided in the corporation's certificate of incorporation or by-laws or if not so designated, as determined by the board of directors.

If an annual meeting for election of directors is not held on the date designated or an action by written consent to elect directors in lieu of an annual meeting has not been taken within 30 days after the date designated for the annual meeting, or if no date has been designated, for a period of 13 months after the later of the last annual meeting or the last action by written consent to elect directors in lieu of an annual meeting, the Delaware Court of Chancery may summarily order a meeting to be held upon the application of any stockholder or director.

Special meetings of the stockholders may be called by the board of directors or by such person or persons as may be authorized by the certificate of incorporation or by the by-laws.

British Columbia

In accordance with the BCBCA, our articles provide that an annual general meeting must be held at least once in each calendar year, and not more than 15 months after the last annual reference date, at such time and place as may be determined by the directors. An annual meeting of shareholders may be held at a location outside British Columbia if the location for the meeting is provided for in the articles or, if the articles do not restrict the company from holding a meeting outside of British Columbia, at a location approved as required by the articles (and if not so specified then as approved by ordinary resolution of the shareholders). Our articles permit the directors to approve a location for the annual general meeting that is outside of British Columbia. We must provide notice of the annual general meeting to each shareholder entitled to attend the meeting, to each director and to the auditor of the company at least 21 days but not more than two months before the meeting date.

Under our articles, our directors have the power at any time to call a meeting of shareholders. Under the BCBCA, the holders of not less than 5% of the issued shares of a company that carry the right to vote at a general meeting may requisition the directors to call a meeting of shareholders.

Stockholder Action by Written Consent

Delaware

Under the DGCL, unless otherwise provided by the corporation's certificate of incorporation, the stockholders of a corporation may act by written consent without a meeting if such consent is signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted.

British Columbia

Under the BCBCA, shareholders may act by written resolution signed by all the shareholders entitled to vote on that resolution at a meeting of shareholders.

Stockholder Nominations and Proposals

Delaware

Under the DGCL, the by-laws of a corporation may include provisions respecting the nomination of directors or proposals by stockholders, including requirements for advance notice to the corporation.

British Columbia

Under the BCBCA, a person submitting a proposal must have been the registered or beneficial owner of one or more voting shares for an uninterrupted period of at least two years before the date of the signing of the proposal. In addition, the proposal must be signed by shareholders who, together with the submitter, are registered or beneficial owners of (i) at least 1% of the company's voting shares, or (ii) shares with a fair market value exceeding an amount prescribed by regulation. Our articles will contain advance notice provisions respecting the nomination of directors.

Stockholder Quorum and Vote Requirements

Delaware	*British Columbia*
Under the DGCL, a majority of the shares entitled to vote, present in person or represented by proxy, shall constitute a quorum at the meeting of stockholders unless the certificate of incorporation or by-laws specify a different quorum requirement, but in no event may a quorum consist of less than one-third of the shares entitled to vote at the meeting. Unless the DGCL, certificate of incorporation or by-laws provide for different vote requirement, generally the required vote under the DGCL is the affirmative vote of the majority of shares present in person or represented by proxy at the meeting and entitled to vote on the subject matter, except generally the required vote under the DGCL, for the election of directors is a plurality of the votes of the shares present in person or represented by proxy at the meeting and entitled to vote on the election of directors.	As permitted under the BCBCA, our articles provide that a quorum for general meetings of shareholders is two persons present and being, or representing by proxy, shareholders holding at least a majority of the issued shares entitled to be voted at the meeting. Unless the BCBCA or articles provide for a greater vote, generally the required vote under the BCBCA is a majority of the votes cast by the shareholders who voted in respect of that resolution.

Amendment of Governing Instrument

Delaware	*British Columbia*
Amendment of Certificate of Incorporation. Generally, under the DGCL, following the adoption of an amendment to the certificate of incorporation, a declaration of the amendment's advisability and a submission of the amendment to the corporation's stockholders by the board of directors of the corporation, the affirmative vote of the holders of a majority of the outstanding stock entitled to vote thereon is required to adopt and approve a proposed amendment to the certificate of incorporation, provided that the certificate of incorporation may provide for a greater vote to amend the certificate of incorporation. Under the DGCL, holders of outstanding shares of a class or series are entitled to vote separately on an amendment to the certificate of incorporation if the amendment would have certain consequences, including changes that adversely affect the special rights, powers and preferences of such class or series. *Amendment of By-laws*. Under the DGCL, after a corporation has received any payment for any of its stock, the power to adopt, amend or repeal by-laws shall be vested in the stockholders entitled to vote; provided, however, that any corporation may, in its certificate of incorporation, provide that by-laws may be adopted, amended or repealed by the board of directors. The fact that such power has been conferred upon the board of directors shall not divest the stockholders of the power nor limit their power to adopt, amend or repeal the by-laws.	As permitted by the BCBCA, under our articles, any amendment to the notice of articles or articles generally requires approval by a special resolution of the shareholders. In the event that an amendment to the articles would prejudice or interfere with a right or special right attached to issued shares of a class or series of shares, such amendment must be approved separately by the holders of the class or series of shares being affected by a special resolution.

Votes on Mergers, Consolidations and Sales of Assets

Delaware	*British Columbia*
The DGCL provides that, unless otherwise provided in the certificate of incorporation or by-laws, the adoption of a merger agreement requires the approval of a majority of the outstanding stock of the corporation entitled to vote thereon.	Under the BCBCA, certain extraordinary corporate actions, such as continuances, certain amalgamations, sales, leases or other dispositions of all, or substantially all of, the undertaking of a company (other than in the ordinary course of business), liquidations, dissolutions and certain arrangements, are required to be approved by a special resolution of shareholders.

Dissenter's Rights of Appraisal

Delaware	*British Columbia*
Under the DGCL, a stockholder of a Delaware corporation generally has the right to dissent from and request payment for the stockholders shares upon a merger or consolidation in which the Delaware corporation is participating, subject to specified procedural requirements, including that such dissenting stockholder does not vote in favor of the merger or consolidation. However, the DGCL does not confer appraisal rights, in certain circumstances, including if the dissenting stockholder owns shares listed on a national securities exchange and will receive shares listed on a national securities exchange in the merger or consolidation. Under the DGCL, a stockholder asserting appraisal rights does not receive any payment for his or her shares until a court determines the fair value or the parties otherwise agree to a value. The costs of the proceeding may be determined by the court and assessed against the parties as the court deems equitable under the circumstances.	Under the BCBCA, a shareholder, whether or not the shareholder's shares carry the right to vote, is entitled to dissent in respect of a resolution to: (i) alter the company's articles to alter restrictions on the powers of the company or on the business the company is permitted to carry on; (ii) adopt an amalgamation agreement; (iii) approve an arrangement; (iv) authorize or ratify the sale, lease or other disposition of all or substantially all of the company's undertaking; and (v) authorize the continuation of the company into a jurisdiction other than British Columbia. A shareholder is also entitled to dissent in respect of any court order that permits dissent and in respect of any other resolution if dissent is authorized by the resolution. A shareholder asserting dissent rights is entitled, subject to specified procedural requirements, including objecting to the action giving rise to dissent rights and making a proper demand for payment, to be paid by the company the fair value of the shares in respect of which the shareholder dissents. Under the BCBCA, if the shareholder and the company do not agree on the fair value for the shareholder's shares, the company or the dissenting shareholder may apply to a court to fix a fair value for the shares.

Anti-Takeover and Ownership Provisions

Delaware	*British Columbia*
Unless an issuer opts out of the provisions of Section 203 of the DGCL, Section 203 generally prohibits a Delaware corporation that has a class of voting stock listed on a national securities exchange or is held of record by more than 2,000 stockholders from engaging in a "business combination" (as defined in Section 203) with, among others, a holder of 15% or more of the corporation's outstanding voting stock (as defined in Section 203), referred to as an interested stockholder, for a period of three years after the time that the interested stockholder became an interested stockholder, except as otherwise provided in Section 203. For these purposes, the term "business combination" includes mergers, asset sales and other similar transactions with an interested stockholder.	The BCBCA contains no restriction on adoption of a shareholder rights plan. The BCBCA does not restrict related party transactions; however, in Canada, takeover bids and related party transactions are addressed in provincial securities legislation and policies.

Inspection of Books and Records

Delaware	*British Columbia*
Under the DGCL, any holder of record of stock or a person who is the beneficial owner of shares of such stock held either in a voting trust or by a nominee on behalf of such person may, upon written demand, inspect the corporation's books and records during business hours for any proper purpose and may make copies and extracts therefrom.	Under the BCBCA, specified books and records of the company must be available for inspection by any of our shareholders at the registered and records office.

Derivative Actions

Delaware	*British Columbia*
Under the DGCL, a stockholder may bring a derivative action on behalf of a corporation to enforce the corporation's rights if he or she was a stockholder at the time of the transaction which is the subject of the action. Additionally, under Delaware case law, a stockholder must have owned stock in the corporation continuously until and throughout the litigation to maintain a derivative action. Delaware law also requires that, before commencing a derivative action, a stockholder must make a demand on the directors of the corporation to assert the claim, unless such demand would be futile. A stockholder also may commence a class action suit on behalf of himself or herself and other similarly situated stockholders where the requirements for maintaining a class action have been met.	Under the BCBCA, a shareholder, defined for derivative actions to include a beneficial shareholder and any other person whom a court considers to be an appropriate person to make an application under the BCBCA, or a director of a company may, with leave of the court, bring a legal proceeding in the name and on behalf of the company to enforce an obligation owed to the company that could be enforced by the company itself, or to obtain damages for any breach of such an obligation. An applicant may also, with leave of the court, defend a legal proceeding brought against a company.

Oppression Remedy

Delaware	*British Columbia*
The DGCL does not expressly provide for a similar remedy.	The BCBCA provides an oppression remedy that enables a court to make any order, whether interim or final, to rectify matters that are oppressive or unfairly prejudicial to any shareholder, which includes a beneficial shareholder or any other person who, in the courts discretion, is a proper person to make such an application. The oppression remedy provides the court with very broad and flexible powers to intervene in corporate affairs to protect shareholders and other applicants.

MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS FOR U.S. HOLDERS

The following is a description of the material U.S. federal income tax consequences to "U.S. Holders," as defined below, of owning and disposing of our common shares. It is not a comprehensive description of all tax considerations that may be relevant to a particular person's decision to acquire securities. This discussion applies only to a U.S. Holder that is an initial purchaser of the common shares pursuant to the offering and that holds our common shares as a capital asset for tax purposes (generally, property held for investment), and does not address the effects of any U.S. federal tax laws other than U.S. federal income tax laws (such as estate and gift tax laws) or any state, local or non-U.S. tax laws. In addition, it does not describe all of the tax consequences that may be relevant in light of a U.S. Holder's particular circumstances, including state and local tax consequences, alternative minimum tax consequences, and tax consequences applicable to U.S. Holders subject to special rules, such as:

- banks, insurance companies, and certain other financial institutions;
- U.S. expatriates and certain former citizens or long-term residents of the United States;
- dealers or traders in securities who use a mark-to-market method of tax accounting;
- persons holding common shares as part of a hedging transaction, "straddle," wash sale, conversion transaction or integrated transaction or persons entering into a constructive sale with respect to common shares;
- persons whose "functional currency" for U.S. federal income tax purposes is not the U.S. Dollar;
- brokers, dealers or traders in securities, commodities or currencies;
- tax-exempt entities or government organizations;
- S corporations, partnerships, or other entities or arrangements classified as partnerships for U.S. federal income tax purposes (and investors therein);
- regulated investment companies or real estate investment trusts;
- persons who acquired our common shares pursuant to the exercise of any employee share option or otherwise as compensation;
- persons required to accelerate the recognition of any item of gross income with respect to their common shares as a result of such income being recognized on an applicable financial statement;
- persons holding our common shares in connection with a trade or business, permanent establishment, or fixed base outside the United States; and
- persons who own (directly, indirectly, or through attribution) 10% or more (by vote or value) of our outstanding common shares.

If an entity that is classified as a partnership for U.S. federal income tax purposes holds common shares, the U.S. federal income tax treatment of a partner in that partnership will generally depend on the status of the partner and the activities of the partnership. Partnerships holding common shares and partners in such partnerships are encouraged to consult their tax advisers as to the particular U.S. federal income tax consequences of holding and disposing of common shares.

This discussion is based on the Internal Revenue Code of 1986, as amended, or the Code, Treasury Regulations (whether final, temporary, or proposed), published rulings of the IRS, published administrative positions of the IRS, the Convention Between Canada and the United States of America with Respect to Taxes on Income and on Capital, signed September 26, 1980, as amended, or the "Treaty," and U.S. court decisions that are applicable, and, in each case, as in effect and available, as of the date hereof. Any of the authorities on which this summary is based could be changed in material and adverse manner at any time, and any such change could be applied retroactively. This summary does not discuss the potential effects, whether adverse or beneficial, of any proposed legislation.

A "U.S. Holder" is a holder who, for U.S. federal income tax purposes, is a beneficial owner of common shares and is:

(i) An individual who is a citizen or resident of the United States;

(ii) a corporation, or other entity taxable as a corporation, created or organized in or under the laws of the United States, any state therein or the District of Columbia;

(iii) an estate the income of which is subject to U.S. federal income taxation regardless of its source; or

(iv) a trust if (1) a U.S. court is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have authority to control all substantial decisions of the trust or (2) the trust has a valid election to be treated as a U.S. person under applicable U.S. Treasury Regulations.

PERSONS CONSIDERING AN INVESTMENT IN THE COMMON SHARES SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES APPLICABLE TO THEM RELATING TO THE ACQUISITION, OWNERSHIP AND DISPOSITION OF THE COMMON SHARES, INCLUDING THE APPLICABILITY OF U.S. FEDERAL, STATE, LOCAL AND NON-U.S. TAX LAWS, AND THE APPLICATION OF ANY TAX TREATIES.

Distributions on Common Shares

Subject to the discussion below under "PFIC rules," a U.S. Holder that receives a distribution with respect to common shares will be required to include the amount of such distribution in gross income as a dividend (without reduction for any Canadian income tax withheld from such distribution) to the extent of our current and accumulated "earnings and profits," as computed for U.S. federal income tax purposes. To the extent that a distribution exceeds our current and accumulated "earnings and profits," such distribution will be treated first as a tax-free return of capital to the extent of a U.S. Holder's tax basis in our common shares and thereafter as gain from the sale or exchange of such common shares. (See "Sale or other taxable disposition of common shares," below). However, we may not maintain the calculations of our earnings and profits in accordance with U.S. federal income tax principles, and accordingly each U.S. Holder should assume that the entirety of any distribution by us with respect to our common shares will constitute dividend income. The dividends will generally not be eligible for the dividends received deduction generally allowed to U.S. corporations.

Dividends paid to a non-corporate U.S. Holder by a "qualified foreign corporation" may be subject to reduced rates of taxation if certain holding period and other requirements are met. A qualified foreign corporation generally includes a foreign corporation if (i) its common shares are readily tradable on an established securities market in the United States or it is eligible for benefits under a comprehensive U.S. income tax treaty that includes an exchange of information program and which the U.S. Treasury has determined is satisfactory for these purposes and (ii) if such foreign corporation is not a PFIC (as discussed below) for either the taxable year in which the dividend is paid or the preceding taxable year. The common shares are expected to be readily tradable on the Nasdaq Global Market, an established securities market in the United States, and we may be eligible for the benefits of the Treaty. Accordingly, subject to the PFIC rules discussed below, a non-corporate U.S. Holder may qualify for the reduced rate on dividends so long as the applicable holding period requirements are met. U.S. Holders should consult their own tax advisors regarding the availability of the reduced tax rate on dividends in light of their particular circumstances.

Sale or Other Taxable Disposition of Common Shares

Subject to the discussion below under PFIC Rules, upon the sale or other taxable disposition of our common shares, a U.S. Holder generally will recognize capital gain or loss in an amount equal to the difference between the U.S. dollar value of cash received plus the fair market value of any property received and such U.S. Holder's tax basis in such common shares sold or otherwise disposed of. A U.S. Holder's tax basis in our common shares generally will be such holder's U.S. dollar cost for such common shares (adjusted for gains or losses previously recognized in connection with the rules applicable to PFICs, to the extent applicable, discussed below). Gain or loss recognized on such sale or other disposition generally will be long-term capital gain or loss if, at the time of the sale or other disposition, our common shares have been held for more than one year.

Preferential tax rates currently apply to long-term capital gain of a U.S. Holder that is an individual, estate, or trust. There are currently no preferential tax rates for long-term capital gain of a U.S. Holder that is a corporation. Deductions for capital losses are subject to significant limitations under the Code.

PFIC Rules

If we are classified as a passive foreign investment company, or PFIC, in any taxable year, a U.S. Holder will be subject to special rules generally intended to reduce or eliminate any benefits from the deferral of U.S. federal income tax that a U.S. Holder could derive from investing in a non-U.S. company that does not distribute all of its earnings on a current basis.

A non-U.S. corporation will be classified as a PFIC for any taxable year in which, after applying certain look-through rules, either:

- at least 75% of its gross income is passive income (such as interest income); or
- at least 50% of its gross assets (determined on the basis of a weighted quarterly average) is attributable to assets that produce passive income or are held for the production of passive income (including cash).

Based upon the current and expected composition of our income and assets, we believe that we were a PFIC for the taxable year ended June 30, 2021 and could be treated as a PFIC for the current taxable year, although we cannot provide any assurances regarding our PFIC status for any current taxable year or any future taxable years. The determination of whether we are a PFIC is a fact-intensive determination made on an annual basis applying principles and methodologies that in some circumstances are unclear and subject to varying interpretation. Our status as a PFIC depends on the composition of our income which will depend on the transactions we enter into in the future and our corporate structure. The composition of our income and assets is also affected by the spending of the cash we raise in any offering, including this offering.

If we are classified as a PFIC in any year with respect to which a U.S. Holder owns the common shares, we will continue to be treated as a PFIC with respect to such U.S. Holder in all succeeding years during which the U.S. Holder owns the common shares, regardless of whether we continue to meet the tests described above unless (i) we cease to be a PFIC and the U.S. Holder has made a “deemed sale” election under the PFIC rules, or (ii) the U.S. Holder makes a Qualified Electing Fund Election, or QEF Election, with respect to all taxable years during such U.S. Holders holding period in which we are a PFIC. If the “deemed sale” election is made, a U.S. Holder will be deemed to have sold the common shares the U.S. Holder holds at their fair market value and any gain from such deemed sale would be subject to the rules described below. After the deemed sale election, so long as we do not become a PFIC in a subsequent taxable year, the U.S. Holder’s common shares with respect to which such election was made will not be treated as shares in a PFIC and the U.S. Holder will not be subject to the rules described below with respect to any “excess distribution” the U.S. Holder receives from us or any gain from an actual sale or other disposition of the common shares. U.S. Holders should consult their tax advisors as to the possibility and consequences of making a deemed sale election if we cease to be a PFIC and such election becomes available.

For each taxable year we are treated as a PFIC with respect to U.S. Holders, U.S. Holders will be subject to special tax rules with respect to any “excess distribution” such U.S. Holder receives and any gain such U.S. Holder recognizes from a sale or other disposition (including, under certain circumstances, a pledge) of common shares, unless (i) such U.S. Holder makes a QEF Election or (ii) our common shares constitute “marketable” securities, and such U.S. Holder makes a mark-to-market election as discussed below. Distributions a U.S. Holder receives in a taxable year that are greater than 125% of the average annual distributions a U.S. Holder received during the shorter of the three preceding taxable years or the U.S. Holder’s holding period for the common shares will be treated as an excess distribution. Under these special tax rules:

- the excess distribution or gain will be allocated ratably over a U.S. Holder’s holding period for the common shares;
- the amount allocated to the taxable year of disposition or distribution, and any taxable year prior to the first taxable year in which we became a PFIC, will be treated as ordinary income; and

- the amount allocated to each other year will be subject to the highest tax rate in effect for that year for individuals or corporations, as appropriate, and the interest charge generally applicable to underpayments of tax will be imposed on the resulting tax attributable to each such year.

The tax liability for amounts allocated to years prior to the year of disposition or "excess distribution" cannot be offset by any net operating losses for such years, and gains (but not losses) realized on the sale of the common shares cannot be treated as capital, even if a U.S. Holder holds the common shares as capital assets.

If we are a PFIC, a U.S. Holder will generally be subject to similar rules with respect to distributions we receive from, and our dispositions of the stock of, any of our direct or indirect subsidiaries that also are PFICs, as if such distributions were indirectly received by, and/or dispositions were indirectly carried out by, such U.S. Holder. U.S. Holders should consult their tax advisors regarding the application of the PFIC rules to our subsidiaries.

Certain elections exist that may alleviate some of the adverse consequences of PFIC status and would result in an alternative treatment of the common shares. A U.S. Holder may avoid the general tax treatment for PFICs described above by making the QEF Election for each of the taxable years during the U.S. Holder's holding period that we are a PFIC.

If a U.S. Holder makes a QEF election with respect to a PFIC, it will be taxed currently on its pro rata share of the PFIC's ordinary earnings and net capital gain (at ordinary income and capital gain rates, respectively) for each taxable year that the entity is a PFIC, even if no distributions were received. Any distributions we make out of our earnings and profits that were previously included in such a U.S. Holder's income under the QEF election would not be taxable to such U.S. Holder. Such U.S. Holder's tax basis in its common shares would be increased by an amount equal to any income included under the QEF election and decreased by any amount distributed on the common shares that is not included in its income. In addition, a U.S. Holder will recognize capital gain or loss on the disposition of its common shares in an amount equal to the difference between the amount realized and its adjusted tax basis in the common shares, each as determined in U.S. dollars. Once made, a QEF election remains in effect unless invalidated or terminated by the IRS or revoked by the shareholder. A QEF election can be revoked only with the consent of the IRS. However, U.S. Holders should be aware that there can be no assurance that we will satisfy the record keeping requirements that apply to a QEF, or that we will supply U.S. Holders with information that such U.S. Holders require to report under the QEF election rules, in the event that we are a PFIC and a U.S. Holder wishes to make a QEF election. Thus, U.S. Holders may not be able to make a QEF Election with respect to their common shares. Each U.S. Holder should consult its tax advisor regarding the availability of, and procedure for making, any deemed gain, deemed dividend or QEF Election.

U.S. Holders can avoid the interest charge on excess distributions or gain relating to the common shares by making a mark-to-market election with respect to the common shares, provided that the common shares are "marketable." Common shares will be marketable if they are "regularly traded" on certain U.S. stock exchanges or on a foreign stock exchange that meets certain conditions. For these purposes, the common shares will be considered regularly traded during any calendar year during which they are traded, other than in de minimis quantities, on at least 15 days during each calendar quarter. Any trades that have as their principal purpose meeting this requirement will be disregarded. We expect that following the closing of this offering, our common shares will be regularly traded on the Nasdaq Global Market which is a qualified exchange for these purposes. However, there can be no assurance that our common shares will be regularly traded in subsequent calendar quarters. U.S. Holders should consult their own tax advisors as to whether a mark-to-market election is available or advisable with respect to the common shares.

A U.S. Holder that makes a mark-to-market election must include in ordinary income for each year an amount equal to the excess, if any, of the fair market value of the common shares at the close of the taxable year over the U.S. Holder's adjusted tax basis in the common shares. An electing holder may also claim an ordinary loss deduction for the excess, if any, of the U.S. Holder's adjusted basis in the common shares over the fair market value of the common shares at the close of the taxable year, but this deduction is allowable only to the extent of any net mark-to-market gains for prior years. Gains from an actual sale or other disposition of the common shares will be treated as ordinary income, and any losses incurred on a sale or other disposition of the shares will be treated as an ordinary loss to the extent of any net mark-to-market gains for prior years. Once made, the election cannot be revoked without the consent of the Internal Revenue Service, or the IRS, unless the common shares cease to be marketable.

However, a mark-to-market election generally cannot be made for equity interests in any lower-tier PFICs that we own, unless shares of such lower-tier PFIC are themselves "marketable." As a result, even if a U.S. Holder validly makes a mark-to-market election with respect to our common shares, the U.S. Holder may continue to be subject to the PFIC rules (described above) with respect to its indirect interest in any of our investments that are treated as an equity interest in a PFIC for U.S. federal income tax purposes. U.S. Holders should consult their tax advisors to determine whether any of these elections would be available and if so, what the consequences of the alternative treatments would be in their particular circumstances.

Unless otherwise provided by the U.S. Treasury, each U.S. shareholder of a PFIC is required to file an annual report containing such information as the U.S. Treasury may require. A U.S. Holder's failure to file the annual report will cause the statute of limitations for such U.S. Holder's U.S. federal income tax return to remain open with regard to the items required to be included in such report until three years after the U.S. Holder files the annual report, and, unless such failure is due to reasonable cause and not willful neglect, the statute of limitations for the U.S. Holder's entire U.S. federal income tax return will remain open during such period. U.S. Holders should consult their tax advisors regarding the requirements of filing such information returns under these rules.

WE STRONGLY URGE YOU TO CONSULT YOUR TAX ADVISOR REGARDING THE APPLICATION OF THE PFIC RULES TO YOUR INVESTMENT IN THE COMMON SHARES.

Additional Considerations

Additional Tax on Passive Income

Certain U.S. Holders that are individuals, estates or trusts (other than trusts that are exempt from tax) will be subject to a 3.8% tax on all or a portion of their "net investment income," which may include dividend income and net gains from the disposition of our common shares. Further, excess distributions treated as dividends, gains treated as excess distributions, and Mark-to-Market inclusions and deductions may all be included in the calculation of net investment income. U.S. Holders that are individuals, estates or trusts should consult their own tax advisors regarding the applicability of this tax to any of their income or gains in respect of our common shares.

Receipt of Foreign Currency

The amount of any distribution paid to a U.S. Holder in foreign currency, or on the sale, exchange or other taxable disposition of our common shares generally will be equal to the U.S. dollar value of such foreign currency based on the exchange rate applicable on the date of receipt (regardless of whether such foreign currency is converted into U.S. dollars at that time). A U.S. Holder will have a basis in the foreign currency equal to its U.S. dollar value on the date of receipt. Any U.S. Holder who converts or otherwise disposes of the foreign currency after the date of receipt may have a foreign currency exchange gain or loss that would be treated as ordinary income or loss, and generally will be U.S. source income or loss for foreign tax credit purposes. Different rules apply to U.S. Holders who use the accrual method. Each U.S. Holder should consult its U.S. tax advisors regarding the U.S. federal income tax consequences of receiving, owning, and disposing of foreign currency.

Foreign Tax Credit

Subject to the PFIC rules discussed above, a U.S. Holder generally may claim the amount of Canadian withholding tax withheld either as a deduction from gross income or as a credit against U.S. federal income tax liability. Generally, a credit will reduce a U.S. Holder's U.S. federal income tax liability on a dollar-for-dollar basis, whereas a deduction will reduce a U.S. Holder's income that is subject to U.S. federal income tax. This election is made on a year-by-year basis and applies to all foreign taxes paid (whether directly or through withholding) by a U.S. Holder during a year.

Complex limitations apply to the foreign tax credit, including the general limitation that the credit cannot exceed the proportionate share of a U.S. Holder's U.S. federal income tax liability that such U.S. Holder's "foreign source" taxable income bears to such U.S. Holder's worldwide taxable income. In applying this limitation, a U.S. Holder's various items of income and deduction must be classified, under complex rules, as either "foreign source" or "U.S. source." Generally, dividends paid by a foreign corporation should be treated as foreign source for this purpose, and gains recognized on the sale of shares of a foreign corporation by a U.S. Holder should be treated as U.S. source for this purpose, except as otherwise provided in an applicable income tax treaty, and if an election is properly made under

the Code. However, the amount of a distribution that is treated as a "dividend" may be lower for U.S. federal income tax purposes than it is for Canadian federal income tax purposes, resulting in a reduced foreign tax credit allowance to a U.S. Holder. In addition, this limitation is calculated separately with respect to specific categories of income. The foreign tax credit rules are complex, and each U.S. Holder should consult its U.S. tax advisors regarding the foreign tax credit rules.

Backup Withholding and Information Reporting

Under U.S. federal income tax law, certain categories of U.S. Holders must file information returns with respect to their investment in, or involvement in, a foreign corporation. For example, U.S. return disclosure obligations (and related penalties) are imposed on individuals who are U.S. Holders that hold certain specified foreign financial assets in excess of certain thresholds. The definition of specified foreign financial assets includes not only financial accounts maintained in foreign financial institutions, but also, unless held in accounts maintained by a financial institution, any shares or security issued by a non-U.S. person, any financial instrument or contract held for investment that has an issuer or counterparty other than a U.S. person and any interest in a foreign entity. U.S. Holders may be subject to these reporting requirements unless their common shares are held in an account at certain financial institutions. Penalties for failure to file certain of these information returns are substantial. U.S. Holders should consult with their own tax advisors regarding the requirements of filing information returns, including the requirement to file an IRS Form 8938.

Payments made within the U.S., or by a U.S. payor or U.S. middleman, of dividends on, and proceeds arising from the sale or other taxable disposition of, our common shares will generally be subject to information reporting and backup withholding tax, currently at a rate of 24%, if a U.S. Holder (a) fails to furnish such U.S. Holder's correct U.S. taxpayer identification number (generally on IRS Form W-9), (b) furnishes an incorrect U.S. taxpayer identification number, (c) is notified by the IRS that such U.S. Holder has previously failed to properly report items subject to backup withholding tax, or (d) fails to certify, under penalty of perjury, that such U.S. Holder has furnished its correct U.S. taxpayer identification number and that the IRS has not notified such U.S. Holder that it is subject to backup withholding tax. However, certain exempt persons generally are excluded from these information reporting and backup withholding rules. Backup withholding is not an additional tax. Any amounts withheld under the U.S. backup withholding tax rules will be allowed as a credit against a U.S. Holder's U.S. federal income tax liability, if any, or will be refunded, if such U.S. Holder furnishes required information to the IRS in a timely manner.

The discussion of reporting requirements set forth above is not intended to constitute a complete description of all reporting requirements that may apply to a U.S. Holder. A failure to satisfy certain reporting requirements may result in an extension of the time period during which the IRS can assess a tax, and, under certain circumstances, such an extension may apply to assessments of amounts unrelated to any unsatisfied reporting requirement. Each U.S. Holder should consult its own tax advisors regarding the information reporting and backup withholding rules.

THE FOREGOING DISCUSSION DOES NOT COVER ALL U.S. TAX MATTERS THAT MAY BE IMPORTANT TO U.S. HOLDERS. PROSPECTIVE U.S. HOLDERS ARE STRONGLY ENCOURAGED TO CONSULT THEIR TAX ADVISORS REGARDING THE FEDERAL, STATE, LOCAL, NON-U.S. AND OTHER TAX CONSEQUENCES TO THEM OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF OUR COMMON SHARES IN LIGHT OF THEIR PARTICULAR CIRCUMSTANCES.

MATERIAL CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following is, as of the date hereof, a summary of the material Canadian federal income tax considerations generally applicable under the *Income Tax Act* (Canada) and the regulations promulgated thereunder, collectively the Tax Act, to a purchaser who acquires as beneficial owner common shares under this offering, and who, for purposes of the Tax Act and at all relevant times, (i) is not, and is not deemed to be, resident in Canada for purposes of the Tax Act and any applicable income tax convention, (ii) holds the common shares as capital property, (iii) deals at arm's length with, and is not affiliated with, us or the underwriters, and (iv) does not use or hold and will not be deemed to use or hold, the common shares in a business carried on in Canada, hereinafter, a Non-Resident Holder. Special rules, which are not discussed in this summary, may apply to a Non-Resident Holder that is an "authorized foreign bank" within the meaning of the Tax Act or an insurer carrying on an insurance business in Canada and elsewhere. Any such Non-Resident Holder should consult its own tax advisor.

This summary is based upon the provisions of the Tax Act in force as of the date hereof, all specific proposals to amend the Tax Act that have been publicly announced in writing by or on behalf of the Minister of Finance (Canada) prior to the date hereof, or the Proposed Amendments, the *Canada-United States Tax Convention* (1980), or the Treaty, and an understanding of the current administrative policies and assessing practices of the Canada Revenue Agency, or the CRA, published in writing by it prior to the date hereof. This summary assumes the Proposed Amendments will be enacted in the form proposed. However, no assurance can be given that the Proposed Amendments will be enacted in their current form, or at all. This summary is not exhaustive of all possible Canadian federal income tax considerations and, except for the Proposed Amendments, does not take into account or anticipate any changes in the law or any changes in the CRA's administrative policies or assessing practices, whether by legislative, governmental or judicial action or decision, nor does it take into account or anticipate any other federal or any provincial, territorial or foreign tax considerations, which may differ significantly from those discussed herein.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any prospective purchaser or holder of the common shares, and no representations with respect to the income tax consequences to any prospective purchaser or holder are made. Consequently, prospective purchasers or holders of the common shares should consult their own tax advisors with respect to their particular circumstances.

Currency Conversion

Generally, for purposes of the Tax Act, all amounts relating to the acquisition, holding or disposition of the common shares must be converted into Canadian dollars based on the exchange rates as determined in accordance with the Tax Act.

Dividends

Dividends paid or credited or deemed to be paid or credited on the common shares to a Non-Resident Holder by us will be subject to Canadian withholding tax under the Tax Act at the rate of 25%, subject to any reduction under the provisions of an applicable income tax convention. For example, under the Treaty, the rate of withholding tax on dividends paid or credited or deemed to be paid or credited to a beneficially entitled Non-Resident Holder who is resident in the U.S. for purposes of the Treaty and who is fully entitled to the benefits of the Treaty is generally limited to 15% of the gross amount of the dividend and may, in the case of certain corporations, be limited to 5% of the gross amount of the dividend. Non-Resident Holders are urged to consult their own tax advisors to determine their entitlement to relief under an applicable income tax treaty.

Dispositions

A Non-Resident Holder generally will not be subject to tax under the Tax Act in respect of a capital gain realized on the disposition or deemed disposition of a common share, unless the common share constitutes "taxable Canadian property" (as defined in the Tax Act) of the Non-Resident Holder at the time of disposition and the Non-Resident Holder is not entitled to relief under an applicable income tax convention.

Generally, the common shares will not constitute taxable Canadian property of a Non-Resident Holder at a particular time provided the common shares are listed at that time on a "designated stock exchange," as defined in the Tax Act (which currently includes Nasdaq), unless at any time during the 60-month period that ends at that time the following two conditions are satisfied concurrently: (i) (a) the Non-Resident Holder; (b) persons with whom the Non-Resident Holder did not deal at arm's length; (c) partnerships in which the Non-Resident Holder or a person described in (b) holds a membership interest directly or indirectly through one or more partnerships; or (d) any combination of the persons and partnerships described in (a) through (c), owned 25% or more of the issued shares of any class or series of the shares of the company; and (ii) more than 50% of the fair market value of the common shares was derived directly or indirectly from one or any combination of: (a) real or immovable property situated in Canada, (b) "Canadian resource properties," (c) "timber resource properties" (each as defined in the Tax Act), and (d) options in respect of, or interests in or for civil law rights in, such properties, whether or not such properties exist. Notwithstanding the foregoing, in certain circumstances set out in the Tax Act, the common shares could be deemed to be taxable Canadian property.

A Non-Resident Holder contemplating a disposition of common shares that may constitute taxable Canadian property should consult a tax advisor prior to such disposition.

UNDERWRITING

Subject to the terms and conditions of an underwriting agreement, dated , 2021 we have agreed to sell to each of the underwriters named below, and each of the underwriters, for which EF Hutton, division of Benchmark Investments, LLC, is acting as representative, have severally, and not jointly, agreed to purchase on a firm commitment basis the number of units offered in this offering set forth opposite their respective names below, at the public offering price, less the underwriting discounts and commission set forth on the cover page of this prospectus.

Underwriters	Number of Units
EF Hutton, division of Benchmark Investments, LLC	
Total	

Nature of Underwriting Commitment

The underwriting agreement provides that the underwriters are committed to purchase on a several, but not joint basis, all units offered in this offering, other than those covered by the option described below, if the underwriters purchase any of these securities. The underwriting agreement provides that the obligations of the underwriters to purchase the units offered hereby are conditional and may be terminated at their discretion based on their assessment of the state of the financial markets. The obligations of the underwriters may also be terminated upon the occurrence of other events specified in the underwriting agreement. Furthermore, pursuant to the underwriting agreement, the underwriters' obligations are subject to the authorization and the validity of the common shares and warrants being accepted for listing on the Nasdaq Capital Market and to various other customary conditions, representations and warranties contained in the underwriting agreement, such as receipt by the underwriters of officers' certificates and legal opinions of our counsel. We will agree to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act.

Other than in the United States, no action has been taken by us or the underwriters that would permit a public offering of the securities offered by this prospectus in any jurisdiction where action for that purpose is required.

Discount, Commissions and Expenses

The following table shows the per share and total underwriting discounts and commissions to be paid to the underwriters by the Company assuming both no exercise and full exercise of the underwriters' option to purchase additional common shares and/or warrants.

Paid by the Company	No Exercise	Full Exercise
Per unit	$	$
Total	$	$

We have agreed to reimburse the underwriters for their out-of-pocket expenses in connection with the offering, including underwriters' counsel legal fees, in an amount up to $175,000 and a 1.0% non-accountable expense allowance. We estimate that the total expenses of this offering, including registration, filing and listing fees and legal and accounting expenses, but excluding the underwriting discounts and commissions, will be approximately $.

Units sold by the underwriters to the public will initially be offered at the initial public offering price set forth on the cover of this prospectus. Any units sold by the underwriters to certain dealers that are members of the Financial Industry Regulatory Authority, or FINRA, may be sold at a discount of up to $ per unit from the initial public offering price. The underwriters may allow, and the selected dealers may reallow, a concession not in excess of $ per share to certain brokers and dealers. After this offering, the offering price and concessions and discounts to brokers and dealers and other selling terms may from time to time be changed by the underwriters.

Underwriters' Option

We have granted the underwriters an option to purchase from us up to an additional common shares, representing 15% of the common shares sold in the offering and/or up to an additional warrants, representing 15% of the warrants sold in the offering, assuming an initial public offering price of $ per unit (which is the

midpoint of the estimated range of the initial public offering price shown on the cover page of this prospectus), in any combination thereof, at the initial public offering price, less the underwriting discounts. and/or warrants to purchase common shares in any combination thereof.

Determination of Offering Price

Prior to this offering, there has been no public market in the United States for our common shares and warrants. Consequently, the initial public offering price for the units will be determined by negotiation between us and the representative. The principal factors considered in determining the public offering price of the units included:

- the information in this prospectus and otherwise available to the underwriters;
- our prospects and the history and the prospects for the industry in which we compete;
- an assessment of our management;
- our current financial condition and the prospects for our future cash flows and earnings;
- the general condition of the economy and the securities markets at the time of this offering;
- the recent market prices of, and the demand for, publicly-traded securities of generally comparable companies;
- the public demand for our securities in this offering; and
- other factors deemed deviant by the underwriters and us.

Neither we nor the underwriters can assure investors that an active trading market for our shares will develop and continue after this offering, or that our shares will trade in the public market at or above the initial public offering price. We have applied to list our common shares and warrants on the Nasdaq Capital Market under the symbol “LSDI and “LSDIW,” respectively.

Electronic Distribution

A prospectus in electronic format may be made available on the web sites maintained by one or more underwriters, or selling group members, if any participating in this offering. The underwriters may agree to allocate a number of shares to underwriters and selling group members for sale to their online brokerage account holders. Internet distributions will be allocated by the representatives to underwriters and selling group members that may make Internet distributions on the same basis as other allocations.

Lock-Ups

All of our directors and executive officers and holders of 5% or more of our capital stock will enter into lock-up agreements that prevent them from selling any common shares or any securities convertible into or exercisable or exchangeable for shares of our common shares, subject to certain exceptions, for a period of not less than 180 days from the date of this prospectus without the prior written consent of the Company and EF Hutton, as representative of the underwriters. The representative may in its sole discretion and at any time without notice release some or all of the shares subject to lock-up agreements prior to the expiration of the lock-up period. When determining whether or not to release shares from the lock-up agreements, the representative will consider, among other factors, the stockholder’s reasons for requesting the release, the number of shares for which the release is being requested and market conditions at the time.

We will also agree that we will not (i) offer, pledge, announce the intention to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase or otherwise dispose of, directly or indirectly, or file with the SEC a registration statement under the Securities Act relating to any common shares or securities convertible into or exchangeable or exercisable for any common shares, or publicly disclose the intention to make any offer, sale, pledge, disposition or filing or/(ii) enter into any swap or other arrangement that transfers all or a portion of the economic consequences associated with the ownership of any common shares or any such other securities (regardless of whether any of these transactions are to be settled by the delivery of common shares

or such other securities, in cash or otherwise), in each case without the prior written consent of the Representative for a period of 180 days after the date of this prospectus, other than the common shares to be sold hereunder and certain other exceptions.

Representative's Warrant

We have agreed to issue to the representative a warrant to purchase up to a total of common shares (5% of the common shares sold in this offering). The warrants will be exercisable at any time, and from time to time, in whole or in part, during the three-year period commencing six months from the effective date of the offering. The warrants are exercisable at a per share price equal to 125% of the public offering price per share in the offering. The warrants have been deemed compensation by FINRA and are therefore subject to a 180-day lock-up pursuant to Rule 5110(g)(1) of FINRA. The representative's warrant will provide for registration rights (including a one-time demand registration right and unlimited piggyback rights for a period of three years after the closing of the offering and customary anti-dilution provisions (for stock dividends and splits and recapitalizations) and anti-dilution protection (adjustment in the number and price of such warrant and the shares underlying such warrant). The underwriter (or permitted assignees under Rule 5110(g)(1)) will not sell, transfer, assign, pledge, or hypothecate these warrants or the securities underlying these warrants, nor will they engage in any hedging, short sale, derivative, put, or call transaction that would result in the effective economic disposition of the warrants or the underlying securities for a period of 180 days from the date of this prospectus, except that the representative's warrant may be assigned, in whole or in part, to any successor, officer, manager or member of EF Hutton, division of Benchmark Investments, LLC (or to officers, managers or members of any successor or member), and to members of the underwriting syndicate or selling group

Selling Restrictions

This prospectus does not constitute an offer to sell to, or a solicitation of an offer to buy from, anyone in any country or jurisdiction (a) in which such an offer or solicitation is not authorized; (b) in which any person making such offer or solicitation is not qualified to do so; or (c) in which any such offer or solicitation would otherwise be unlawful. No action has been taken that would, or is intended to, permit a public offer of the ordinary shares or possession or distribution of this prospectus or any other offering or publicity material relating to the ordinary shares in any country or jurisdiction (other than the United States) where any such action for that purpose is required. Accordingly, each underwriter has undertaken that it will not, directly or indirectly, offer or sell any ordinary shares or have in its possession, distribute or publish any prospectus, form of application, advertisement or other document or information in any country or jurisdiction except under circumstances that will, to the best of its knowledge and belief, result in compliance with any applicable laws and regulations and all offers and sales of ordinary shares by it will be made on the same terms.

Stabilization

Until the distribution of the units offered by this prospectus is completed, rules of the SEC may limit the ability of the underwriters, if any, to bid for and to purchase our securities. As an exception to these rules, the underwriters may engage in transactions effected in accordance with Regulation M under the Securities Exchange Act of 1934 that are intended to stabilize, maintain or otherwise affect the price of our common shares. The underwriters may engage in over-allotment sales, syndicate covering transactions, stabilizing transactions and penalty bids in accordance with Regulation M.

- Stabilizing transactions permit bids or purchases for the purpose of pegging, fixing or maintaining the price of the common shares, so long as stabilizing bids do not exceed a specified maximum.
- Over-allotment involves sales by the underwriters of shares in excess of the number of securities the underwriters are obligated to purchase, which creates a short position. The short position may be either a covered short position or a naked short position. In a covered short position, the number of shares over-allotted by the underwriters is not greater than the number of shares that they may purchase in the

option. In a naked short position, the number of shares involved is greater than the number of shares in the option. The underwriters may close out any covered short position by either exercising their option or purchasing shares in the open market.

- Covering transactions involve the purchase of securities in the open market after the distribution has been completed in order to cover short positions. In determining the source of securities to close out the short position, the underwriters will consider, among other things, the price of securities available for purchase in the open market as compared to the price at which they may purchase securities through the option. If the underwriters sell more common shares than could be covered by the option, creating a naked short position, the position can only be closed out by buying securities in the open market. A naked short position is more likely to be created if the underwriters are concerned that there could be downward pressure on the price of the securities in the open market after pricing that could adversely affect investors who purchase in this offering.

- Penalty bids permit the underwriters to reclaim a selling concession from a selected dealer when the common shares originally sold by the selected dealer are purchased in a stabilizing or syndicate covering transaction.

These stabilizing transactions, covering transactions and penalty bids may have the effect of raising or maintaining the market price of our common shares or preventing or retarding a decline in the market price of our common shares. As a result, the price of our common shares may be higher than the price that might otherwise exist in the open market.

Neither we nor the underwriters make any representation or prediction as to the effect that the transactions described above may have on the prices of our securities. These transactions may occur on the Nasdaq Capital Market or on any other trading market. If any of these transactions are commenced, they may be discontinued without notice at any time.

LEGAL MATTERS

Troutman Pepper Hamilton Sanders LLP, which has acted as our United States counsel in connection with this offering, will pass on certain legal matters with respect to United States federal law in connection with this offering. Tingle Merrett LLP, Canadian counsel for the Company, has passed upon the validity of the common shares offered by this prospectus and certain legal matters as to Canadian law. Certain legal matters will be passed upon for the underwriters by The NBD Group, Inc.

EXPERTS

The financial statements of Lucy Scientific Discovery Inc. appearing in this prospectus and registration statement as of June 30, 2020 and 2021, and for each of the two years in the period ended June 30, 2021, have been audited by Marcum LLP, independent registered public accounting firm, as set forth in their report thereon appearing elsewhere herein, and are included in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form S-1 under the Securities Act with respect to the common shares offered hereby. This prospectus, which constitutes a part of the registration statement, does not contain all of the information set forth in the registration statement or the exhibits and schedules filed therewith. For further information about us and the common shares offered hereby, we refer you to the registration statement and the exhibits and schedules filed thereto. Statements contained in this prospectus regarding the contents of any contract or any other document that is filed as an exhibit to the registration statement are not necessarily complete, and each such statement is qualified in all respects by reference to the full text of such contract or other document filed as an exhibit to the registration statement. You may request copies of the registration statement, the related exhibits and other material we have filed with the SEC, upon payment of a duplicating fee, by writing to the SEC. The SEC also maintains an Internet website that contains reports, proxy statements and other information about registrants, like us, that file electronically with the SEC. The address of that site is *www.sec.gov.*

We currently do not file periodic reports with the SEC. Upon the completion of this offering, we will be required to file periodic reports, proxy statements and other information with the SEC pursuant to the Securities Exchange Act of 1934, as amended. The SEC maintains a website that contains reports, proxy and information statements and other information regarding registrants that file electronically with the SEC. The address of the website is *www.sec.gov*. Such annual, quarterly and special reports, proxy and information statements and other information can also be inspected and copied at the locations set forth above. We intend to make this information available on the investor relations section of our website, which is located at *www.lucyscientific.com/* . Information on, or accessible through, our website is not part of this prospectus.

LUCY SCIENTIFIC DISCOVERY INC.
(FORMERLY HOLLYWEED NORTH CANNABIS INC.)

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Directors of
Lucy Scientific Discovery Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Lucy Scientific Discovery Inc. (the "Company") as of June 30, 2021, the related consolidated statements of operations and comprehensive loss, stockholders' deficit and cash flows for each of the two years in the period ended June 30, 2021, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of June 30, 2021, and the results of its operations and its cash flows for each of the two years in the period ended June 30, 2021, in conformity with accounting principles generally accepted in the United States of America.

Explanatory Paragraph — Restatement

As discussed in Note 2 to the financial statements, the financial statements as of and for the year ended June 30, 2020 have been restated to correct certain misstatements.

Explanatory Paragraph — Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As more fully described in Note 1, the Company has a significant working capital deficiency, has incurred significant losses and needs to raise additional funds to meet its obligations and sustain its operations. These conditions raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Marcum LLP

Marcum LLP

We have served as the Company's auditor since 2021.

Costa Mesa, CA
January 21, 2022

LUCY SCIENTIFIC DISCOVERY INC. (FORMERLY HOLLYWEED NORTH CANNABIS INC.)
CONSOLIDATED BALANCE SHEET
As of June 30, 2021 and 2020
(Expressed in US Dollars, except per share numbers)

	June 30, 2021	June 30, 2020
	$	$
		(Restated)
ASSETS		
Current assets		
Cash	**246,030**	50,017
Prepaid expenses	**71,524**	36,773
Other assets – GST receivable	**12,530**	14,295
Deferred financing costs, current	**1,676,228**	—
Total current assets	**2,006,312**	101,085
Non-current assets		
Deferred financing costs, noncurrent	**2,684,956**	—
Property, plant, and equipment	**843,500**	—
Long-term deposits	**20,171**	18,345
TOTAL ASSETS	**5,554,939**	119,430
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	**2,399,969**	2,364,542
Convertible notes, current	**866,731**	—
Due to related parties	**1,126,962**	822,307
Notes payable, current	**—**	120,200
Notes payable – related parties	**304,566**	362,812
Lease liability, current	**75,441**	57,675
Total current liabilities	**4,773,669**	3,727,536
Non-current liabilities		
Convertible notes, noncurrent	**200,043**	—
Lease liability, noncurrent	**696,535**	702,074
Notes payable, noncurrent	**47,898**	26,792
Warrant liability	**6,192,883**	—
TOTAL LIABILITIES	**11,911,028**	4,456,402
STOCKHOLDERS' EQUITY (DEFICIT)		
Common stock, Class A, no par value; unlimited shares authorized; 1 share issued and outstanding	**—**	—
Common stock, Class B, no par value; unlimited shares authorized; 6,476,753 shares issued and outstanding	**23,568,439**	20,291,092
Accumulated deficit	**(29,571,226)**	(24,845,343)
Accumulated other comprehensive income (loss)	**(353,302)**	217,279
TOTAL STOCKHOLDERS' EQUITY (DEFICIT)	**(6,356,089)**	(4,336,972)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)	**5,554,939**	119,430

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

LUCY SCIENTIFIC DISCOVERY INC. (FORMERLY HOLLYWEED NORTH CANNABIS INC.)
CONSOLIDATED STATEMENT OF OPERATIONS AND COMPREHENSIVE LOSS
For the years ended June 30, 2021 and 2020
(Expressed in US Dollars, except per share numbers)

	2021	2020
	$	$
		(Restated)
Selling, general and administrative expense	**2,677,384**	2,798,622
Research and development expense	**—**	61,197
Total expenses	**2,677,384**	2,859,819
Other expense (income)		
Gain on debt settlement	**(186,374)**	—
Interest expense	**2,357,222**	283,280
Loss on debt modification	**—**	449,672
Research and development tax credits	**(165,825)**	(559,729)
Change in fair value of warrant liability	**65,026**	—
Other income	**(21,550)**	(33,417)
Total other expense (income)	**2,048,499**	139,806
Income tax expense	**—**	—
Net loss	**(4,725,883)**	(2,999,625)
Foreign exchange translation adjustment, net of tax of $nil	**(570,581)**	163,969
Comprehensive loss	**(5,296,464)**	(2,835,656)
Net loss per common share		
Basic and diluted	**(0.88)**	(0.66)
Weighted average number of common shares outstanding		
Basic and diluted	**5,364,451**	4,572,400

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

LUCY SCIENTIFIC DISCOVERY INC. (FORMERLY HOLLYWEED NORTH CANNABIS INC.)
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY (DEFICIT)
For the year ended June 30, 2021 and 2020
(Expressed in US Dollars, except per share numbers)

	Class A voting common shares		Class B non-voting common shares				
	Number of shares	Paid-in capital	Number of shares	Paid-in capital	Accumulated deficit	Accumulated other comprehensive income (loss)	Total Deficit
Balance, June 30, 2019	1	—	4,540,796	17,436,723	(20,981,573)	53,310	(3,491,540)
Adoption of ASU 842	—	—	—	—	(864,145)	—	(864,145)
Shares issued for cash proceeds, net	—	—	69,339	453,137	—	—	453,137
Shares issued for debt settlement	—	—	66,667	449,672	—	—	449,672
Shares repurchased and cancelled	—	—	(58,334)	(80)	—	—	(80)
Shares transferred from principal stockholder to lenders as debt issuance costs	—	—	—	111,532	—	—	111,532
Share purchase options issued	—	—	—	1,454,710	—	—	1,454,710
Debt forgiveness	—	—	—	385,398	—	—	385,398
Foreign currency translation adjustment, net of tax of $nil	—	—	—	—	—	163,969	163,969
Net loss and comprehensive loss	—	—	—	—	(2,999,625)	—	(2,999,625)
Balance, June 30, 2020 (restated)	**1**	**—**	**4,618,468**	**20,291,092**	**(24,845,343)**	**217,279**	**(4,336,972)**
Shares Issued for cash	—	—	462,963	766,225	—	—	766,225
Shares Issued for equipment	—	—	990,741	1,687,032	—	—	1,687,032
Shares Issued for services	—	—	242,122	413,849	—	—	413,849
Shares Issued for settlement of accounts payable	—	—	94,780	162,184	—	—	162,184
Shares Issued for settlement of notes payable	—	—	67,679	117,242	—	—	117,242
Share purchase options issued	—	—	—	130,815	—	—	130,815
Warrants issued	—	—	—	4,775,535	—	—	4,775,535
Reclassification of warrants			—	(4,775,535)	—	—	(4,775,535)
Foreign currency translation adjustment, net of tax of $nil	—	—	—	—	—	(570,581)	(570,581)
Net loss and comprehensive loss	—	—	—	—	(4,725,883)	—	(4,725,883)
Balance, June 30, 2021	**1**	**—**	**6,476,753**	**23,568,439**	**(29,571,226)**	**(353,302)**	**(6,356,089)**

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

LUCY SCIENTIFIC DISCOVERY INC. (FORMERLY HOLLYWEED NORTH CANNABIS INC.)
CONSOLIDATED STATEMENT OF CASH FLOWS
For the years ended June 30, 2021 and 2020
(Expressed in US Dollars)

	2021	2020
	$	$
		(Restated)
Operating activities		
Net loss	**(4,725,883)**	(2,999,625)
Items not involving cash:		
Interest expense	**2,203,855**	111,532
Amortization of debt discount	**7,190**	1,030
Loss on debt modification	**—**	449,672
Gain on debt forgiveness	**(186,374)**	—
Shares issued for services	**413,849**	—
Share-based payments	**974,347**	1,454,710
Change in fair value of warrant liability	**65,026**	—
Changes in non-cash working capital:		
Prepaid expenses and long-term deposits	**(47,498)**	33,705
Other assets – GST receivable	**(470)**	(18,777)
Accounts payable and accrued liabilities	**(277,593)**	504,998
Lease liability	**(65,621)**	(104,396)
Due to related parties	**154,531**	67,994
Net cash flows used in operating activities	**(1,484,641)**	(499,157)
Financing activities		
Shares issued for cash	**766,225**	470,763
Shares repurchased and cancelled	**—**	(80)
Net proceeds from Convertible Notes	**1,050,000**	—
Share issuance costs	**(59,620)**	(17,626)
Advance of notes payable	**12,995**	200,792
Payment of notes payable	**(70,384)**	(46,628)
Payment of due to related parties	**—**	(71,978)
Net cash flows provided by financing activities	**1,699,216**	535,243
Effect of foreign exchange on cash	**(18,562)**	1,904
Increase in cash	**196,013**	37,990
Cash, beginning of year	**50,017**	12,027
Cash, end of year	**246,030**	50,017
Supplemental disclosures of cash flow information:		
Interest paid in cash	**—**	—
Income taxes paid in cash	**—**	—
Non-Cash activities for financing activities		
Deferred offering costs accrued but unpaid	**390,365**	—
Issuance of warrants in connection with line of credit	**4,725,883**	—
Reclassification of warrants from equity to liability	**4,725,883**	—

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

LUCY SCIENTIFIC DISCOVERY INC. (FORMERLY HOLLYWEED NORTH CANNABIS INC.)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the years ended June 30, 2021 and 2020
(Expressed in US Dollars, except where noted)

NOTE 1 — NATURE OF THE ORGANIZATION AND BUSINESS

Lucy Scientific Discovery Inc. ("we," "our," "us," or the "Company") was incorporated under the Business Corporations Act (British Columbia) on February 17, 2017. The Company previously specialized in developing supply chain products, services, and distribution channels for the cannabis industry in the areas of cannabis production, cannabis extracts, edibles and other pharmaceutical grade products. The Company changed its name from Hollyweed North Cannabis Inc. to Lucy Scientific Discovery Inc. and, under a new business model, is engaged in the research, manufacturing and commercialization of psychedelic products. The Company's registered office is Suite 301 — 1321 Blanshard Street, Victoria, British Columbia, Canada.

Subsidiaries that are active and wholly-owned by the Company and that have each been incorporated under the Business Corporations Act of British Columbia to facilitate its business activities include:

- TerraCube International Inc. — On October 4, 2017, the Company acquired control of TerraCube International Inc. ("TerraCube"), formerly Crop2Scale International Inc. TerraCube innovates, develops and produces highly controlled agricultural grow environments for plant manufacturing and replication. On April 16, 2018, TerraCube incorporated TerraCube USA, Inc. ("TC USA") under the General Corporation Law of the State of Delaware, for the purpose of manufacturing and distributing TerraCube grow environments in the United States. TC USA has been inactive to date.

- LSDI Manufacturing Inc. — On June 29, 2017, the Company incorporated LSDI Manufacturing Inc. ("LMI"), under the Business Corporations Act (British Columbia) for the purposes of cannabis extraction and manufacturing of adult-use and pharmaceutical products. LMI held a Health Canada Processor's License under the Cannabis Act but has never engaged in plant-touching activities up to the date the Board of Directors approved these financial statements. On August 10, 2021, the Health Canada Standard Processor's License was voluntarily withdrawn by LSDI with the revocation effective September 3, 2021. In August 2021, Health Canada's Office of Controlled Substances granted us a Controlled Drugs and Substances Dealer's Licence under Part J of the Food and Drug Regulations promulgated under the Food and Drugs Act (Canada), or a Dealer's Licence. The Dealer's Licence, which we hold through one of our wholly owned subsidiaries, authorizes us to develop and produce (through cultivation, extraction or synthesis) certain restricted substances. The company intends to develop and produce these restricted substances as pharmaceutical-grade active pharmaceutical ingredients and their raw material.

Impact of COVID-19

In March 2020, the World Health Organization declared COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, and led to an economic downturn. To date, COVID-19 has not had any material impact on the Company's operations; however, it is possible that estimates in these consolidated financial statements may change in the near term as a result of COVID-19 variants.

Going Concern

The Company has incurred net losses in recent periods and has accumulated a deficit of $29,571,226 as of June 30, 2021. The Company has funded operations in the past through loans from third parties and advances from officers and directors. The Company's continued operations are dependent upon generating sales and the continued financial support from officers and directors, obtaining funding from third-party sources or the issuance of additional shares of common stock.

These financial statements have been prepared on a going concern basis, which implies that the Company will continue to realize its assets and discharge its liabilities in the normal course of business. The continuation of the Company as a going concern is dependent upon the continued financial support from its management, its ability

(Expressed in US Dollars, except where noted)

NOTE 1 — NATURE OF THE ORGANIZATION AND BUSINESS (cont.)

to identify future investment opportunities, to obtain the necessary debt or equity financing, generating profitable operations from the Company's future operations or the success of an initial public offering. These factors raise substantial doubt regarding the Company's ability to continue as a going concern. These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

NOTE 2 — RESTATEMENT

a) On July 1, 2019, the Company issued 111,112 share purchase options to an officer of the Company. The options have an exercise price of $4.68 (CAD$6.30) and expire on June 30, 2024. The options vested immediately and were valued at $1,454,710 using the Black-Scholes option pricing model using the following assumptions: expected life — 2.5 years, expected volatility — 100%, expected dividend yield — 0%, risk-free interest rate — 0.35%.

These share purchase options were issued by prior management. Current management became aware of these share purchase options at the Company's annual general meeting. The Company has restated its financial statements for the year ended June 30, 2020 to reflect these issued and outstanding share purchase options. There was no impact from this restatement on the years ended prior to June 30, 2020.

b) During the year ended June 30, 2019, the Company issued series of notes payable for a total of $374,067 (CAD$506,000), to a Company controlled by the former CEO and stockholder of the Company (Note 7(a)). During the year ended June 30, 2020, the full amount of the notes outstanding, plus accrued interest, were forgiven resulting in a gain on debt forgiveness of $385,398 (CAD$517,486) which had been recorded on the statement of operations and comprehensive loss and was restated as a direct contribution to additional paid in capital.

The information in the following table shows the effect of the restatement on each affected financial statement line item:

	Year ended June 30, 2020		
	As previously reported	**Restated**	**Effect of change**
CONSOLIDATED BALANCE SHEET			
Common stock, Class B, no par value; unlimited shares authorized; 6,476,753 shares issued and outstanding	18,450,984	20,291,092	1,840,108
Accumulated deficit	(23,005,235)	(24,845,343)	(1,840,108)

	Year ended June 30, 2020		
	As previously reported	**Restated**	**Effect of change**
CONSOLIDATED STATEMENT OF OPERATIONS AND COMPREHENSIVE LOSS			
Selling, general and administrative expense	1,343,912	2,798,622	1,454,710
Gain on debt forgiveness	385,398	—	(385,398)
Net loss per common share	(0.01)	(0.66)	(0.65)

	Year ended June 30, 2020		
	As previously reported	**Restated**	**Effect of change**
CONSOLIDATED STATEMENT OF CASH FLOWS			
Net loss	(1,159,517)	(2,999,625)	(1,840,108)
Gain on debt forgiveness	385,398	—	385,398
Share-based payments	—	1,474,710	1,474,710

NOTE 3 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Principles of Consolidation

The consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America and are expressed in U.S. dollars. The consolidated financial statements include the accounts of the Company and our subsidiaries in which we have controlling financial interest. All inter-company balances and transactions among the companies have been eliminated upon consolidation.

Use of Estimates

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of certain assets, liabilities, revenue, and expenses as well as the related disclosures. The Company must often make estimates about effects of matters that are inherently uncertain and will likely change in subsequent periods. Actual results could differ materially from those estimates.

Functional and Presentation Currency

The Company's reporting currency is the United States Dollar ("USD"). The Company's functional currency is the local currency, Canadian Dollar ("CAD"). Assets and liabilities of these operations are translated into USD at the end-of-period exchange rates; income and expenses are translated using the average exchange rates for the reporting period. Resulting cumulative translation adjustments are recorded as a component of stockholder's equity (deficit) in the consolidated balance sheet in accumulated other comprehensive (loss).

Cash

Cash includes cash held with Canadian financial institutions and cash held in trust with a law corporation, available upon demand.

Property and Equipment

Property and equipment are recorded at cost and presented net of accumulated depreciation. Depreciation is recognized on a straight-line basis over the estimated useful lives of the related assets ranging between 3 and 5 years. The carrying value of property and equipment is periodically reviewed for recoverability when impairment indicators are present. Such indicators include, among other factors, operating losses, unused capacity, market value declines, and obsolescence.

Impairment of Long-Lived Assets

A review of long-lived assets for impairment is performed when events or changes in circumstances indicate that the carrying value of such assets may not be recoverable. If an indication of impairment is present, the Company compares the estimated undiscounted future cash flows to be generated by the asset group to the asset group's carrying amount. If the undiscounted future cash flows are less than the carrying amount of the asset group, the Company records an impairment loss equal to the amount by which the asset group's carrying amount exceeds its fair value. The fair value is determined based on valuation techniques such as a comparison to fair values of similar assets or a discounted cash flow analysis.

This fair value measurement is based on significant inputs that are not observable in the market and thus represents Level 3 inputs. Significant changes in the underlying assumptions used to value long lived assets could significantly increase or decrease the fair value estimates used for impairment assessments. Long lived assets that do not have indefinite lives are amortized/depreciated over their useful lives and reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. The Company reevaluates the useful life determinations each year to determine whether events and circumstances warrant a revision to the remaining useful lives.

NOTE 3 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Financial Instruments

Financial instruments are contracts that give rise to a financial asset of one party and a financial liability or equity instrument of another party. Financial instruments are recorded initially at fair value, which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company calculates the estimated fair value of financial instruments using quoted market prices whenever available. When quoted market prices are not available, the Company uses standard pricing models including the Black-Scholes option pricing model. Subsequent measurement depends on how the financial instrument has been classified. The Company's financial instruments include cash, other assets– GST receivable, accounts payable and accrued liabilities notes payable, notes payable– related parties, lease liability and warrant liability.

Leases

In accordance with ASC 842, operating leases are recognized as right-of-use assets and corresponding lease liabilities on the consolidated balance sheet. Right-of-use assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. Operating lease right-of-use assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Leases with an initial term of 12 months or less are not recorded on our balance sheet; we recognize lease expense for these leases on a straight-line basis over the lease term. Our leases do not provide an implicit lease rate, therefore, we utilize our incremental borrowing rate, as the basis to calculate the present value of future lease payments, at lease commencement. Our incremental borrowing rate represents the rate that we would have to pay to borrow funds on a collateralized basis over a similar term and in a similar economic environment.

We have lease agreements with lease and non-lease components. At the adoption of ASC 842, we elected not to separate non-lease components from all classes of our existing leases. The non-lease components have been accounted for as part of the single lease component to which they are related (See Note 6).

Selling, General and Administrative Expenses

Selling, general and administrative expenses include direct and indirect selling expenses such as marketing and business development and all general administrative expenses of the Company such wages, benefits, travel costs, professional fees and other indirect expenses.

Research and Development

Research costs are expensed as incurred. Development expenditures are capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete the development to use or sell the assets. Other development expenditures are expensed as incurred.

Income Taxes

The Company records deferred tax assets ("DTAs") and deferred tax liabilities ("DTLs") based on differences between the book and tax bases of assets and liabilities. The deferred tax assets and liabilities are calculated by applying enacted tax rates and laws to taxable years in which such differences are expected to reverse. The Company continually reviews the need for, and the adequacy of, a valuation allowance and recognizes the benefits from the Company's deferred tax assets only when an analysis of both positive and negative factors indicate that it is more likely than not that the benefits will be realized.

NOTE 3 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

Recently Adopted Accounting Pronouncements

In August 2018, the FASB issued ASU 2018-13, "Fair Value Measurement (Topic 820): Disclosure Framework-Changes to the Disclosure Requirements for Fair Value Measurement," ("ASU 2018-13"). The amendments in ASU 2018-13 eliminate, add, and modify certain disclosure requirements for fair value measurements. The amendments are effective for interim and annual periods beginning after December 15, 2019, with early adoption permitted for either the entirety of ASU 2018-13 or only the provisions that eliminate or modify disclosure requirements. The Company adopted the standard effective July 1, 2020. The adoption of this standard did not have a material impact on the Company's consolidated financial statements.

Recently Issued Accounting Pronouncements

From time to time, new accounting pronouncements are issued by the FASB or other standard setting bodies that the Company adopts as of the specified effective date. The Company is an emerging growth company, as defined in the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"). Under the JOBS Act, emerging growth companies can delay adopting new or revised accounting standards issued subsequent to the enactment of the JOBS Act until such time as those standards apply to private companies. The Company has elected to use this extended transition period for complying with new or revised accounting standards that have different effective dates for public and private companies until the earlier of the date that it is (i) no longer an emerging growth company or (ii) affirmatively and irrevocably opt out of the extended transition period provided in the JOBS Act. As a result, these financial statements may not be comparable to companies that comply with the new or revised accounting pronouncements as of public company effective dates.

In December 2019, the FASB issued ASU 2019-12, "Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes" ("ASU 2019-12"). The amendments in ASU 2019-12 remove certain exceptions to the general principles in ASC Topic 740. The amendments also clarify and amend existing guidance to improve consistent application. The amendments are effective for the Company's annual reporting periods beginning after December 15, 2020, with early adoption permitted. The transition method (retrospective, modified retrospective, or prospective basis) related to the amendments depends on the applicable guidance, and all amendments for which there is no transition guidance specified are to be applied on a prospective basis. The Company is currently evaluating the effects the adoption of ASU 2019-12 will have on its consolidated financial statements.

In August 2020, the FASB issued ASU 2020-06, Debt — Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging — Contracts in Entity's Own Equity (Subtopic 815-40). The ASU simplifies the accounting for certain financial instruments with characteristics of liabilities and equity. The FASB reduced the number of accounting models for convertible debt and convertible preferred stock instruments and made certain disclosure amendments to improve the information provided to users. In addition, the FASB amended the derivative guidance for the own stock scope exception and certain aspects of the earnings-per-share guidance. The amendments are effective for interim and annual periods beginning after December 15, 2021, with early adoption permitted for after December 15, 2020. The Company is currently evaluating the effects the adoption of ASU 2020-06 will have on its consolidated financial statements.

NOTE 4 — PROPERTY, PLANT AND EQUIPMENT

On February 25, 2021, the Company entered an agreement whereby the Company acquired certain equipment for consideration of 990,741 Class B common non-voting shares with a fair value of $1,687,032 (CAD$2,140,000). At the time of acquisition, the equipment had a fair value of $843,500. The excess of fair value of the Class B common

(Expressed in US Dollars, except where noted)

NOTE 4 — PROPERTY, PLANT AND EQUIPMENT (cont.)

non-voting shares above the fair value of the equipment of $843,532 was recorded as compensation expense within selling, general and administrative expenses on the consolidated statement of operations and comprehensive loss. The equipment is not in use and therefore no depreciation has been taken for the year ended June 30, 2021.

	June 30, 2021	June 30, 2020
	$	$
Opening balance	**—**	—
Additions	**843,500**	—
Balance, end of year	**843,500**	—

NOTE 5 — ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consist of the following:

	2021	2020
	$	$
Trade payables	**1,878,014**	1,450,212
Vacation accrual	**84,330**	112,610
Accrued liabilities	**437,625**	801,720
	2,399,969	2,364,542

NOTE 6 — RIGHT OF USE ASSET AND LEASE LIABILITY

The lease liability relates to a warehouse leased by the Company (the “Warehouse Lease”). The lease commenced on August 1, 2017 with an initial term of 5 years expiring on July 31, 2022. The Company has an option to renew for an additional 5 years and extend the maturity to July 31, 2027, provided that the option is exercised on or before February 1, 2022. The Company anticipates exercising the option to renew and as such has determined the lease term to be 10 years in determining the lease liability. The discount rate used was 16%, equivalent to the interest rate the Company would incur to borrow funds equal to the future lease payments on a collateralized basis over a similar term and in a similar economic environment. The Company has no additional lease obligations.

Leases with an initial term of less than 12 months are not recorded on the balance sheet, we recognize lease expense for these leases on a straight-line basis over the lease term.

Pursuant to the adoption of ASC 842 on July 1, 2019 the Company recognized a right-of-use asset for $864,145 and lease liability of $851,021 related to the Warehouse Lease. The recoverable amount of the right-of-use asset was considered to be $nil as at July 1, 2019 as the Company has changed its strategic focus and as a result the fair value was determined to be $nil due to uncertainty of future cash flows.

The long-term deposit of $20,171 (CAD$25,000) relates to a security deposit on the Warehouse Lease which is expected to be returned to the Company at the completion of the lease, including renewal periods.

(Expressed in US Dollars, except where noted)

NOTE 6 — RIGHT OF USE ASSET AND LEASE LIABILITY (cont.)

The lease liability consists of the following:

	June 30, 2021	June 30, 2020
	$	$
Balance, beginning of the year	**759,749**	—
Adoption of ASC 842	**—**	851,021
Payments	**(179,231)**	(177,744)
Interest expense	**113,610**	118,072
Unrealized foreign exchange gain	**77,848**	(31,600)
Balance, end of year	**771,976**	759,749
Current portion	**75,441**	57,675
Non-current portion	**696,535**	702,074

The maturity of the lease liability is as follows:

2022	$ 185,431
2023	203,260
2024	203,260
2025	203,260
Thereafter	423,459
Total lease payments	1,218,670
Less: Unamortized interest	(446,694)
Total lease liability	**$ 771,976**

NOTE 7 — NOTES PAYABLE

Following is a summary of the Company's notes payable:

	June 30, 2021	June 30, 2020
	$	$
Opening balance	**509,804**	794,230
Additional note payable issued[(d)(e)(f)(g)(h)(i)(j)]	**12,995**	200,792
Repayment of notes payable[(b)(c)(d)(e)(f)]	**(70,384)**	(118,606)
Interest expense[(a)(b)(c)(d)(e)(f)]	**39,756**	53,676
Amortization of debt discount[(g)(h)(i)(j)]	**7,190**	1,030
Settlement in Class B common shares[(c)(f)]	**(196,179)**	—
Gain on debt forgiveness[(a)]	**—**	(385,398)
Foreign exchange loss (gain)	**49,282**	(35,920)
Balance, end of year	**352,464**	509,804
Current portion	**304,566**	483,012
Non-current portion	**47,898**	26,792

_____

a) During the year ended June 30, 2019, the Company issued series of notes payable for a total of $374,067 (CAD$506,000), to a Company controlled by the former CEO and stockholder of the Company. The notes bear interest at 2% per annum, are unsecured and repayable 90 days subsequent to the successful completion of an initial public offering or a reverse takeover transaction. During the year ended June 30, 3021, the Company incurred interest expense of $nil (June 30, 2020 — $7,558 (CAD$10,148))

NOTE 7 — NOTES PAYABLE (cont.)

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with respect to the notes payable. During the year ended June 30, 2020, the full amount of the notes outstanding, plus accrued interest, were forgiven resulting in a gain on debt forgiveness of $385,398 (CAD$517,486) which was recorded as a direct contribution to additional paid in capital.

b) On December 31, 2018, the Company issued a note payable of $144,666 (CAD$200,000) to a director and stockholder of the Company. The note bears interest of 21% per annum, is unsecured and is repayable on December 31, 2021. During the year ended June 30, 2021, the Company incurred interest expense of $11,599 (CAD$14,875) (June 30, 2020 — $29,976 (CAD$40,250)) with respect to the note payable. During the year ended June 30, 2021, the Company made payments of $52,933 (CAD$67,999) (June 30, 2020 — $71,978 (CAD$100,000)) with respect to the note.

c) During the year ended June 30, 2019, the Company issued a series of notes payable totaling $245,768 (CAD $330,000) to a director and stockholder of the Company. On August 20, 2021, the Company issued an additional $2,273 (CAD$3,000) to a director and stockholder of the Company. The note bears interest of 2% per annum, is unsecured and repayable 90 days subsequent to the successful completion of an initial public offering or a reverse takeover transaction. During the year ended June 30, 2021, the Company incurred an interest expense of $4,825 (CAD$6,187) (June 30, 2020 — $4,929 (CAD$6,618). During the year ended June 30, 2021, the Company issued 13,889 Class B non-voting common shares as repayment of $39,746 (CAD$50,000) (Note 9).

d) On October 17, 2019, the Company issued a note payable of $38,043 (CAD$50,000), to the former CEO and current stockholder. The notes bear interest at 2% per annum, are unsecured and repayable 90 days subsequent to the successful completion of an initial public offering or a reverse takeover transaction. During the year ended June 30, 3021, the Company incurred interest expense of $nil (June 30, 2020 — $448 (CAD$602)) with respect to the notes payable. During the year ended June 30, 2021 the Company made payments of $17,451 (CAD$23,022) (June 30, 2020 — 19,981 (CAD$27,579)) resulting in the settlement of the full amount of the note outstanding.

e) On December 30, 2019, the Company issued a note payable of $22,973 (CAD $30,000). The note bears interest at 12% per annum, is unsecured and payable on demand. During the year ended June 30, 2021, the Company incurred interest expense of $nil (June 30, 2020 - $992 (CAD$1,332)) with respect to the note payable. The note was repaid in full on May 13, 2020.

f) On January 14, 2020, the Company issued a note payable of $114,836 (CAD $150,000). The note bears interest at 20% per annum, is secured by the Company's assets and is repayable earlier of the date of closing of any third-party financing (equity or debt) or February 14, 2020. During the year ended June 30, 3021, the Company incurred interest expense of $23,332 (CAD$29,918) (June 30, 2020 — $10,221 (CAD$13,808)) with respect to the notes payable. The note was modified during the year ended June 30, 2020 whereby the maturity was extended to June 30, 2021. Pursuant to the amendment, the Company issued 66,667 common shares with a fair value of $6.74 (CAD$9.00) per common share for total consideration of $449,672 (CAD$600,000) (Note 10). The consideration has been recorded as a loss on debt modification on the consolidated statements of operations. The lender holds 92,262 Class B common non-voting shares of the Company. These Class B common non-voting shares are redeemable at cost in the event of default. The note payable plus accrued interest was settled on June 30, 2021 through the issued 53,790 Class B common non-voting shares as repayment of $156,433 (CAD$193,726) (Note 10).

g) On April 20, 2020, the Company received a Canadian Emergency Business Account ("CEBA") loan in the amount of $28,756 (CAD $40,000), which is an interest-free loan to cover operating costs which was offered in the context of the COVID-19 pandemic outbreak. Repaying the balance of the loan on or before December 31, 2022 will result in a loan forgiveness of $8,355 (CAD$10,000). On December 31, 2022, the Company has the option to extend the loan for 3 years and will bear a 5% interest rate. To estimate the fair value, the debt component was estimated first at $12,470 (CAD$17,565), considering the forgiveness and interest free aspects. A 20% effective rate was used which corresponds to a rate that the Company would have obtained for a similar investment. The $8,828 (CAD$12,435) residual value was attributed to a governmental subsidy that is presented in other income on the consolidated statements of loss and comprehensive loss. During the year ended June 30, 2021, the Company recorded accretion expense of $3,124 (CAD$4,005) (June 30, 2020 — $515 (CAD$691)) with respect to the CEBA loan.

h) On April 20, 2020, TerraCube received a CEBA loan in the amount of $28,756 (CAD $40,000), which is an interest-free loan to cover operating costs and that was offered in the context of the COVID-19 pandemic outbreak. Repaying the balance of the loan on or before December 31, 2022 will result in a loan forgiveness of $8,355 (CAD$10,000). To estimate the fair value, the debt component was estimated first at $12,470 (CAD$17,565), considering the forgiveness and interest free aspects. A 20% effective rate was used which corresponds to a rate that the Company would have obtained for a similar investment. The $8,828 (CAD$12,435) residual value was attributed to a governmental subsidy that is presented in other income on the consolidated statements of loss and comprehensive loss. During the year ended June 30, 2021, the Company recorded accretion expense of $3,124 (CAD$4,005) (June 30, 2020 — $515 (CAD$691)) with respect to the CEBA loan.

(Expressed in US Dollars, except where noted)

NOTE 7 — NOTES PAYABLE (cont.)

i) On December 31, 2020, TerraCube received a CEBA loan in the amount of $15,709 (CAD $20,000), which is an interest-free loan to cover operating costs and that was offered in the context of the COVID-19 pandemic outbreak. Repaying the balance of the loan on or before December 31, 2022 will result in a loan forgiveness of $8,142 (CAD$10,000). To estimate the fair value, the debt component was estimated first at $5,282 (CAD$6,725), considering the forgiveness and interest free aspects. A 20% effective rate was used which corresponds to a rate that the Company would have obtained for a similar investment. The $2,599 (CAD$3,275) residual value was attributed to a governmental subsidy that is presented in other income on the consolidated statements of loss and comprehensive loss. During the year ended June 30, 2021, the Company recorded accretion expense of $542 (CAD$695) (June 30, 2020 — $nil) with respect to the CEBA loan.

j) On February 18, 2021, the Company received a CEBA loan in the amount of $15,753 (CAD $20,000), which is an interest-free loan to cover operating costs which was offered in the context of the COVID-19 pandemic outbreak. Repaying the balance of the loan on or before December 31, 2022 will result in a loan forgiveness of $8,142 (CAD$10,000). On December 31, 2022, the Company has the option to extend the loan for 3 years and will bear a 5% interest rate. To estimate the fair value, the debt component was estimated first at $5,440 (CAD$6,907), considering the forgiveness and interest free aspects. A 20% effective rate was used which corresponds to a rate that the Company would have obtained for a similar investment. The $2,667 (CAD$3,092) residual value was attributed to a governmental subsidy that is presented in other income on the consolidated statements of loss and comprehensive loss. During the year ended June 30, 2021, the Company recorded accretion expense of $400 (CAD$514) (June 30, 2020 — $nil) with respect to the CEBA loan.

The following table summarizes the future principal repayments required on the Company's notes payable:

For the years ended June 30,	**Amount**
2022	$ 230,071
2023	64,547
2024	—
2025	—
Thereafter	—
Total principal	294,618
Less: debt discount	(16,650)
Add: accrued interest	74,496
Total notes payable	**$ 352,464**

NOTE 8 — CONVERTIBLE NOTES

Following is a summary of the Company's notes payable:

	June 30, 2021	June 30, 2020
	$	$
Opening balance	**—**	—
Convertible notes issued[(a)(b)(c)(d)(e)(f)(g)]	**1,048,257**	—
Interest expense[(a)(b)(c)(d)(e)(f)(g)]	**16,774**	—
Foreign exchange loss	**1,743**	
Balance, end of year	**1,066,774**	—
Current portion	**866,731**	—
Non-current portion	**200,043**	—

———————

a) On February 25, 2021, the Company entered into a $500,000 convertible note at 8% interest rate to the CEO of the Company. The convertible note matured on August 25, 2021. The note was modified subsequent to June 30, 2021 whereby the maturity was extended to February 25, 2022. The note is convertible at the option of the holder into Class B common non-voting shares at a conversion price of $1.74 (CAD$2.16) per share. During the year ended June 30, 2021, the Company incurred an interest expense of $13,833 (June 30, 2020 — $nil).

NOTE 8 — CONVERTIBLE NOTES (cont.)

b) On April 21, 2021, the Company issued an unsecured convertible note with a face value of $25,000 which bears an interest rate of 8% per annum. The convertible note is convertible into Class B common non-voting shares at $1.74 (CAD$2.16) per Class B common non-voting share and matures on October 21, 2021. During the year ended June 30, 2021, the Company incurred an interest expense of $384 (CAD$480) (June 30, 2020 — $nil (CAD$nil). The convertible note plus accrued interest was converted into Class B common non-voting shares on December 28, 2021 (Note 15).

c) On May 11, 2021, the Company issued an unsecured convertible note with a face value of $25,000 which bears an interest rate of 8% per annum. The convertible note is convertible into Class B common non-voting shares at $1.74 (CAD$2.16) per Class B common non-voting share and matures on November 11, 2021. During the year ended June 30, 2021, the Company incurred an interest expense of $275 (June 30, 2020 — $nil). The convertible note plus accrued interest was converted into Class B common non-voting shares on December 28, 2021 (Note 15).

d) On May 18, 2021, the Company issued an unsecured convertible note with a face value of $23,257 (CAD$29,638) which bears an interest rate of 8% per annum. The convertible note is convertible into Class B common non-voting shares at $1.74 (CAD$2.16) per Class B common non-voting share and matures on November 18, 2021. During the year ended June 30, 2021, the Company incurred an interest expense of $236 (June 30, 2020 — $nil). The convertible note plus accrued interest was converted into Class B common non-voting shares on December 28, 2021 (Note 15).

e) On May 27, 2021, the Company issued unsecured convertible notes with a face value of $100,000 which bears an interest rate of 8% per annum. The convertible notes are convertible into Class B common non-voting shares at $1.74 (CAD$2.16) per Class B common non-voting share and mature on November 27, 2021. During the year ended June 30, 2021, the Company incurred an interest expense of $735 (June 30, 2020 — $nil). The convertible notes plus accrued interest were converted into Class B common non-voting shares on December 28, 2021 (Note 15).

f) On May 28, 2021, the Company issued unsecured convertible notes with a face value of $175,000 which bears an interest rate of 8% per annum. The convertible notes are convertible into Class B common non-voting shares at $1.74 (CAD$2.16) per Class B common non-voting share and mature on November 28, 2021. During the year ended June 30, 2021, the Company incurred an interest expense of $1,267 (June 30, 2020 — $nil). On December 28, 2021, $100,000 of the convertible notes plus accrued interest were converted into Class B common non-voting shares (Note 15).

g) On June 29, 2021, the Company issued unsecured convertible notes with a face value of $200,000 which bears an interest rate of 8% per annum. The convertible notes are convertible into Class B common non-voting shares at a 40% discount to the price of an initial public offering and mature on June 29, 2023. During the year ended June 30, 2021, the Company incurred an interest expense of $44 (June 30, 2020 — $nil).

NOTE 9 — LINE OF CREDIT

On November 5, 2020, the Company established a line of credit of $5,237,873 (CAD$6,675,000). The line of credit is secured by the Company's assets, bears an interest rate of 8% per annum and matures on November 5, 2023. The Company may draw up to $392,350 (CAD$500,000) per quarter under the line of credit beginning January 15, 2021. Pursuant to entering the line of credit, the Company issued the lender warrants to purchase 3,906,209 common shares of the Company at an exercise price of $1.74 (CAD$2.16) per common share until November 5, 2025. On January 22, 2021, the Company amended the warrants whereby in the event that the Company effects a closing or closings of convertible notes is the minimum aggregate of (i) $1,000,000, the exercise price of 1,111,112 warrants shall be adjusted to $0.015 (CAD$0.018), (ii) $2,000,000, the exercise price of 2,222,223 warrants shall be adjusted to $0.015 (CAD$0.018), and (iii) $3,000,000, the exercise price of 3,333,334 warrants shall be adjusted to $0.015 (CAD$0.018).

The warrants were initially valued at $4,775,535 and recorded as deferred financing costs to be recognized over the term of the line of credit. On January 22, 2021, pursuant to the warrant amendment, $1,079,468 was recorded as additional deferred financing costs to be recognized over the remaining term of the line of credit. In addition, the Company reclassified 3,906,209 warrants valued at $6,015,360 to warrant liability as the exercise price became variable to the convertible notes raised.

During the year ended June 30, 2021, the Company recorded interest expense of $1,094,193 related to the warrants for the period from November 5, 2020 to June 30, 2021.

(Expressed in US Dollars, except where noted)

NOTE 9 — LINE OF CREDIT (cont.)

Any outstanding principal and accrued interest is subject to mandatory conversion into Class B common non-voting shares of the Company at the prevailing conversion price per Class B common non-voting share upon consummation of an initial public offering and listing of the Company's Class B common non-voting shares.

Following is a summary of the Company's warrant liability:

	June 30, 2021	June 30, 2020
	$	$
Opening balance	**—**	—
Warrants reclassified from share capital	**4,775,535**	—
Incremental fair value from amendment	**1,079,468**	—
Change in fair value of warrant liability	**65,026**	—
Foreign exchange loss	**272,854**	—
Balance, end of year	**6,192,883**	—

NOTE 10 — STOCKHOLDERS' EQUITY

Share Capital

A summary of the Company's share capital is as follows:

Common Stock

The Company has authorized an unlimited amount of Class A and Class B stock with no par value. As of June 30, 2021, 1 share of Class A common stock was outstanding. As of June 30, 2021, 6,476,753 shares of Class B common stock were outstanding.

Stock Split

On December 1, 2021, the Company authorized an 18:1 reverse stock split of its issued and outstanding Class B common stock.

On October 22, 2018, the Company authorized a 1:1.4 stock split of its issued and outstanding Class B common stock resulting in an additional issuance of 23,187,182 shares of Class B common stock to existing holders.

Voting Rights

Holders of the Class A common stock are entitled to one vote for each share held on all matters requiring a vote. Holders of Class B common stock have no voting rights and are not entitled to receive notice of or to attend any annual or extraordinary general meeting of the stockholders of the Company.

Dividends

The directors may declare dividends on one or more class of shares to the exclusion of the others or declare dividends at different rates on different classes of shares, at their discretion. No dividends shall be declared on the Class A common stock or any class of shares if to do so would reduce the value of the net assets of the Company to less than the paid-up capital of the common stock.

No dividends have been declared by the Company for the year ended June 30, 2021.

Liquidation

In the event of any liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, the holders of the Class A common stock shall be entitled to their paid-up capital and the holders of the Class B common stock shall be entitled to participate equally in all of the profits and assets of the Company.

NOTE 10 — STOCKHOLDERS' EQUITY (cont.)

Redemption

The Company may redeem the whole or any part of the Class A or Class B common stock on payment for each share of common stock to be redeemed of an amount not exceeding the redemption amount of each redeemed share, together with all non-cumulative accrued dividends declared.

Common Stock Issuances and Transfers

During the year ended June 30, 2021, the Company had the following common stock transactions:

On November 5, 2020, the Company issued 462,963 shares of Class B common stock to various investors for cash proceeds of $776,225 (CAD$1,000,000).

On January 19, 2021, the Company issued 13,889 Class B common non-voting shares for $1.74 (CAD$2.16) per Class B common non-voting shares for proceeds of $23,557 (CAD$30,000) as repayment of a note payable– related parties with a face value of $38,986 (CAD$50,000) (note 7(c)). The transaction result in a gain on settlement of notes payable in the amount of $15,429 (CAD$20,000).

On February 25, 2021, the Company entered an agreement whereby the Company acquired certain equipment for consideration of 990,741 Class B common non-voting shares. The Company assumed no liabilities as a result of the agreement.

On March 10, 2021, the Company issued 242,122 Class B common non-voting shares pursuant to consulting agreements.

On June 30, 2021, the Company issued 53,790 Class B common non-voting shares for $1.74 (CAD$2.16) per Class B common share for proceeds of $93,685 (CAD$116,186) pursuant to the settlement of the January 14, 2020 note payable of $121,020 (CAD$150,000) plus accrued interest of $35,212 (CAD$43,644) (Note 7(f)). The transaction result in a gain on settlement of notes payable in the amount of $62,547 (CAD$77,458).

The Company issued 94,780 Class B common non-voting shares for $1.74 (CAD$2.16) per Class B common non-voting share for proceeds of $162,184 (CAD$204,723) as settlement of accounts payable with a carrying amount of $270,306 (CAD$341,205). The transaction result in a gain on settlement of notes payable in the amount of $108,122 (CAD$136,482).

During the year ended June 30, 2020, the Company had the following common stock transactions:

The Company issued 69,339 shares of Class B common stock to various investors for cash proceeds of $453,136 (CAD$624,050). Share issue costs totaled $17,626 (CAD$23,910) which were paid in cash.

The Company issued 66,667 shares of Class B common stock to a note holder, with a fair value of $6.60 (CAD$9.00) per share, as inducement for a debt modification amendment for total consideration of $449,672 (CAD$600,000) (Note 7(e)). The amount has been recorded as a loss on debt modification on the consolidated statement of operations and comprehensive loss.

On February 17, 2017, the Company and its founding shareholders entered a share vesting and repurchase option agreement whereby certain Class B common non-voting shares were subject to vesting conditions and the Company could repurchase the common shares at cost due to either voluntary or involuntary termination of the founding shareholder. The Company repurchased and cancelled 58,334 shares at $0.0018 per share for a cost of $80 (CAD$105). As at June 30, 2020 all Class B common non-voting shares had fully vested and none were eligible for repurchase.

(Expressed in US Dollars, except where noted)

NOTE 10 — STOCKHOLDERS' EQUITY (cont.)

The former CEO and stockholder of the Company transferred 16,667 shares of Class B common stock to a note holder, with a fair value of $6.60 (CAD$9.00) per share pursuant to a debt modification amendment for total consideration of $111,532 (CAD$150,000). The amount has been recorded as interest expense on the consolidated statement of operations and comprehensive loss.

Stock Options

The aggregate number of shares that could be issued at any time under the 2019 Stock Option Plan (the "2019 Plan") is equal to 10% of the then-issued and outstanding common shares of the Company, on a rolling basis. The portion of options available for grants to directors is limited to 10% of the option under the 2019 Plan available for grant at any time. Under the 2019 Plan, if any option is exercised, expires or otherwise terminates for any reason, the number of common shares in respect of such option will again be available for the purposes of the 2019 Plan.

The following is a summary of the changes in the 2019 Plan during the year ended June 30, 2021 and 2020:

	Number of options	Weighted average exercise price ($)	Weighted average remaining life (years)	Aggregate intrinsic value ($)
Balance at June 30, 2019 and 2020 (restated)	347,625[1][2]	2.0362 (CAD2.7341)	2.00	276,294
Granted	116,668[3]	1.6087 (CAD2.16)	4.50	—
Balance at June 30, 2021	464,293	1.6476 (CAD2.2119)	2.63	276,294

(1) The Company originally granted 2,500,000 options. Through a reorganization of the Company, the number of options was increased to 3,040,874 and subsequently increased to 4,257,190 on October 22, 2018 resulting from the 1:1.4 stock split. Through the 18:1 reverse stock split on December 31, 2021 the number of options was decreased to 236,513.

(2) On July 1, 2019, the Company issued 2,000,000 share purchase options to an officer of the Company. The options have an exercise price of $0.26 (CAD$0.35) and expire on June 30, 2024. The options vested immediately. Through the 18:1 stock split on December 31, 2021, the number of options was decreased to 111,112.

(3) On December 28, 2020, the Company issued 2,100,000 share purchase options to various directors and consultants. The options have an exercise price of $0.09 (CAD$0.12) and expire on December 28, 2025. 700,000 share purchase options vested on December 28, 2020 the remaining options in equal tranches of 350,000 on March 31, 2021, June 30, 2021, September 30, 2021 and December 31, 2021. Through the 18:1 stock split on December 31, 2021 the number of options was decreased to 116,668.

The following is a summary of the outstanding stock options as at June 30, 2021:

Exercise price ($)	Outstanding at June 30, 3021	Weighted average remaining contractual life	Exercisable at June 30, 2021	Weighted average remaining contractual life
2.4015 (CAD3.22452)	54,266	1.22	54,266	1.22
0.3428 (CAD0.46026)	54,266	1.22	54,266	1.22
0.3687 (CAD0495)	50,521	1.67	50,521	1.67
2.9483 (CAD3.95874)	6,316	1.67	6,316	1.67
0.0048 (CAD0.00648)	71,144	1.88	71,144	1.88
4.6919 (CAD6.30)	111,112	1.64	111,112	1.67
1.6087 (CAD2.16)	116,668	4.50	77,778	4.50
	464,293	**2.63**	**425,403**	**2.63**

(Expressed in US Dollars, except where noted)

NOTE 10 — STOCKHOLDERS' EQUITY (cont.)

During the year ended June 30, 2021, the Company recognized share-based payment expense of $130,815 (CAD$164,062) (year ended June 30, 2020 — $1,454,710 (CAD$1,953,284)) related to vested share purchase options. During the year ended June 30, 2022, the Company anticipates recognition of share-based payment expense of $25,285 (CAD$31,338) related to the vesting of share purchase options granted during the year ended June 30, 2021.

The Company has computed the fair value of options granted using the Black-Scholes option pricing model. The expected term used for options issued to non-employees is the contractual life and the expected term used for options issued to employees and directors is the estimated period of time that options granted are expected to be outstanding. The Company utilizes the "simplified" method to develop an estimate of the expected term of "plain vanilla" employee option grants. The Company is utilizing an expected volatility figure based on a review of the historical volatilities, over a period of time, equivalent to the expected life of the instrument being valued, of similarly positioned public companies within its industry. The risk-free interest rate was determined from the implied yields from U.S. Treasury zero-coupon bonds with a remaining term consistent with the expected term of the instrument being valued.

The Company applied the following assumptions in the Black-Scholes option pricing model for the year ended June 30, 2021 and 2020:

	June 30, 2021	June 30, 2020
		Restated
Expected life options (years)	**2.75**	2.50
Expected volatility	**100%**	100%
Expected dividend yield	**0%**	0%
Risk-free interest rate	**0.35%**	1.42%
Black-Scholes value of each option	**$ 1.20 (CAD$1.62)**	$ 13.07 (CAD$17.64)

Warrants

The Company has computed the fair value of warrants issued using the Black-Scholes option pricing model. The expected term used for warrants issued is the contractual term. The Company is utilizing an expected volatility figure based on a review of the historical volatilities, over a period of time, equivalent to the expected life of the instrument being valued, of similarly positioned public companies within its industry. The risk-free interest rate was determined from the implied yields from U.S. Treasury zero-coupon bonds with a remaining term consistent with the expected term of the instrument being valued.

Pursuant to entering the line of credit, on January 15, 2021, the Company issued 3,906,209 warrants to purchase 3,906,209 common shares of the Company at an exercise price of $1.74 (CAD$2.16) per common share until November 5, 2025. On January 22, 2021, the Company amended the warrants whereby in the event that the Company effects a closing or closings of convertible notes is the minimum aggregate of (i) $1,000,000, the exercise price of 1,111,112 warrants shall be adjusted to $0.015 (CAD$0.018), (ii) $2,000,000, the exercise price of 2,222,223 warrants shall be adjusted to $0.015 (CAD$0.018), and (iii) $3,000,000, the exercise price of 3,333,334 warrants shall be adjusted to $0.015 (CAD$0.018).

The following is a summary of the warrants during the year ended June 30, 2021 and 2020:

	Number of warrants	**Weighted average exercise price ($)**	**Weighted average remaining life (years)**	**Aggregate intrinsic value**
Balance at June 30, 2019 and 2020	—	—	—	—
Granted	3,906,209	0.015 (CAD0.018)	4.35	5,709,315
Balance at June 30, 2021	3,906,209	0.015 (CAD0.018)	4.35	5,709,315

(Expressed in US Dollars, except where noted)

NOTE 10 — STOCKHOLDERS' EQUITY (cont.)

The Company applied the following assumptions in the Black-Scholes option pricing model:

	June 30, 2021	**June 30, 2020**
Expected life warrants (years)	4.35	—
Expected volatility	100%	—
Expected dividend yield	0%	—
Risk-free interest rate	0.34%	—
Black-Scholes value of each warrant	$ 1.20 (CAD$1.60)	—

NOTE 11 — RESEARCH AND DEVELOPMENT

The Company conducts research and development activities, which consist primarily of the development of new products and product applications. Research and development costs are charged to expense as incurred. A total of $nil in research and development was recorded for the year ended June 30, 2021 (June 30, 2020 — $61,197).

During the year ended June 30, 2020, TerraCube received cash proceeds of $165,825 (CAD$203,663) (June 30, 2020 — $559,729 (CAD$751,565)) related to an income tax credit with the Canada Revenue Agency for eligible research and development expenditures. The amount represents a partial recovery of research and development costs incurred during the year ended June 30, 2020.

NOTE 12 — INCOME TAXES

The domestic and foreign components of loss before income taxes for the years ended June 30, 2021 and 2020 were as follows:

	June 30, 2021	June 30, 2020
	$	$
		Restated
Domestic – Canada	**(4,725,883)**	(2,999,625)
Foreign – outside of Canada	**—**	—
Income before provision for income taxes	**(4,725,883)**	(2,999,625)

The components of the income tax expense for the year ended June 30, 2021 and 2020 consisted of the following:

	June 30, 2021	June 30, 2020
	$	$
		Restated
Current income tax expense:		
Domestic – Canada	—	—
Foreign – Outside of Canada	**—**	—
Total current tax expense	**—**	—
Deferred income tax expense:		
Domestic – Canada	**—**	—
Foreign – outside of Canada	**—**	—
Total deferred income tax expense	**—**	—
Total income tax expense	**—**	—

(Expressed in US Dollars, except where noted)

NOTE 12 — INCOME TAXES (cont.)

A reconciliation of the Company's effective tax rate to the statutory U.S. federal income tax rate for the year ended June 30, 2021 and 2020 were as follows:

	June 30, 2021	June 30, 2020
	$	$
		Restated
Loss for the year before income taxes	(4,725,883)	(2,999,625)
Statutory rate	27%	27%
Expected income tax recovery	(1,275,988)	(809,899)
Non-taxable gain on debt settlement	(49,260)	—
Non-deductible interest expense	578,642	2,866
Non-deductible share-based payments	34,546	392,772
Other permanent differences	11,600	1,635
Change in valuation allowance	700,460	412,626
Income tax expense	—	—

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities as at June 30, 2021 and 2020 were as follows:

	June 30, 2021	June 30, 2020
	$	$
Deferred tax assets from:		
Net operating loss carry forwards	3,307,507	2,500,610
Property and equipment	621,638	353,355
Research and development tax credit carry-forward balances	462,735	420,835
Total deferred tax assets	4,391,880	3,274,800
Deferred tax liabilities from:		
Share issue costs	(92,203)	(64,349)
CEBA loans	(4,495)	(4,653)
Total deferred tax liabilities	(96,698)	(69,002)
Valuation allowance	(4,295,182)	(3,205,798)
Net deferred tax asset	—	—

The Company must make judgements as to the realization of deferred tax assets that are dependent upon a variety of factors, including the generation of future taxable income, the reversal of deferred tax liabilities, and tax planning strategies. To the extent that the Company believes that recovery is not likely, it must establish a valuation allowance. A valuation allowance has been established for deferred tax assets which the Company does not believe meet the "more likely than not" criteria. The Company's judgments regarding future taxable income may change due to changes in market conditions, changes in tax laws, tax planning strategies or other factors. If the Company's assumptions and consequently its estimates change in the future, the valuation allowances it has established may be increased or decreased, resulting in a respective increase or decrease in income tax expense. Based upon the Company's historical operating losses and the uncertainty of future taxable income, the Company has provided a valuation allowance primarily against its deferred tax assets up to the deferred tax liabilities, as of June 30, 2021 and 2020.

The Company has non-capital losses carry forward balances of approximately $12,200,000 (CAD$15,200,000) at June 30, 2021 for which a deferred tax asset has not been recognized. These losses may be carried forward to apply against future year income tax for Canadian income tax purposes, subject to the final determination by taxation

NOTE 12 — INCOME TAXES (cont.)

authorities, and expire through 2040. The utilization of the Company's non-capital losses carry-forward balances may be subject to limitation under the provisions of Canada Revenue Agency section 111(5.4). The Company has not yet completed a study to determine if any losses are limited under section 111(5.4) as of June 30, 2021.

The Company recognizes the tax benefit from uncertain tax positions only if it is "more likely than not" that the tax positions will be sustained on examination by the tax authorities, based on the technical merits of the position. The tax benefit is measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. The Company recognizes interest and penalties related to income tax matters in income tax expense. The Company is also required to assess at each reporting date whether it is reasonably possible that any significant increases or decreases to its unrecognized tax benefits will occur during the next 12 months.

The Company did not recognize any uncertain tax positions, or any accrued interest and penalties associated with uncertain tax positions for the year ended June 30, 2021. The Company files tax returns in the U.S. federal jurisdiction and Delaware, and Canada. The Company is generally subject to examination by income tax authorities for seven years from the filing of a tax return, therefore, the federal and certain state returns from incorporation forward are subject to examination. The Company currently is not under examination by any tax authority.

In response to the COVID-19 pandemic, the COVID-19 Emergency Response Act was signed into law on March 25, 2020. The COVID-19 Emergency Response Act, among other things, includes tax provisions relating to temporary wage subsidies and interest free business loans. The COVID-19 Emergency Response Act did not have a material impact on the Company's income tax provision for the years ended June 30, 2021 and 2020. The Company will continue to evaluate the impact of the COVID-19 Emergency Response Act on its financial position, results of operations, and cash flows.

NOTE 13 — RELATED PARTY TRANSACTIONS

Included under due to related parties on our consolidated balance sheet as of June 30, 2021 is $1,145,690 (June 30, 2020 — $822,307) that relates to wages, short-term benefits and contracted services for key management personnel. The amounts are unsecured and non-interest bearing.

During the year ended June 30, 2019, the Company issued notes payable to the former CEO and current stockholder in the amount of $374,067 (CAD$506,000). The note bears interest at 2% per annum, are unsecured and are repayable 90 days subsequent to the successful completion of an Initial Public Offering or a Reverse Takeover Transaction which results in the Company's shares being listed on a public exchange. On June 30, 2020, the note plus accrued interest were forgiven resulting in a gain on debt forgiveness of $385,398 (CAD$517,486) which was recorded as a direct contribution to additional paid in capital. Refer to note 7(a).

On October 17, 2019, the Company issued a note payable of $38,043 (CAD$50,000), to the former CEO and current stockholder. The notes bear interest at 2% per annum, are unsecured and repayable 90 days subsequent to the successful completion of an initial public offering or a reverse takeover transaction. Refer to note 7(d). The note was repaid in full during the year ended June 30, 2021.

The Company issued a series of notes payable to a director and stockholder. On December 31, 2018, the Company issued a note payable of $144,667 (CAD$200,000) bearing interest at 21% per annum, is unsecured and is repayable on December 31, 2020. In addition, during the year ended June 30, 2019, the Company issued a note payable of $245,768 (CAD$330,000) to a related party through a series of advances. The note bears interest at 2% per annum, is unsecured and is repayable 90 days subsequent to the successful completion of an Initial Public Offering or a Reverse Takeover Transaction which results in the Company's shares being listed on a public exchange. Refer to notes 7(b) and 7(c).

On February 25, 2021, the Company entered an agreement whereby the Company acquired certain equipment from the former CEO for consideration of 990,741 Class B common non-voting shares with a fair value of $1,687,032 (CAD$2,140,000).

NOTE 13 — RELATED PARTY TRANSACTIONS (cont.)

On February 25, 2021, the Company entered into a $500,000 convertible note at 8% interest rate to the CEO of the Company. The convertible note matured on August 25, 2021. The note was modified subsequent to June 30, 2021 whereby the maturity was extended to February 25, 2022. The note is convertible at the option of the holder into Class B common non-voting shares at a conversion price of $1.74 (CAD$2.16) per share. During the year ended June 30, 2021, the Company incurred an interest expense of $13,833 (June 30, 2020 — $nil). Refer to Note 8(a). The convertible note plus accrued interest was converted into Class B common non-voting shares on December 28, 2021 (Note 15).

NOTE 14 — FINANCIAL INSTRUMENTS

The Company has established a fair value hierarchy that reflects the significance of inputs of valuation techniques used in making fair value measurements as follows:

Level 1 — quoted prices in active markets for identical assets or liabilities;

Level 2 — inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. from derived prices); and

Level 3 — inputs for the asset or liability that are not based on observable market data.

The Company's financial assets and financial liabilities are measured at amortized cost. As at June 30, 2021 and 2020 the carrying value of the cash, other assets — GST receivable, accounts payable and accrued liabilities and amounts due to related parties approximates the fair value due to the short-term nature of these instruments.

The notes payable and notes payable– related parties are categorized as Level 2 and have been recorded at amortized cost. The carrying value approximates its fair value due to its relatively short-term nature. It is management's opinion that the Company is not exposed to significant interest or credit risks arising from these financial instruments.

The warrant liability is categorized as Level 3 and recorded at fair value through profit and loss. The fair value was determined using the Black-Scholes option pricing model with significant inputs as disclosed in Note 10.

NOTE 15 — SUBSEQUENT EVENTS

In connection with the preparation of the consolidated financial statements, the Company evaluated subsequent events through January 21, 2022, which was the date the consolidated financial statements were issued, and determined that the following subsequent events occurred as of that date:

Equity transactions

On December 1, 2021, the Company authorized an 18:1 reverse stock split of its issued and outstanding Class A common stock and Class B common stock resulting in one class of common share authorized for issuance.

On December 8, 2021, the Company issued 3,477,919 common non-voting shares pursuant to the exercise of 3,477,919 warrants with an exercise price of $0.015 (CAD$0.018) per warrant.

On December 28, 2021, the Company issued 170,804 common non-voting shares pursuant to the conversion of $275,000 of convertible notes plus $12,844 accrued interest at a conversion price of $1.74 (CAD$2.16) per common non-voting share (Notes 8(b)-(f)).

Financing Activities

The Company issued unsecured convertible notes with a face value of $2,179,500 which bear an interest rate of 8% per annum. The convertible notes are convertible into common non-voting shares at a 40% discount to the price of an initial public offering and mature between July 7, 2023 and December 28, 2021.

LUCY SCIENTIFIC DISCOVERY INC.
CONDENSED CONSOLIDATED INTERIM BALANCE SHEETS
As of September 30, 2021 and June 30, 2021
(Expressed in US Dollars, except per share numbers)

	September 30, 2021	June 30, 2021
	(Unaudited)	
	$	$
ASSETS		
Current assets		
Cash	**112,372**	246,030
Prepaid expenses	**63,229**	71,524
Other assets – GST receivable	**17,229**	12,530
Deferred financing costs, current	**1,630,576**	1,676,228
Total current assets	**1,823,406**	2,006,312
Non-current assets		
Deferred financing costs, noncurrent	**2,511,274**	2,684,956
Property, plant, and equipment	**843,500**	843,500
Long-term deposits	**19,622**	20,171
TOTAL ASSETS	**5,197,802**	5,554,939
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	**2,633,524**	2,399,969
Convertible notes, current	**883,990**	866,731
Due to related parties	**1,096,269**	1,126,962
Notes payable – related parties	**299,350**	304,566
Lease liability, current	**77,252**	75,441
Total current liabilities	**4,990,385**	4,773,669
Non-current liabilities		
Convertible notes, noncurrent	**876,348**	200,043
Lease liability, noncurrent	**654,937**	696,535
Notes payable, noncurrent	**48,982**	47,898
Warrant liability	**6,173,875**	6,192,883
TOTAL LIABILITIES	**12,744,527**	11,911,028
STOCKHOLDERS' EQUITY (DEFICIT)		
Common stock, Class A, no par value; unlimited shares authorized; 1 share issued and outstanding	**—**	—
Common stock, Class B, no par value; unlimited shares authorized; 6,476,753 shares issued and outstanding	**23,583,082**	23,568,439
Accumulated deficit	**(30,911,283)**	(29,571,226)
Accumulated other comprehensive loss	**(218,524)**	(353,302)
TOTAL STOCKHOLDERS' EQUITY (DEFICIT)	**(7,546,725)**	(6,356,089)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)	**5,197,802**	5,554,939

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

LUCY SCIENTIFIC DISCOVERY INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
For the three months ended September 30, 2021 and 2020
(Expressed in US Dollars, except per share numbers)
(Unaudited)

	Three Months ended September 30, 2021	Three months ended September 30, 2020
	$	$
Selling, general and administrative expense	**714,484**	86,059
Total expenses	**714,484**	86,059
Other expense (income)		
Interest expense	**474,270**	41,179
Change in fair value of warrant liability	**151,303**	—
Total other expense (income)	**625,573**	41,179
Income tax expense	**—**	—
Net income (loss)	**(1,340,057)**	(127,238)
Foreign exchange translation adjustment, net of tax of $nil	**134,778**	(96,319)
Comprehensive loss	**(1,205,279)**	(223,557)
Net loss per common share		
Basic and diluted	**(0.21)**	(0.03)
Weighted average number of common shares outstanding		
Basic and diluted	**6,476,753**	4,618,468

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

LUCY SCIENTIFIC DISCOVERY INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF STOCKHOLDERS' DEFICIT
For the three months ended September 30, 2021 and 2020
(Expressed in US Dollars, except per share numbers)
(Unaudited)

	Class A voting common shares		Class B non-voting common shares				
	Number of shares	Paid-in capital	Number of shares	Paid-in capital	Accumulated deficit	Accumulated other comprehensive income (loss)	Total Deficit
		$		$	$	$	$
Balance, June 30, 2020	1	—	4,618,468	20,291,092	(24,845,343)	217,279	(4,336,972)
Foreign currency translation adjustment, net of tax of $nil	—	—	—	—	—	(96,319)	(96,319)
Net loss and comprehensive loss	—	—	—	—	(127,238)	—	(127,238)
Balance, September 30, 2020	**1**	**—**	**4,618,468**	**20,291,092**	**(24,972,581)**	**120,960**	**(4,560,529)**
Balance, June 30, 2021	**1**	**—**	**6,476,753**	**23,568,439**	**(29,571,226)**	**(353,302)**	**(6,356,089)**
Share purchase options	**—**	**—**	—	14,643	—	—	14,643
Translation adjustment	**—**	**—**	—	—	—	134,778	134,778
Net loss	**—**	**—**	—	—	(1,340,057)	—	(1,340,057)
Balance, September 30, 2021	**1**	**—**	**6,476,753**	**23,583,082**	**(30,911,283)**	**(218,524)**	**(7,546,726)**

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

LUCY SCIENTIFIC DISCOVERY INC.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
For the three months ended September 30, 2021 and 2020
(Expressed in US Dollars)
(Unaudited)

	Three Months ended September 30, 2021	Three months ended September 30, 2020
	$	$
Operating activities		
Net loss	**(1,340,057)**	(127,238)
Items not involving cash:		
Interest expense	**412,134**	(44,912)
Amortization of debt discount	**2,415**	2,285
Share-based compensation – stock options	**14,643**	—
Change in fair value of warrant liability	**151,303**	—
Changes in non-cash working capital:		
Prepaid expenses and long-term deposits	**(4,833)**	21,067
Other assets – GST receivable	**(6,891)**	(5,155)
Accounts payable and accrued liabilities	**2,064**	399,510
Lease liability	**(39,787)**	2,595
Due to related parties	**141,667**	(153,997)
Net cash flows (used in) provided by operating activities	**(667,342)**	94,155
Financing activities		
Net proceeds from Convertible Notes	**665,000**	—
Deferred share issuance costs	**(100,622)**	—
Net cash flows provided by financing activities	**564,378**	—
Effect of foreign exchange on cash	**(30,694)**	4,768
(Decrease) increase in cash	**(133,658)**	98,923
Cash, beginning of period	**246,030**	50,017
Cash, end of period	**112,372**	148,940
Supplemental disclosures of cash flow information:		
Interest paid in cash	**—**	—
Income taxes paid in cash	**—**	—
Non-Cash activities for financing activities		
Deferred offering costs accrued but unpaid	**593,763**	—

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

NOTE 1 — NATURE OF THE ORGANIZATION AND BUSINESS

Lucy Scientific Discovery Inc. ("we," "our," "us," or the "Company") was incorporated under the Business Corporations Act (British Columbia) on February 17, 2017. The Company previously specialized in developing supply chain products, services, and distribution channels for the cannabis industry in the areas of cannabis production, cannabis extracts, edibles and other pharmaceutical grade products. The Company changed its name from Hollyweed North Cannabis Inc. to Lucy Scientific Discovery Inc. and, under a new business model, is engaged in the research, manufacturing and commercialization of psychedelic products. The Company's registered office is Suite 301 — 1321 Blanshard Street, Victoria, British Columbia, Canada.

Subsidiaries that are active and wholly-owned by the Company and that have each been incorporated under the Business Corporations Act of British Columbia to facilitate its business activities include:

- TerraCube International Inc. — On October 4, 2017, the Company acquired control of TerraCube International Inc. ("TerraCube"), formerly Crop2Scale International Inc. TerraCube innovates, develops and produces highly controlled agricultural grow environments for plant manufacturing and replication. On April 16, 2018, TerraCube incorporated TerraCube USA, Inc. ("TC USA") under the General Corporation Law of the State of Delaware, for the purpose of manufacturing and distributing TerraCube grow environments in the United States. TC USA has been inactive to date.

- LSDI Manufacturing Inc. — On June 29, 2017, the Company incorporated LSDI Manufacturing Inc. ("LMI"), under the Business Corporations Act (British Columbia) for the purposes of cannabis extraction and manufacturing of adult-use and pharmaceutical products. LMI held a Health Canada Processor's License under the Cannabis Act but has never engaged in plant-touching activities up to the date the Board of Directors approved these financial statements. On August 10, 2021, the Health Canada Standard Processor's License was voluntarily withdrawn by LSDI with the revocation effective September 3, 2021. In August 2021, Health Canada's Office of Controlled Substances granted us a Controlled Drugs and Substances Dealer's Licence under Part J of the Food and Drug Regulations promulgated under the Food and Drugs Act (Canada), or a Dealer's Licence. The Dealer's Licence, which we hold through one of our wholly owned subsidiaries, authorizes us to develop and produce (through cultivation, extraction or synthesis) certain restricted substances. The company intends to develop and produce these restricted substances as pharmaceutical-grade active pharmaceutical ingredients and their raw material.

Impact of COVID-19

In March 2020, the World Health Organization declared COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, and led to an economic downturn. To date, COVID-19 has not had any material impact on the Company's operations; however, it is possible that estimates in these consolidated financial statements may change in the near term as a result of COVID-19 variants.

Going Concern

The Company has incurred net losses in recent periods and has accumulated a deficit of $30,911,283 as of September 30, 2021. The Company has funded operations in the past through loans from third parties and advances from officers and directors. The Company's continued operations are dependent upon generating sales and the continued financial support from officers and directors, obtaining funding from third-party sources or the issuance of additional shares of common stock.

These condensed consolidated interim financial statements have been prepared on a going concern basis, which implies that the Company will continue to realize its assets and discharge its liabilities in the normal course of business. The continuation of the Company as a going concern is dependent upon the continued financial support

NOTE 1 — NATURE OF THE ORGANIZATION AND BUSINESS (cont.)

from its management, its ability to identify future investment opportunities, to obtain the necessary debt or equity financing, generating profitable operations from the Company's future operations or the success of an initial public offering. These factors raise substantial doubt regarding the Company's ability to continue as a going concern. These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Principles of Consolidation

The accompanying condensed consolidated balance sheet as of June 30, 2021, which has been derived from audited financial statements, and the unaudited condensed consolidated interim financial statements as of and for the three months ended September 30, 2021 and 2020, have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC"). Certain information and footnote disclosures in these unaudited condensed consolidated interim financial statements, normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States, have been condensed or omitted pursuant to rules and regulations of the SEC for quarterly reports on Form 10-Q. In the opinion of management, the unaudited condensed consolidated interim financial statements reflect all adjustments necessary for a fair statement of the Company's financial position at September 30, 2021, the Company's operating results for the three months ended September 30, 2021 and 2020, and the Company's cash flows for the three months ended September 30, 2021 and 2020. The unaudited condensed consolidated interim financial statements and notes should be read in conjunction with the Company's audited financial statements and notes thereto for the year ended June 30, 2021. The consolidated condensed interim financial statements include the accounts of the Company and our subsidiaries in which we have controlling financial interest. All inter-company balances and transactions among the companies have been eliminated upon consolidation.

Use of Estimates

The preparation of the condensed consolidated interim financial statements requires management to make estimates and assumptions that affect the reported amounts of certain assets, liabilities, revenue, and expenses as well as the related disclosures. The Company must often make estimates about effects of matters that are inherently uncertain and will likely change in subsequent periods. Actual results could differ materially from those estimates.

Functional and Presentation Currency

The Company's reporting currency is the United States Dollar ("USD"). The Company's functional currency is the local currency, Canadian Dollar ("CAD"). Assets and liabilities of these operations are translated into USD at the end-of-period exchange rates; income and expenses are translated using the average exchange rates for the reporting period. Resulting cumulative translation adjustments are recorded as a component of stockholder's equity (deficit) in the consolidated balance sheet in accumulated other comprehensive (loss).

Significant Accounting Policies

The accounting policies applied in the preparation of these interim financial statements are consistent with those applied and disclosed in note 2 to the annual financial statements except as noted below:

Income Taxes

In December 2019, the FASB issued ASU 2019-12, "Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes" ("ASU 2019-12"). The amendments in ASU 2019-12 remove certain exceptions to the general principles in ASC Topic 740. The amendments also clarify and amend existing guidance to improve consistent application.

(Expressed in US Dollars, except where noted)

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

The amendments were adopted on July 1, 2021. The transition method (retrospective, modified retrospective, or prospective basis) related to the amendments depends on the applicable guidance, and all amendments for which there is no transition guidance specified are to be applied on a prospective basis. The adoption had no impact on the condensed consolidated interim financial statements.

Recently Issued Accounting Pronouncements

From time to time, new accounting pronouncements are issued by the FASB or other standard setting bodies that the Company adopts as of the specified effective date. The Company is an emerging growth company, as defined in the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"). Under the JOBS Act, emerging growth companies can delay adopting new or revised accounting standards issued subsequent to the enactment of the JOBS Act until such time as those standards apply to private companies. The Company has elected to use this extended transition period for complying with new or revised accounting standards that have different effective dates for public and private companies until the earlier of the date that it is (i) no longer an emerging growth company or (ii) affirmatively and irrevocably opt out of the extended transition period provided in the JOBS Act. As a result, these financial statements may not be comparable to companies that comply with the new or revised accounting pronouncements as of public company effective dates.

In August 2020, the FASB issued ASU 2020-06, Debt — Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging — Contracts in Entity's Own Equity (Subtopic 815-40). The ASU simplifies the accounting for certain financial instruments with characteristics of liabilities and equity. The FASB reduced the number of accounting models for convertible debt and convertible preferred stock instruments and made certain disclosure amendments to improve the information provided to users. In addition, the FASB amended the derivative guidance for the own stock scope exception and certain aspects of the earnings-per-share guidance. The amendments are effective for interim and annual periods beginning after December 15, 2021, with early adoption permitted for after December 15, 2020. The Company is currently evaluating the effects the adoption of ASU 2020-06 will have on its consolidated financial statements.

NOTE 3 — PROPERTY, PLANT AND EQUIPMENT

On February 25, 2021, the Company entered an agreement whereby the Company acquired certain equipment for consideration of 990,741 Class B common non-voting shares with a fair value of $1,679,617 (CAD$2,140,000). At the time of acquisition, the equipment had a fair value of $843,500. The excess of fair value of the Class B common non-voting shares above the fair value of the equipment of $843,532 was recorded as compensation expense within selling, general and administrative expenses on the consolidated statement of operations and comprehensive loss. The equipment is not in use and therefore no depreciation has been taken for the three months ended September 30, 2021.

NOTE 4 — ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consist of the following:

	September 30, 2021	June 30, 2021
	$	$
Trade payables	**2,182,915**	1,878,014
Vacation accrual	**82,033**	84,330
Accrued liabilities	**368,576**	437,625
	2,633,524	2,399,969

(Expressed in US Dollars, except where noted)

NOTE 5 — RIGHT OF USE ASSET AND LEASE LIABILITY

The lease liability relates to a warehouse leased by the Company (the "Warehouse Lease"). The lease commenced on August 1, 2017 with an initial term of 5 years expiring on July 31, 2022. The Company has an option to renew for an additional 5 years and extend the maturity to July 31, 2027, provided that the option is exercised on or before February 1, 2022. The Company anticipates exercising the option to renew and as such has determined the lease term to be 10 years in determining the lease liability. The discount rate used was 16%, equivalent to the interest rate the Company would incur to borrow funds equal to the future lease payments on a collateralized basis over a similar term and in a similar economic environment. The Company has no additional lease obligations.

Leases with an initial term of less than 12 months are not recorded on the balance sheet, we recognize lease expense for these leases on a straight-line basis over the lease term.

Pursuant to the adoption of ASC 842 on July 1, 2019 the Company recognized a right-of-use asset for $864,145 and lease liability of $851,021 related to the Warehouse Lease. The recoverable amount of the right-of-use asset was considered to be $nil as at July 1, 2019 as the Company has changed its strategic focus and as a result the fair value was determined to be $nil due to uncertainty of future cash flows.

The long-term deposit of $19,622 (CAD$25,000) relates to a security deposit on the Warehouse Lease which is expected to be returned to the Company at the completion of the lease, including renewal periods.

The maturity of the lease liability is as follows:

For the years ended June 30,	Amount
	$
2022	131,816
2023	197,725
2024	197,725
2025	197,725
Thereafter	411,926
Total lease payments	1,136,917
Less: Unamortized interest	(404,728)
Total lease liability	**732,189**

NOTE 6 — NOTES PAYABLE

a) On December 31, 2018, the Company issued a note payable of $144,666 (CAD$200,000) to a director and stockholder of the Company. The note bears interest of 21% per annum, is unsecured and is repayable on December 31, 2021. During the three months ended September 30, 2021, the Company incurred interest expense of $2,083 (CAD$2,625) (three months ended September 30, 2020 - $3,941 (CAD$5,250)) with respect to the note payable. Accrued interest is due with repayment of principal at maturity. There is no penalty for early repayments. No payments of principal or interest have been made in the three months ended September 30, 2021. During the three months ended September 30, 2020, the Company made principal payments of $2,379 (CAD$2,999).

b) During the year ended June 30, 2019, the Company issued a series of notes payable totaling $245,768 (CAD $330,000) to a director and stockholder of the Company. On August 20, 2021, the Company issued an additional $2,273 (CAD$3,000) to a director and stockholder of the Company. The note bears interest of 2% per annum, is unsecured and repayable 90 days subsequent to the successful completion of an initial public offering or a reverse takeover transaction. During the three months ended September 30, 2021, the Company incurred an interest expense of $1,030 (CAD$1,298) (three months ended September 30, 2020 - $1,220 (CAD$1,626). No payments of principal or interest have been made in the three months ended September 30, 2021 and September 30, 2020.

NOTE 6 — NOTES PAYABLE (cont.)

c) On October 17, 2019, the Company issued a note payable of $38,043 (CAD$50,000), to the former CEO and current stockholder. The notes bear interest at 2% per annum, are unsecured and repayable 90 days subsequent to the successful completion of an initial public offering or a reverse takeover transaction. During the three months ended September 30, 3021, the Company incurred interest expense of $nil (three months ended September 30, 2020 – $87 (CAD$116)) with respect to the notes payable. No payments of principal or interest have been made in the three months ended September 30, 2021 and September 30, 2020.

d) On January 14, 2020, the Company issued a note payable of $114,836 (CAD $150,000). The note bears interest at 20% per annum, is secured by the Company's assets and is repayable earlier of the date of closing of any third-party financing (equity or debt) or February 14, 2020. During the three months ended September 30, 3021, the Company incurred interest expense of $nil (three months ended September 30, 2020 – $5,677 (CAD$7,562)) with respect to the notes payable. No payments of principal or interest have been made in the three months ended September 30, 2021 and September 30, 2020.

e) On April 20, 2020, the Company received a Canadian Emergency Business Account ("CEBA") loan in the amount of $28,756 (CAD $40,000), which is an interest-free loan to cover operating costs which was offered in the context of the COVID-19 pandemic outbreak. Repaying the balance of the loan on or before December 31, 2022 will result in a loan forgiveness of $8,355 (CAD$10,000). On December 31, 2022, the Company has the option to extend the loan for 3 years and will bear a 5% interest rate. To estimate the fair value, the debt component was estimated first at $12,470 (CAD$17,565), considering the forgiveness and interest free aspects. A 20% effective rate was used which corresponds to a rate that the Company would have obtained for a similar investment. The $8,828 (CAD$12,435) residual value was attributed to a governmental subsidy that is presented in other income on the consolidated statements of loss and comprehensive loss. During the three months ended September 30, 2021, the Company recorded accretion expense of $906 (CAD$1,141) (three months ended September 30, 2020 - $703 (CAD$936)) with respect to the CEBA loan.

f) On April 20, 2020, TerraCube received a CEBA loan in the amount of $28,756 (CAD $40,000), which is an interest-free loan to cover operating costs and that was offered in the context of the COVID-19 pandemic outbreak. Repaying the balance of the loan on or before December 31, 2022 will result in a loan forgiveness of $8,355 (CAD$10,000). To estimate the fair value, the debt component was estimated first at $12,470 (CAD$17,565), considering the forgiveness and interest free aspects. A 20% effective rate was used which corresponds to a rate that the Company would have obtained for a similar investment. The $8,828 (CAD$12,435) residual value was attributed to a governmental subsidy that is presented in other income on the consolidated statements of loss and comprehensive loss. During the three months ended September 30, 2021, the Company recorded accretion expense of $906 (CAD$1,141) (three months ended September 30, 2020 - $703 (CAD$936)) with respect to the CEBA loan.

g) On December 31, 2020, TerraCube received a CEBA loan in the amount of $15,709 (CAD $20,000), which is an interest-free loan to cover operating costs and that was offered in the context of the COVID-19 pandemic outbreak. Repaying the balance of the loan on or before December 31, 2022 will result in a loan forgiveness of $8,142 (CAD$10,000). To estimate the fair value, the debt component was estimated first at $5,282 (CAD$6,725), considering the forgiveness and interest free aspects. A 20% effective rate was used which corresponds to a rate that the Company would have obtained for a similar investment. The $2,599 (CAD$3,275) residual value was attributed to a governmental subsidy that is presented in other income on the consolidated statements of loss and comprehensive loss. During the three months ended September 30, 2021, the Company recorded accretion expense of $301 (CAD$380) (three months ended September 30, 2020 – $nil) with respect to the CEBA loan.

h) On February 18, 2021, the Company received a CEBA loan in the amount of $15,753 (CAD $20,000), which is an interest-free loan to cover operating costs which was offered in the context of the COVID-19 pandemic outbreak. Repaying the balance of the loan on or before December 31, 2022 will result in a loan forgiveness of $8,142 (CAD$10,000). On December 31, 2022, the Company has the option to extend the loan for 3 years and will

(Expressed in US Dollars, except where noted)

NOTE 6 — NOTES PAYABLE (cont.)

bear a 5% interest rate. To estimate the fair value, the debt component was estimated first at $5,440 (CAD$6,907), considering the forgiveness and interest free aspects. A 20% effective rate was used which corresponds to a rate that the Company would have obtained for a similar investment. The $2,667 (CAD$3,092) residual value was attributed to a governmental subsidy that is presented in other income on the consolidated statements of loss and comprehensive loss. During the three months ended September 30, 2021, the Company recorded accretion expense of $302 (CAD$380) (three months ended September 30, 2020 - $nil) with respect to the CEBA loan.

The following table summarizes the future principal repayments required on the Company's notes payable:

For the years ended June 30,	Amount
	$
2022	223,805
2023	62,789
Total principal	286,594
Less: debt discount	(13,808)
Add: accrued interest	75,546
Total notes payable	**348,332**

NOTE 7 — CONVERTIBLE NOTES

During the three months ended September 30, 2021, the Company issued unsecured convertible notes with a face value of $665,000 which bears an interest rate of 8% per annum. The convertible notes are convertible into Class B common non-voting shares at a 40% discount to the price of an initial public offering and mature between July 7, 2023 and September 20, 2023. During the three months ended September 30, 2021, the Company incurred an interest expense of $7,244 (three months ended September 30, 2020 - $nil) with respect to the convertible notes issued during the period.

NOTE 8 — LINE OF CREDIT

On November 5, 2020, the Company established a line of credit of $5,238,992 (CAD$6,675,000). The line of credit is secured by the Company's assets, bears an interest rate of 8% per annum and matures on November 5, 2023. The Company may draw up to $392,434 (CAD$500,000) per quarter under the line of credit beginning January 15, 2021. Pursuant to entering the line of credit, the Company issued the lender warrants to purchase 3,906,209 common shares of the Company at an exercise price of $1.74 (CAD$2.16) per common share until November 5, 2025. On January 22, 2021, the Company amended the warrants whereby in the event that the Company effects a closing or closings of convertible notes is the minimum aggregate of (i) $1,000,000, the exercise price of 1,111,112 warrants shall be adjusted to $0.015 (CAD$0.018), (ii) $2,000,000, the exercise price of 2,222,223 warrants shall be adjusted to $0.015 (CAD$0.018), and (iii) $3,000,000, the exercise price of 3,333,334 warrants shall be adjusted to $0.015 (CAD$0.018).

The warrants were valued at $4,775,535 and recorded as deferred financing costs to be recognized over the term of the line of credit. During the three months ended September 30, 2021 the Company recorded interest expense of $412,134 (three months ended September 30, 2020 - $nil) related to the warrants.

(Expressed in US Dollars, except where noted)

NOTE 8 — LINE OF CREDIT (cont.)

On January 22, 2021, pursuant to the warrant amendment, the Company reclassified 3,906,209 warrants valued at $4,775,535 to warrant liability as the exercise price became variable to the convertible notes raised. The incremental fair value resulting from the warrant amendment of $1,352,322 was recorded as interest expense on the consolidated statement of operations and comprehensive loss.

Following is a summary of the Company's warrant liability:

	September 30, 2021	September 30, 2021
	$	$
Balance, beginning of period	**6,192,883**	—
Warrants reclassified from share capital	**—**	—
Incremental fair value from amendment	**—**	—
Change in fair value of warrant liability	**151,303**	—
Unrealized foreign exchange gain	**(170,311)**	—
Balance, end of period	**6,173,875**	—

Any outstanding principal and accrued interest is subject to mandatory conversion into Class B common non-voting shares of the Company at a conversion price of $1.74 (CAD$2.16) per Class B common non-voting share upon consummation of an initial public offering and listing of the Company's Class B common non-voting shares.

NOTE 9 — STOCKHOLDERS' EQUITY

Share Capital

Stock Split

On December 1, 2021, the Company authorized an 18:1 reverse stock split of its issued and outstanding Class B common stock.

Common Stock Issuances and Transfers

During the three months ended September 30, 2021 and September 30, 2020, the Company had no common stock transactions.

Stock Options

The following is a summary of the changes in the 2019 Plan during the year ended June 30, 2021 and three months ended September 30, 2021:

	Number of options	**Weighted average exercise price ($)**	**Weighted average remaining life (years)**	**Aggregate intrinsic value ($)**
Balance at June 30, 2020	236,513[1]	0.7886 (CAD1.0588)	1.53	276,294
Balance at September 30, 2020	**236,513[1]**	**0.7886 (CAD1.0588)**	**1.28**	**276,294**
Balance at June 30, 2021	353,181[2]	1.1094 (CAD1.4226)	2.51	276,294
Balance at September 30, 2021	**353,181[2]**	**1.1094 (CAD1.4226)**	**2.26**	**276,294**

(1) The Company originally granted 2,500,000 options. Through a reorganization of the Company, the number of options was increased to 3,040,874 and subsequently increased to 4,257,190 on October 22, 2018 resulting from the 1:1.4 stock split. Through the 18:1 reverse stock split on December 1, 2021 the number of options was decreased to 236,513.

(Expressed in US Dollars, except where noted)

NOTE 9 — STOCKHOLDERS' EQUITY (cont.)

(2) On December 28, 2020, the Company issued 2,100,000 share purchase options to various directors and consultants. The options have an exercise price of $0.09 (CAD$0.12) and expire on December 28, 2025. 700,000 share purchase options vested on December 28, 2020 the remaining options in equal tranches of 350,000 on March 31, 2021, June 30, 2021, September 30, 2021 and December 31, 2021. Through the 18:1 reverse stock split on December 1, 2021 the number of options was decreased to 116,668.

The following is a summary of the outstanding stock options as at September 30, 2021:

Exercise price ($)	Outstanding at September 30, 2021	Weighted average remaining contractual life	Exercisable at September 30, 2021	Weighted average remaining contractual life
2.4015 (CAD3.22452)	54,266	0.96	54,266	0.96
0.3428 (CAD0.46026)	54,266	0.96	54,266	0.96
0.3687 (CAD0.495)	50,521	1.42	50,521	1.42
2.9483 (CAD3.95874)	6,316	1.42	6,316	1.42
0.0048 (CAD0.00648)	71,144	1.63	71,144	1.63
1.6087 (CAD2.16)	116,668	4.25	97,223	4.25
	353,181	**2.26**	**333,736**	**2.26**

During the three months ended September 30, 2021, the Company recognized share-based payment expense of $14,643 (CAD$18,454) (three months ended September 30, 2020 - $nil) related to vested share purchase options. As at September 30, 2021, total unrecognized share-based payment expense related to the outstanding share purchase options was $6,279 (CAD$7,913). This expense will be recognized during the during the year ended June 30, 2022.

The Company has computed the fair value of options granted using the Black-Scholes option pricing model. The expected term used for options issued to non-employees is the contractual life and the expected term used for options issued to employees and directors is the estimated period of time that options granted are expected to be outstanding. The Company utilizes the "simplified" method to develop an estimate of the expected term of "plain vanilla" employee option grants. The Company is utilizing an expected volatility figure based on a review of the historical volatilities, over a period of time, equivalent to the expected life of the instrument being valued, of similarly positioned public companies within its industry. The risk-free interest rate was determined from the implied yields from U.S. Treasury zero-coupon bonds with a remaining term consistent with the expected term of the instrument being valued.

Warrants

The Company has computed the fair value of warrants issued using the Black-Scholes option pricing model. The expected term used for warrants issued is the contractual term. The Company is utilizing an expected volatility figure based on a review of the historical volatilities, over a period of time, equivalent to the expected life of the instrument being valued, of similarly positioned public companies within its industry. The risk-free interest rate was determined from the implied yields from U.S. Treasury zero-coupon bonds with a remaining term consistent with the expected term of the instrument being valued.

Pursuant to entering the line of credit, on January 15, 2021, the Company issued 3,906,209 warrants to purchase 3,906,209 common shares of the Company at an exercise price of $1.74 (CAD$2.16) per common share until November 5, 2025. On January 22, 2021, the Company amended the warrants whereby in the event that the Company effects a closing or closings of convertible notes is the minimum aggregate of (i) $1,000,000, the exercise price of 1,111,112 warrants shall be adjusted to $0.015 (CAD$0.018), (ii) $2,000,000, the exercise price of 2,222,223 warrants shall be adjusted to $0.015 (CAD$0.018), and (iii) $3,000,000, the exercise price of 3,333,334 warrants shall be adjusted to $0.015 (CAD$0.018).

(Expressed in US Dollars, except where noted)

NOTE 9 — STOCKHOLDERS' EQUITY (cont.)

	Number of warrants	Weighted average exercise price ($)	Weighted average remaining life (years)	Aggregate intrinsic value
Balance at June 30, 2020	—	—	—	—
Balance at September 30, 2020	—	—	—	—
Balance at June 30, 2021	3,609,209	1.6092 (CAD2.16)	4.35	5,892,125
Balance at September 30, 2021	**3,609,209**	**1.6092 (CAD2.16)**	**4.10**	**6,672,586**

The Company applied the following assumptions in the Black-Scholes option pricing model:

	September 30, 2021	June 30, 2021
Expected life warrants (years)	**4.10**	4.35
Expected volatility	**100%**	100%
Expected dividend yield	**0%**	0%
Risk-free interest rate	**0.34%**	0.34%
Black-Scholes value of each warrant	**$ 0.80 (CAD$1.08)**	$ 1.44 (CAD$1.94)

NOTE 10 — RESEARCH AND DEVELOPMENT

The Company conducts research and development activities, which consist primarily of the development of new products and product applications. Research and development costs are charged to expense as incurred. During the three months ended September 30, 2020, TerraCube received cash proceeds of $165,825 (CAD$203,663) related to an income tax credit with the Canada Revenue Agency for eligible research and development expenditures. The amount represents a partial recovery of research and development costs incurred during the year ended June 30, 2020.

NOTE 11 — RELATED PARTY TRANSACTIONS

Included under due to related parties on our consolidated balance sheet as of September 30, 2021 is $1,114,488 (June 30, 2021 — $1,145,690) that relates to wages, short-term benefits and contracted services for key management personnel. The amounts are unsecured and non-interest bearing.

On October 17, 2019, the Company issued a note payable of $38,043 (CAD$50,000), to the former CEO and current stockholder. The notes bear interest at 2% per annum, are unsecured and repayable 90 days subsequent to the successful completion of an initial public offering or a reverse takeover transaction. Refer to note 6(c). The note was repaid in full during the year ended June 30, 2021.

The Company issued a series of notes payable to a director and stockholder. On December 31, 2018, the Company issued a note payable of $144,667 (CAD$200,000) bearing interest at 21% per annum, is unsecured and is repayable on December 31, 2020. In addition, during the year ended June 30, 2019, the Company issued a note payable of $245,768 (CAD$330,000) to a related party through a series of advances. The note bears interest at 2% per annum, is unsecured and is repayable 90 days subsequent to the successful completion of an Initial Public Offering or a Reverse Takeover Transaction which results in the Company's shares being listed on a public exchange. Refer to notes 6(a) and 6(b).

On February 25, 2021, the Company entered an agreement whereby the Company acquired certain equipment from the current CEO for consideration of 990,741 Class B common non-voting shares with a fair value of $1,687,032 (CAD$2,140,000).

NOTE 11 — RELATED PARTY TRANSACTIONS (cont.)

On February 25, 2021, the Company entered into a $500,000 convertible note at 8% interest rate to the CEO of the Company. The convertible note matured on August 25, 2021. The note was modified subsequent to June 30, 2021 whereby the maturity was extended to February 25, 2022. The note is convertible at the option of the holder into Class B common non-voting shares at a conversion price of $1.74 (CAD$2.16) per share. During the three months ended September 30, 2021, the Company incurred an interest expense of $10,425 (three months ended September 30, 2020 - $nil). Refer to Note 7(a). The convertible note plus accrued interest was converted into Class B common non-voting shares on December 28, 2021 (Note 13).

NOTE 12 — FINANCIAL INSTRUMENTS

The Company has established a fair value hierarchy that reflects the significance of inputs of valuation techniques used in making fair value measurements as follows:

Level 1 — quoted prices in active markets for identical assets or liabilities;

Level 2 — inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. from derived prices); and

Level 3 — inputs for the asset or liability that are not based on observable market data.

The Company's financial assets and financial liabilities are measured at amortized cost. As at September 30, 2021 and June 30, 2021 the carrying value of the cash, other assets — GST receivable, accounts payable and accrued liabilities and amounts due to related parties approximates the fair value due to the short-term nature of these instruments.

The notes payable and notes payable — related parties are categorized as Level 2 and have been recorded at amortized cost. The carrying value approximates its fair value due to its relatively short-term nature. It is management's opinion that the Company is not exposed to significant interest or credit risks arising from these financial instruments.

The warrant liability is categorized as Level 3 and recorded at fair value through profit and loss. The fair value was determined using the Black-Scholes option pricing model with significant inputs as disclosed in Note 9.

NOTE 13 — SUBSEQUENT EVENTS

In connection with the preparation of the consolidated financial statements, the Company evaluated subsequent events through January 21, 2022, which was the date the consolidated financial statements were issued, and determined that the following subsequent events occurred as of that date:

Equity transactions

On December 1, 2021, the Company authorized an 18:1 reverse stock split of its issued and outstanding Class A common stock and Class B common stock resulting in one class of common share authorized for issuance.

On December 8, 2021, the Company issued 3,477,919 common non-voting shares pursuant to the exercise of 3,477,919 warrants with an exercise price of $0.015 (CAD$0.018) per warrant.

On December 28, 2021, the Company issued 170,804 common non-voting shares pursuant to the conversion of $275,000 of convertible notes plus $12,844 accrued interest at a conversion price of $1.74 (CAD$2.16) per common non-voting share.

Financing Activities

The Company issued unsecured convertible notes with a face value of $1,514,500 which bear an interest rate of 8% per annum. The convertible notes are convertible into common non-voting shares at a 40% discount to the price of an initial public offering and mature between November 30, 2023 and December 28, 2021.

Units

Each Unit Consisting of One Common Share and One Warrant to Purchase One Common Share

PRELIMINARY PROSPECTUS

Sole Book-Running Manager

EF Hutton,
division of Benchmark Investments, LLC

, 2021

Through and including , 2022 (the 25th day after the date of this prospectus), all dealers effecting transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to a dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to an unsold allotment or subscription.

Part II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution.

The following table indicates the expenses to be incurred in connection with the offering described in this registration statement, other than underwriting discounts and commissions, all of which will be paid by us. All amounts are estimated except the Securities and Exchange Commission registration fee, the Financial Industry Regulatory Authority, Inc., or FINRA, filing fee and the Nasdaq Capital Market listing fee.

	Amount
Securities and Exchange Commission registration fee	$ 3,800.70
FINRA filing fee	*
Nasdaq listing fee	*
Accountants' fees and expenses	*
Legal fees and expenses	*
Blue Sky fees and expenses	*
Transfer Agent and registrar fees and expenses	*
Printing and engraving expenses	*
Miscellaneous	*
Total expenses	$ *

* To be filed by amendment.

Item 14. Indemnification of Directors and Officers.

We are governed by the *Business Corporations Act* (British Columbia), or BCBCA. Under the BCBCA, and our articles that will be in effect upon the closing of this offering, we may (or must, in the case of our articles) indemnify all eligible parties against all eligible penalties to which such person is or may be liable, and we must, after the final disposition of an eligible proceeding, pay the expenses actually and reasonably incurred by such person in respect of that proceeding. Each director is deemed to have contracted with us on the terms of indemnity contained in our articles.

For the purposes of such an indemnification:

"eligible party," in relation to us, means an individual who

- is or was our director or officer;
- is or was a director or officer of another corporation
- at a time when the corporation is or was our affiliate, or
- at our request; or
- at our request, is or was, or holds or held a position equivalent to that of, a director or officer of a partnership, trust, joint venture or other unincorporated entity and includes the heirs and personal or other legal representatives of that individual;

"eligible penalty" means a judgment, penalty or fine awarded or imposed in, or an amount paid in settlement of, an eligible proceeding;

"eligible proceeding" means a proceeding in which an eligible party or any of the heirs and personal or other legal representatives of the eligible party, by reason of the eligible party being or having been a director or officer of, or holding or having held a position equivalent to that of a director or officer of, us or an associated corporation:

- is or may be joined as a party, or
- is or may be liable for or in respect of a judgment, penalty or fine in, or expenses related to, the proceeding;

"expenses" includes costs, charges and expenses, including legal and other fees, but does not include judgments, penalties, fines or amounts paid in settlement of a proceeding; and

"proceeding" includes any legal proceeding or investigative action, whether current, threatened, pending or completed.

In addition, under the BCBCA, we may pay, as they are incurred in advance of the final disposition of an eligible proceeding, the expenses actually and reasonably incurred by an eligible party in respect of that proceeding, provided that we first receive from the eligible party a written undertaking that, if it is ultimately determined that the payment of expenses is prohibited by the restrictions noted below, the eligible party will repay the amounts advanced.

Notwithstanding the provisions of our Articles noted above, we must not indemnify an eligible party or pay the expenses of an eligible party, if any of the following circumstances apply:

- if the indemnity or payment is made under an earlier agreement to indemnify or pay expenses and, at the time that the agreement to indemnify or pay expenses was made, we were prohibited from giving the indemnity or paying the expenses by our Articles;
- if the indemnity or payment is made otherwise than under an earlier agreement to indemnify or pay expenses and, at the time that the indemnity or payment is made, we are prohibited from giving the indemnity or paying the expenses by our Articles;
- if, in relation to the subject matter of the eligible proceeding, the eligible party did not act honestly and in good faith with a view to the best interests of us or the associated corporation, as the case may be; or
- in the case of an eligible proceeding other than a civil proceeding, if the eligible party did not have reasonable grounds for believing that the eligible party's conduct in respect of which the proceeding was brought was lawful.

In addition, if an eligible proceeding is brought against an eligible party by or on behalf of us or by or on behalf of an associated corporation, we must not do either of the following:

- indemnify the eligible party in respect of the proceeding; or
- pay the expenses of the eligible party in respect of the proceeding.

Notwithstanding any of the foregoing, and whether or not payment of expenses or indemnification has been sought, authorized or declined under the BCBCA or our Articles, on the application of us or an eligible party, the Supreme Court of British Columbia may do one or more of the following:

- order us to indemnify an eligible party against any liability incurred by the eligible party in respect of an eligible proceeding;
- order us to pay some or all of the expenses incurred by an eligible party in respect of an eligible proceeding;
- order the enforcement of, or any payment under, an agreement of indemnification entered into by us;
- order us to pay some or all of the expenses actually and reasonably incurred by any person in obtaining an order under this section; or
- make any other order the court considers appropriate.

The BCBCA and our articles that will be in effect upon the closing of this offering authorize us to purchase and maintain insurance for the benefit of an eligible party against any liability that may be incurred by reason of the eligible party being or having been a director or officer of, or holding or having held a position equivalent to that of a director or officer of, us, our current or former affiliate or a corporation, partnership, trust, joint venture or other unincorporated entity at our request.

In addition, we have entered, or will enter, into separate indemnity agreements with each of our directors and officers pursuant to which we agree to indemnify and hold harmless our directors and officers against any and all liability, loss, damage, cost or expense in accordance with the terms and conditions of the BCBCA and our articles.

Item 15. Recent Sales of Unregistered Securities.

The following lists set forth information regarding all securities sold or granted by the registrant from September 1, 2018 through January 21, 2022 that were not registered under the Securities Act, and the consideration, if any, received by the registrant for such securities.

(a) Warrants to Purchase Common Shares

In January 2019, we issued to 45 warrants to purchase our common shares with a weighted average exercise price of $0.61 per share in connection with payment of an invoice. The warrants expired on June 28, 2019.

In November 2020, we issued to Origo Holdings, Inc. a certificate representing warrants to purchase 3,906,209 of our common shares exercisable at a price of $1.74 per share for a period of five years in connection with the credit agreement entered into with Origo BC Holdings Ltd. Under the terms of the Origo Warrant, we agreed that the exercise price for 1,111,112 shares underlying warrant would be reduced to CAD $0.018 per common share in the event that we consummate an offering of convertible debt securities in the aggregate amount of at least $1,000,000. The exercise price for an additional 2,222,223 shares is similarly reduced in the event that we consummate an offering of convertible debt securities in the aggregate amount of at least $2,000,000, and with respect to another 3,333,334 common shares if we consummate an offering in the aggregate amount of at least $3,000,000.

(b) Common Shares

From June 1, 2018 to October 22, 2018, we issued and sold 53,899 common shares at a price of $19.23 per share for total cash proceeds of $1,039,605.

From October 22, 2018 to June 30, 2019, we issued and sold 70,955 common shares at a price of $13.74 per share for total cash proceeds of $974,621.

During the year ended on June 30, 2020, we issued and sold 136,006 common shares at a price of $6.71 per share for total cash proceeds of $912,284.

In November 2020, we issued 462,963 common shares to Profis Investment Corporation at a price of $1.62 per share for total cash proceeds of $750,000.

In January 2021, we issued 13,889 common shares for $1.70 per Class B common non-voting shares for proceeds of $23,557 as repayment of a note payable with a face value of $39,262.

In February 2021, we issued 990,741 common shares to Christopher McElvany at a price of $2.16 per share in connection with the asset purchase whereby we purchased equipment in exchange for a purchase price in form of common shares equivalent to $2,140,000. In connection with the same transaction, we issued a convertible promissory note in the amount of $500,000 to Downwind Investments, LLC, of which Mr. McElvany is the principal. The promissory note is secured by certain of our assets and bears an interest rate of 8% per annum. The promissory note matured on August 25, 2021 and the Company is in default. The convertible promissory note is convertible at the option of the holder for any or all of the outstanding principal amount together with all accrued and unpaid interest owing to it hereunder into our common shares at a conversion price equal to $2.16 per share.

In March 2021, we issued 77,042 common shares for $2.87 per common share for proceeds of $219,476 as repayment of accounts payable of $277,352.

In March 2021, we issued 17,738 Class B common shares for $2.87 per common share for proceeds of $50,830 as repayment of accounts payable of $63,853.

In March 2021, we issued 242,122 common non-voting shares pursuant to consulting agreements.

In June 2021, we issued 53,790 common non-voting shares for $2.87 per common share pursuant to the settlement of that certain January 14, 2020 note payable of $121,020 plus accrued interest of $35,212.

In December 2021, we issued 170,804 common shares pursuant to the conversion of $275,000 of convertible notes plus $12,844 accrued interest at a conversion price of $1.74 (CAD$2.16) per common share.

On December 8, 2021, the Company issued 3,477,919 common shares pursuant to the exercise of 3,477,919 warrants with an exercise price of $0.015 (CAD$0.018) per warrant.

(c) Convertible Notes

Between April 21, 2021 and June 20, 2021, we issued unsecured convertible notes with an aggregate face value of $348,257 which bears an interest rate of 8% per annum. The convertible notes are convertible into Class B non-voting shares at $1.74 per Class B common non-voting share and each of the convertible notes matures on the date that is six months after the date of issuance thereof.

Between June 29, 2021 and December 28, 2021, we issued unsecured convertible notes with an aggregate face value of $2,379,500 which bear an interest rate of 8% per annum. The convertible notes are convertible into common non-voting shares at a 40% discount to the price of an initial public offering and mature on the date that is two years after the date of issuance thereof.

None of the foregoing transactions involved any underwriters, underwriting discounts or commissions, or any public offering. The sales of the above securities were deemed to be exempt from registration under the Securities Act in reliance upon Section 4(a)(2) of the Securities Act (or Regulation D or Regulation S promulgated thereunder) or Rule 701 promulgated under Section 3(b) of the Securities Act as transactions by an issuer not involving any public offering or pursuant to benefit plans and contracts relating to compensation as provided under Rule 701. The recipients of the securities in each of these transactions represented their intentions to acquire the securities for investment only and not with a view to or for sale in connection with any distribution thereof and appropriate legends were placed upon the stock certificates issued in these transactions. All of the foregoing securities are deemed restricted securities for purposes of the Securities Act.

Item 16. Exhibits and Financial Statement Schedules.

(a) Exhibits.

The following documents are filed as exhibits to this registration statement.

Number	Description of Exhibit
1.1*	Form of Underwriting Agreement.
3.1	Form of Amended and Restated Articles of Incorporation of the Registrant (to be effective upon completion of this offering).
4.1*	Form of Common Share Certificate.
4.2*	Form of Warrant Agent Agreement, including Form of Warrant Certificate.
4.3	Warrant to Purchase Common Shares, dated November 5, 2020, issued by the Registrant to Origo Holdings, Inc.
4.4	Form of Warrant to Purchase Common Shares, dated January 22, 2021, issued by the Registrant to Affiliates of Origo Holdings, Inc.
5.1*	Opinion of Troutman Pepper Hamilton Sanders LLP
10.1*	Form of Indemnification Agreement
10.2#	2019 Stock Option Plan of the Registrant.
10.3#	Form of Option Certificate under the 2019 Stock Option Plan.
10.4#*	2021 Equity Incentive Plan of the Registrant.
10.5#*	Form of Option Award under the 2021 Equity Incentive Plan.
10.6#	Executive Consulting Agreement, dated February 22, 2021, by and between Supercritical Labs, LLC and the Registrant.
10.7#*	Form of Employment Agreement by and between Christopher McElvany and the Registrant.
10.8#	Executive Consulting Agreement, dated February 22, 2021, by and between AJK Biopharmaceutical LLC — Canadian Consulting Series and the Registrant.
10.9#	Consulting Agreement, dated December 16, 2020, by and between Livio Susin and the Registrant.
10.10#	Consulting Agreement, dated September 30, 2020, by and between Renee Gagnon and the Registrant, as amended by the Amendment No. 1, dated December 21, 2020.
10.11#	Minutes of Settlement, dated April 20, 2020, by and among Mary Stipancic, Renee Gagnon, Livio Susin, Heather Jennings and the Registrant.

Number	Description of Exhibit
10.12#	First Amendment to Minutes of Settlement, dated October 23, 2020, by and among Mary Stipancic, Renee Gagnon, Livio Susin, Heather Jennings and the Registrant.
10.13#	Second Amendment to Minutes of Settlement, dated May 12, 2021, by and among Mary Stipancic, Renee Gagnon, Livio Susin, Heather Jennings and the Registrant.
10.14	Offer to Lease, dated March 22, 2017, Ark Holdings Ltd. and the Registrant, as amended.
10.15	Line of Credit Agreement, dated November 5, 2020, by and among Origo BC Holdings Ltd., its Participating Lenders, the Registrant and its subsidiaries, as amended.
10.16	Promissory Note, dated January 1, 2019, issued by the Registrant to Livio Susin.
10.17	Promissory Note, dated February 19, 2019, issued by the Registrant to Livio Susin.
10.18	Promissory Note, dated April 17, 2019, issued by the Registrant to 1118737 BC Ltd.
10.19	Promissory Note, dated February 25, 2021, issued by the Registrant to Downwind Investments LLC.
10.20	Asset Purchase Agreement, dated February 25, 2021, by and between the Registrant and Chris McElvany.
21.1	Subsidiaries of the Registrant.
23.1	Consent of Marcum LLP, independent registered public accounting firm.
23.2*	Consent of Troutman Pepper Hamilton Sanders LLP (included in Exhibit 5.1).
24.1	Power of Attorney (included in the signature page to this registration statement).

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* To be filed by amendment.
\# Indicates management contract or compensatory plan.
† Certain confidential portions have been omitted from this exhibit.

(b) Financial Statement Schedules. Schedules not listed above have been omitted because the information required to be set forth therein is not applicable or is shown in the financial statements or notes thereto.

Item 17. Undertakings.

The undersigned registrant hereby undertakes to provide to the underwriter, at the closing specified in the underwriting agreement, certificates in such denominations and registered in such names as required by the underwriter to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in Vancouver, British Columbia, on this 21st day of January, 2022.

LUCY SCIENTIFIC DISCOVERY INC.

By: /s/ Christopher McElvany
Christopher McElvany
Chief Executive Officer and Director

POWER OF ATTORNEY

We, the undersigned officers and directors of Lucy Scientific Discovery Inc., hereby severally constitute and appoint Christopher McElvany and Brian Zasitko (with full power to act alone), our true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution for him or her and in his name, place and stead, and in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement (or any other registration statement for the same offering that is to be effective upon filing pursuant to Rule 462(b) under the Securities Act of 1933), and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact and agent, full power and authority to do and perform each and every act and thing requisite or necessary to be done in and about the premises, as full to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities held on the dates indicated.

Signature	Title	Date
/s/ Christopher McElvany Christopher McElvany	President, Chief Executive Officer (principal executive officer), and Director	January 21, 2022
/s/ Brian Zasitko Brian Zasitko	Interim Chief Financial Officer (principal financial and accounting officer)	January 21, 2022
/s/ Paul Abramowitz Paul Abramowitz	Director	January 21, 2022
/s/ Brittany Kaiser Brittany Kaiser	Director	January 21, 2022
/s/ Sonia Luna Sonia Luna	Director	January 21, 2022
/s/ Charles B. Nemeroff, M.D., Ph.D. Charles B. Nemeroff, M.D., Ph.D.	Director	January 21, 2022
/s/ Scott Reeves Scott Reeves	Director	January 21, 2022
/s/ Livio Susin Livio Susin	Director	January 21, 2022

Exhibit 3.1

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BUSINESS CORPORATIONS ACT

ARTICLES

of

LUCY SCIENTIFIC DISCOVERY INC.

Incorporation number: BC1107805

BUSINESS CORPORATIONS ACT

ARTICLES

of

LUCY SCIENTIFIC DISCOVERY INC.

ARTICLE 1
INTERPRETATION

1.1 Definitions. In these Articles (the "**Articles**"), unless the context otherwise requires:

"**Applicable Securities Laws**" means the applicable securities legislation of the United States and each relevant province and territory of Canada, as amended from time to time, the written rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commissions and similar regulatory authorities of the United States and each province and territory of Canada;

"**board of directors**", "**directors**" and "**board**" mean the directors of the Company for the time being;

"***Business Corporations Act***" means the *Business Corporations Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;

"***Interpretation Act***" means the *Interpretation Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto;

"**legal personal representative**" means the personal or other legal representative of a shareholder;

"**registered address**" of a shareholder means the shareholder's address as recorded in the central securities register;

"**seal**" means the seal of the Company, if any; and

"***Securities Act***" means the *Securities Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act.

1.2 Business Corporations Act and Interpretation Act Definitions Applicable. The definitions in the *Business Corporations Act* and the definitions and rules of construction in the *Interpretation Act*, with the necessary changes, so far as applicable, and unless the context requires otherwise, apply to these Articles as if they were an enactment. If there is a conflict between a definition in the *Business Corporations Act* and a definition or rule in the *Interpretation Act* relating to a term used in these Articles, the definition in the *Business Corporations Act* will prevail in relation to the use of the term in these Articles. If there is a conflict between these Articles and the *Business Corporations Act*, the *Business Corporations Act* will prevail.

ARTICLE 2
SHARES AND SHARE CERTIFICATES

2.1 Authorized Share Structure. The authorized share structure of the Company consists of shares of the class or classes and series, if any, described in the Notice of Articles of the Company.

2.2 Form of Share Certificate. Each share certificate issued by the Company must comply with, and be signed as required by, the *Business Corporations Act*.

2.3 Shareholder Entitled to Certificate or Acknowledgement. Except in respect of shares that are uncertificated shares within the meaning of the *Business Corporations Act*, each shareholder is entitled, without charge, to (a) one share certificate representing the shares of each class or series of shares registered in the shareholder's name or (b) a non-transferable written acknowledgement of the shareholder's right to obtain such a share certificate, provided that in respect of a share held jointly by several persons, the Company is not bound to issue more than one share certificate and delivery of a share certificate for a share to one of several joint shareholders or to one of the shareholders' duly authorized agents will be sufficient delivery to all.

2.4 Delivery by Mail. Any share certificate or non-transferable written acknowledgement of a shareholder's right to obtain a share certificate may be sent to the shareholder by mail at the shareholder's registered address and neither the Company nor any director, officer or agent of the Company (including the Company's transfer agent or legal counsel) is liable for any loss to the shareholder because the share certificate or acknowledgement is lost in the mail or stolen.

2.5 Replacement of Worn Out or Defaced Certificate or Acknowledgement. If the directors are satisfied that a share certificate or a non-transferable written acknowledgement of the shareholder's right to obtain a share certificate is worn out or defaced, they must, on production to them of the share certificate or acknowledgement, as the case may be, and on such other terms, if any, as they think fit:

(a) order the share certificate or acknowledgement, as the case may be, to be cancelled; and

(b) issue a replacement share certificate or acknowledgement, as the case may be.

2.6 Replacement of Lost, Stolen or Destroyed Certificate or Acknowledgement. If a share certificate or a non-transferable written acknowledgement of a shareholder's right to obtain a share certificate is lost, stolen or destroyed, a replacement share certificate or acknowledgement, as the case may be, must be issued to the person entitled to that share certificate or acknowledgement, as the case may be, if the directors receive:

(a) proof satisfactory to them that the share certificate or acknowledgement is lost, stolen or destroyed; and

(b) any indemnity the directors consider adequate.

2.7 Splitting Share Certificates. If a shareholder surrenders a share certificate to the Company with a written request that the Company issue in the shareholder's name two or more share certificates, each representing a specified number of shares and in the aggregate representing the same number of shares as the share certificate so surrendered, the Company must cancel the surrendered share certificate and issue replacement share certificates in accordance with that request.

2.8 Certificate Fee. There must be paid to the Company, in relation to the issue of any share certificate under Articles 2.5, 2.6 or 2.7, the amount, if any and which must not exceed the amount prescribed under the *Business Corporations Act*, determined by the directors.

2.9 Recognition of Trusts. Except as required by law or statute or these Articles, no person will be recognized by the Company as holding any share upon any trust, and the Company is not bound by or compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share or fraction of a share or (except as by law or statute or these Articles provided or as ordered by a court of competent jurisdiction) any other rights in respect of any share except an absolute right to the entirety thereof in the shareholder.

ARTICLE 3
ISSUE OF SHARES

3.1 Directors Authorized. Subject to the *Business Corporations Act* and the rights of the holders of issued shares of the Company, the Company may issue, allot, sell or otherwise dispose of the unissued shares, and issued shares held by the Company, at the times, to the persons, including directors, in the manner, on the terms and conditions and for the issue prices (including any premium at which shares with par value may be issued) that the directors may determine. The issue price for a share with par value must be equal to or greater than the par value of the share.

3.2 Commissions and Discounts. The Company may at any time, pay a reasonable commission or allow a reasonable discount to any person in consideration of that person purchasing or agreeing to purchase shares of the Company from the Company or any other person or procuring or agreeing to procure purchasers for shares of the Company.

3.3 Brokerage. The Company may pay such brokerage fee or other consideration as may be lawful for or in connection with the sale or placement of its securities.

3.4 Conditions of Issue. Except as provided for by the *Business Corporations Act*, no share may be issued until it is fully paid. A share is fully paid when:

(a) consideration is provided to the Company for the issue of the share by one or more of the following:

(i) past services performed for the Company;

(ii) property;

(iii) money; and

(b) the value of the consideration received by the Company equals or exceeds the issue price set for the share under Article 3.1.

3.5 Share Purchase Warrants and Rights. Subject to the *Business Corporations Act*, the Company may issue share purchase warrants, options and rights upon such terms and conditions as the directors determine, which share purchase warrants, options and rights may be issued alone or in conjunction with debentures, debenture stock, bonds, shares or any other securities issued or created by the Company from time to time.

ARTICLE 4
SHARE REGISTERS

4.1 Central Securities Register. As required by and subject to the *Business Corporations Act*, the Company must maintain in British Columbia a central securities register, which may be kept in electronic form. The directors may, subject to the *Business Corporations Act*, appoint an agent to maintain the central securities register. The directors may also appoint one or more agents, including the agent which keeps the central securities register, as transfer agent for its shares or any class or series of its shares, as the case may be, and the same or another agent as registrar for its shares or such class or series of its shares, as the case may be. The directors may terminate such appointment of any agent at any time and may appoint another agent in its place.

4.2 Closing Register. The Company must not at any time close its central securities register.

ARTICLE 5
SHARE TRANSFERS

5.1 Registering Transfers. A transfer of a share of the Company must not be registered unless:

(a) a duly signed instrument of transfer in respect of the share has been received by the Company;

(b) if a share certificate has been issued by the Company in respect of the share to be transferred, that share certificate has been surrendered to the Company; and

(c) if a non-transferable written acknowledgement of the shareholder's right to obtain a share certificate has been issued by the Company in respect of the share to be transferred, that acknowledgement has been surrendered to the Company.

5.2 Form of Instrument of Transfer. The instrument of transfer in respect of any share of the Company must be either in the form, if any, on the back of the Company's share certificates or in any other form that may be approved by the directors from time to time.

5.3 Transferor Remains Shareholder. Except to the extent that the *Business Corporations Act* otherwise provides, the transferor of shares is deemed to remain the holder of the shares until the name of the transferee is entered in a securities register of the Company in respect of the transfer.

5.4 Signing of Instrument of Transfer. If a shareholder, or the shareholder's duly authorized attorney, signs an instrument of transfer in respect of shares registered in the name of the shareholder, the signed instrument of transfer constitutes a complete and sufficient authority to the Company and its directors, officers and agents to register the number of shares specified in the instrument of transfer or specified in any other manner, or, if no number is specified, all the shares represented by the share certificates or set out in the written acknowledgements deposited with the instrument of transfer:

(a) in the name of the person named as transferee in that instrument of transfer; or

(b) if no person is named as transferee in that instrument of transfer, in the name of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered.

5.5 Enquiry as to Title Not Required. Neither the Company nor any director, officer or agent of the Company is bound to inquire into the title of the person named in the instrument of transfer as transferee or, if no person is named as transferee in the instrument of transfer, of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered or is liable for any claim related to registering the transfer by the shareholder or by any intermediate owner or holder of the shares, of any interest in the shares, of any share certificate representing such shares or of any written acknowledgement of a right to obtain a share certificate for such shares.

5.6 Transfer Fee. There must be paid to the Company, in relation to the registration of any transfer, the amount, if any, determined by the directors.

ARTICLE 6
TRANSMISSION OF SHARES

6.1 Legal Personal Representative Recognized on Death. In case of the death of a shareholder, the legal personal representative, or if the shareholder was a joint holder, the surviving joint holder, will be the only person recognized by the Company as having any title to the shareholder's interest in the shares. Before recognizing a person as a legal personal representative, the directors may require proof of appointment by a court of competent jurisdiction, a grant of letters probate, letters of administration or such other evidence or documents as the directors consider appropriate.

6.2 Rights of Legal Personal Representative. The legal personal representative has the same rights, privileges and obligations that attach to the shares held by the shareholder, including the right to transfer the shares in accordance with these Articles, provided the documents required by the *Business Corporations Act* and the directors have been deposited with the Company.

ARTICLE 7
PURCHASE OF SHARES

7.1 Company Authorized to Purchase or Otherwise Acquire Shares. Subject to Article 7.2, the special rights and restrictions attached to the shares of any class or series, the *Business Corporations Act* and the Applicable Securities Laws, the Company may, if authorized by the directors, purchase or otherwise acquire any of its shares at the price and upon the terms determined by the directors.

7.2 Purchase When Insolvent. The Company must not make a payment or provide any other consideration to purchase or otherwise acquire any of its shares if there are reasonable grounds for believing that:

(a) the Company is insolvent; or

(b) making the payment or providing the consideration would render the Company insolvent.

7.3 Sale and Voting of Purchased, Redeemed, or Otherwise Acquired Shares. If the Company retains a share purchased, redeemed, or otherwise acquired by it, the Company may sell, gift or otherwise dispose of the share, but, while such share is held by the Company, it:

(a) is not entitled to vote the share at a meeting of its shareholders;

(b) must not pay a dividend in respect of the share; and

(c) must not make any other distribution in respect of the share.

ARTICLE 8
BORROWING POWERS

8.1 Borrowing Powers. The Company, if authorized by the directors, may:

(a) borrow money in the manner and amount, on the security, from the sources and on the terms and conditions that the directors consider appropriate;

(b) issue bonds, debentures and other debt obligations either outright or as security for any liability or obligation of the Company or any other person and at such discounts or premiums and on such other terms as the directors consider appropriate;

(c) guarantee the repayment of money by any other person or the performance of any obligation of any other person; and

(d) mortgage, charge, whether by way of specific or floating charge, grant a security interest in, or give other security on, the whole or any part of the present and future assets and undertaking of the Company.

ARTICLE 9
ALTERATIONS

9.1 Alteration of Authorized Share Structure. Subject to Articles 9.2 and 9.3, the *Business Corporations Act* and the special rights and restrictions attached to the shares of any class or series, the Company may by special resolution:

(a) create one or more classes or series of shares or, if none of the shares of a class or series of shares are allotted or issued, eliminate that class or series of shares;

(b) increase, reduce or eliminate the maximum number of shares that the Company is authorized to issue out of any class or series of shares or establish a maximum number of shares that the Company is authorized to issue out of any class or series of shares for which no maximum is established;

(c) subdivide or consolidate all or any of its unissued, or fully paid issued, shares;

(d) if the Company is authorized to issue shares of a class of shares with par value:

(i) decrease the par value of those shares; or

(ii) if none of the shares of that class of shares are allotted or issued, increase the par value of those shares;

(e) change all or any of its unissued, or fully paid issued, shares with par value into shares without par value or any of its unissued shares without par value into shares with par value;

(f) alter the identifying name of any of its shares; or

(g) otherwise alter its shares or authorized share structure when required or permitted to do so by the *Business Corporations Act*;

and, if applicable, alter its Notice of Articles and Articles accordingly.

9.2 Special Rights and Restrictions. Subject to Article 9.3, the special rights or restrictions attached to any class or series of shares and the *Business Corporations Act*, the Company may by special resolution:

(a) create special rights or restrictions for, and attach those special rights or restrictions to, the shares of any class or series of shares, whether or not any or all of those shares have been issued; or

(b) vary or delete any special rights or restrictions attached to the shares of any class or series of shares, whether or not any or all of those shares have been issued;

and alter its Articles or Notice of Articles accordingly.

9.3 No Interference with Class or Series Rights without Consent. A right or special right attached to issued shares must not be prejudiced or interfered with under the *Business Corporations Act*, the Notice of Articles or these Articles unless the holders of shares of the class or series of shares to which the right or special right is attached consent by a special separate resolution of the holders of such class or series of shares.

9.4 Change of Name. The Company may by directors' resolution authorize an alteration of its Notice of Articles in order to change its name.

9.5 Other Alterations. If the *Business Corporations Act* does not specify the type of resolution and these Articles do not specify another type of resolution, the Company may by special resolution alter these Articles.

ARTICLE 10
MEETINGS OF SHAREHOLDERS

10.1 Annual General Meetings. Unless an annual general meeting is deferred or waived in accordance with the *Business Corporations Act*, the Company must hold an annual general meeting at least once in each calendar year and not more than 15 months after the last annual reference date at such time and place as may be determined by the directors.

10.2 Resolution Instead of Annual General Meeting. If all the shareholders who are entitled to vote at an annual general meeting consent by a unanimous resolution under the *Business Corporations Act* to all of the business that is required to be transacted at that annual general meeting, the annual general meeting is deemed to have been held on the date of the unanimous resolution. The shareholders must, in any unanimous resolution passed under this Article 10.2, select as the Company's annual reference date a date that would be appropriate for the holding of the applicable annual general meeting.

10.3 Calling of Meetings of Shareholders. The directors may, whenever they think fit, call a meeting of shareholders, to be held at such time and place as may be determined by the directors.

10.4 Notice for Meetings of Shareholders. The Company must send notice of the date, time and location of any meeting of shareholders, in the manner provided in these Articles, or in such other manner, if any, as may be prescribed by ordinary resolution (whether previous notice of the resolution has been given or not), to each shareholder entitled to attend the meeting, to each director and to the auditor of the Company, unless these Articles otherwise provide, at least the following number of days before the meeting:

(a) if and for so long as the Company is a public company, 21 days;

(b) otherwise, 10 days.

10.5 Record Date for Notice. The directors may set a date as the record date for the purpose of determining shareholders entitled to notice of any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months or, in the case of a general meeting requisitioned by shareholders under the *Business Corporations Act*, by more than four months. The record date must not precede the date on which the meeting is held by fewer than:

(a) if and for so long as the Company is a public company, 21 days;

(b) otherwise, 10 days.

If no record date is set, the record date is 5 p.m. on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

10.6 Record Date for Voting. The directors may set a date as the record date for the purpose of determining shareholders entitled to vote at any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months or, in the case of a general meeting requisitioned by shareholders under the *Business Corporations Act*, by more than four months. If no record date is set, the record date is 5 p.m. on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

10.7 Failure to Give Notice and Waiver of Notice. The accidental omission to send notice of any meeting to, or the non-receipt of any notice by, any of the persons entitled to notice does not invalidate any proceedings at that meeting. Any person entitled to notice of a meeting of shareholders may, in writing or otherwise, waive or reduce the period of notice of such meeting. Attendance of a person at a meeting of shareholders is a waiver of entitlement to notice of the meeting unless that person attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

10.8 Notice of Special Business at Meetings of Shareholders. If a meeting of shareholders is to consider special business within the meaning of Article 11.1, the notice of meeting must:

(a) state the general nature of the special business; and

(b) if the special business includes considering, approving, ratifying, adopting or authorizing any document or the signing of or giving of effect to any document, have attached to it a copy of the document or state that a copy of the document will be available for inspection by shareholders:

(i) at the Company's records office, or at such other reasonably accessible location in British Columbia as is specified in the notice; and

(ii) during statutory business hours on any one or more specified days before the day set for the holding of the meeting.

For the avoidance of doubt, any special business that is not set out in the notice of meeting shall not be approved at that meeting.

10.9 Class Meetings and Series Meetings of Shareholders. Unless otherwise specified in these Articles, the provisions of these Articles relating to a meeting of shareholders will apply, with the necessary changes and so far as they are applicable, to a class meeting or series meeting of shareholders holding a particular class or series of shares.

10.10 Meetings by Telephone or Other Communications Medium. The directors may determine that a meeting of shareholders shall be held entirely by means of telephonic, electronic or other communication facilities that permit all participants to communicate with each other during the meeting. A meeting of shareholders may also be held at which some, but not necessarily all, persons entitled to attend may participate by means of such communications facilities, if the directors determine to make them available. A person participating in a meeting by such means is deemed to be present at the meeting.

10.11 Advance Notice of Nominations of Directors.

(a) Nomination Procedures - Subject only to the *Business Corporations Act*, Applicable Securities Law and these Articles, only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Company. Nominations of persons for election to the board may be made at any annual meeting of shareholders, or at any special meeting of shareholders if the election of directors is a matter specified in the notice of meeting,

(i) by or at the direction of the board, including pursuant to a notice of meeting;

(ii) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the *Business Corporations Act*, or a requisition of the shareholders made in accordance with the provisions of the *Business Corporations Act*; or

(iii) by any person (a "**Nominating Shareholder**") who (A) at the close of business on the date of the giving of the notice provided for in this Article 10.11 and on the record date for notice of such meeting, is entered in the securities register as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting and provides evidence of such beneficial ownership to the Company, and (B) has given timely notice in proper written form as set forth in this Article 10.11.

(b) Manner of timely notice - To be timely, a Nominating Shareholder's notice must be received by the corporate secretary of the Company at the principal executive office or registered office of the Company:

(i) in the case of an annual meeting (including an annual and special meeting) of shareholders, not later than the close of business on the 30th day prior to the date of the meeting; provided, however, that in the event that the meeting is to be held on a date that is less than 50 days after the date (the "**Notice Date**") on which the first public announcement of the date of the meeting was made, notice by the Nominating Shareholder may be made not later than the close of business on the tenth (10th) day following the Notice Date; and

(ii) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the fifteenth (15th) day following the day on which the first public announcement of the date of the meeting was made.

(c) Proper form of notice - To be in proper written form, a Nominating Shareholder's notice must comply with this Article 10.11 and must set forth:

(i) as to each person whom the Nominating Shareholder proposes to nominate for election as a director:

(A) their name, age, business and residential address, and principal occupation or employment for the past five years;

(B) their direct or indirect beneficial ownership in, or control or direction over, any class or series of securities of the Company, including the number or principal amount; and

(C) any other information that would be required to be disclosed in a dissident proxy circular or other filings required to be made in connection with the solicitation of proxies for election of directors pursuant to the *Business Corporations Act* or Applicable Securities Laws; and

(ii) as to each Nominating Shareholder giving the notice:

(A) their name, business and residential address;

(B) any direct or indirect beneficial ownership in, or control or direction over, any class or series of securities of the Company, including the number or principal amount;

(C) any proxy, contract, arrangement, agreement or understanding pursuant to which such person, or any of its Affiliates or Associates, or any person acting jointly or in concert with such person, has any interests, rights or obligations relating to the voting of any securities of the Company or the nomination of directors to the board; and

(D) any other information relating to such person that would be required to be included in a dissident proxy circular or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to the *Business Corporations Act* or as required by Applicable Securities Laws.

References to "Nominating Shareholder" in this Article 10.11 shall be deemed to refer to each shareholder that nominates a person for election as a director in the case of a nomination proposal where more than one shareholder is involved in making such nomination proposal.

(d) Currency of information - All information to be provided in a timely notice pursuant to this Article 10.11 shall be provided as of the record date for determining shareholders entitled to vote at the meeting (if such date shall then have been publicly announced) and as of the date of such notice. The Nominating Shareholder shall update such information to the extent necessary so that it is true and correct as of the date that is ten (10) business days prior to the date of the meeting, or any adjournment or postponement thereof.

(e) Power of the chair - The chair of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.

(f) Delivery of notice - Notwithstanding any other provision of these Articles, notice given to the corporate secretary of the Company pursuant to this Article 10.11 may only be given by personal delivery, facsimile transmission or by email (at such email address as may be stipulated from time to time on the Company's website for general inquiries), and shall be deemed to have been given and made only at the time it is served by personal delivery to the corporate secretary at the address of the principal executive offices of the Company, email (at the address as aforesaid and provided that confirmation of receipt of such email has been received) or sent by facsimile transmission (provided that receipt of the confirmation of such transmission has been received); provided that if such delivery or electronic communication is made on a day which is not a business day or later than 5:00 p.m. (Vancouver time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the subsequent day that is a business day.

(g) Exclusive Means – For the avoidance of doubt, this Article 10.11 shall be the exclusive means for any person to bring nominations for election to the board at or in connection with any annual or special meeting of the shareholders of the Company.

(h) Waiver - Notwithstanding the foregoing, the board may, in its sole discretion, waive any requirement in this Article 10.11.

(i) Definitions - For purposes of this Article 10.11,

"**Affiliate**", when used to indicate a relationship with a specific person, shall mean a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such specified person;

"**Associate**", when used to indicate a relationship with a specified person, shall mean (i) any body corporate or trust of which such person beneficially owns, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all voting securities of such body corporate or trust for the time being outstanding, (ii) any partner of that person, (iii) any trust or estate in which such person has a substantial beneficial interest or as to which such person serves as trustee or in a similar capacity, (iv) a spouse of such specified person, (v) any person of either sex with whom such specified person is living in conjugal relationship outside marriage or (vi) any relative of such specified person or of a person mentioned in clauses (iv) or (v) of this definition if that relative has the same residence as the specified person;

"**beneficially owns**" or "**beneficially owned**" means, in connection with the ownership of shares in the capital of the Company by a person, (i) any such shares as to which such person or any of such person's Affiliates or Associates owns at law or in equity, or has the right to acquire or become the owner at law or in equity, where such right is exercisable immediately or after the passage of time and whether or not on condition or the happening of any contingency or the making of any payment, upon the exercise of any conversion right, exchange right or purchase right attaching to any securities, or pursuant to any agreement, arrangement, pledge or understanding whether or not in writing; (ii) any such shares as to which such person or any of such person's Affiliates or Associates has the right to vote, or the right to direct the voting, where such right is exercisable immediately or after the passage of time and whether or not on condition or the happening of any contingency or the making of any payment, pursuant to any agreement, arrangement, pledge or understanding whether or not in writing; (iii) any such shares which are beneficially owned, directly or indirectly, by a Counterparty (or any of such Counterparty's Affiliates or Associates) under any Derivatives Contract (without regard to any short or similar position under the same or any other Derivatives Contract) to which such person or any of such person's Affiliates or Associates is a Receiving Party; provided, however that the number of shares that a person beneficially owns pursuant to this clause (iii) in connection with a particular Derivatives Contract shall not exceed the number of Notional Securities with respect to such Derivatives Contract; provided, further, that the number of securities owned beneficially by each Counterparty (including their respective Affiliates and Associates) under a Derivatives Contract shall for purposes of this clause be deemed to include all securities that are owned beneficially, directly or indirectly, by any other Counterparty (or any of such other Counterparty's Affiliates or Associates) under any Derivatives Contract to which such first Counterparty (or any of such first Counterparty's Affiliates or Associates) is a Receiving Party and this proviso shall be applied to successive Counterparties as appropriate; and (iv) any such shares which are owned beneficially within the meaning of this definition by any other person with whom such person is acting jointly or in concert with respect to the Company or any of its securities;

"**close of business**" means 5:00 p.m. (Vancouver time) on a business day in British Columbia, Canada;

"**Derivatives Contract**" shall mean a contract between two parties (the "**Receiving Party**" and the "**Counterparty**") that is designed to expose the Receiving Party to economic benefits and risks that correspond substantially to the ownership by the Receiving Party of a number of shares in the capital of the Company or securities convertible into such shares specified or referenced in such contract (the number corresponding to such economic benefits and risks, the "**Notional Securities**"), regardless of whether obligations under such contract are required or permitted to be settled through the delivery of cash, shares in the capital of the Company or securities convertible into such shares or other property, without regard to any short position under the same or any other Derivatives Contract. For the avoidance of doubt, interests in broad-based index options, broad-based index futures and broad-based publicly traded market baskets of stocks approved for trading by the appropriate governmental authority shall not be deemed to be Derivatives Contracts; and

"**public announcement**" shall mean disclosure in a press release reported by a national news service in Canada or the United States, or in a document publicly filed by the Company under its profile on the System for Electronic Document Analysis and Retrieval at www.sedar.com or on the Electronic Data Gathering, Analysis and Retrieval system at https://www.sec.gov/edgar/searchedgar/companysearch.html.

ARTICLE 11
PROCEEDINGS AT MEETINGS OF SHAREHOLDERS

11.1 Special Business. At a meeting of shareholders, the following business is special business:

(a) at a meeting of shareholders that is not an annual general meeting, all business is special business except business relating to the conduct of or voting at the meeting;

(b) at an annual general meeting, all business is special business except for the following:

(i) business relating to the conduct of or voting at the meeting;

(ii) consideration of any financial statements of the Company presented to the meeting;

(iii) consideration of any reports of the directors or auditor;

(iv) the setting or changing of the number of directors;

(v) the election or appointment of directors;

(vi) the appointment of an auditor;

(vii) the setting of the remuneration of an auditor;

(viii) business arising out of a report of the directors not requiring the passing of a special resolution or an exceptional resolution;

(ix) any other business which, under these Articles or the *Business Corporations Act*, may be transacted at a meeting of shareholders without prior notice of the business being given to the shareholders.

11.2 Special Majority. The majority of votes required for the Company to pass a special resolution at a meeting of shareholders is two-thirds of the votes cast on the resolution.

11.3 Quorum. Subject to the special rights and restrictions attached to the shares of any class or series of shares and Article 11.4, the quorum for the transaction of business at a meeting of shareholders is two persons who are, or who represent by proxy, shareholders who, in the aggregate, hold at least 33 1/3 % of the issued shares entitled to be voted at the meeting.

11.4 One Shareholder May Constitute Quorum. If there is only one shareholder entitled to vote at a meeting of shareholders:

(a) the quorum is one person who is, or who represents by proxy, that shareholder, and

(b) that shareholder, present in person or by proxy, may constitute the meeting.

11.5 Other Persons May Attend. In addition to those persons who are entitled to vote at a meeting of shareholders, the only other persons entitled to be present at the meeting are the directors, the officers, any lawyer for the Company, the auditor of the Company, any other persons invited to be present at the meeting by the directors or by the chair of the meeting and any persons entitled or required under the *Business Corporations Act* or these Articles to be present at the meeting; but if any of those persons does attend the meeting, that person is not to be counted in the quorum and is not entitled to vote at the meeting unless that person is a shareholder or proxy holder entitled to vote at the meeting.

11.6 Requirement of Quorum. No business, other than the election of a chair of the meeting and the adjournment of the meeting, may be transacted at any meeting of shareholders unless a quorum of shareholders entitled to vote is present at the commencement of the meeting, but such quorum need not be present throughout the meeting.

11.7 Lack of Quorum. If, within one-half hour from the time set for the holding of a meeting of shareholders, a quorum is not present:

(a) in the case of a general meeting requisitioned by shareholders, the meeting is dissolved, and

(b) in the case of any other meeting of shareholders, the meeting stands adjourned to the same day in the next week at the same time and place.

11.8 Lack of Quorum at Succeeding Meeting. If, at the meeting to which the meeting referred to in Article 11.7(b) was adjourned, a quorum is not present within one-half hour from the time set for the holding of the meeting, the person or persons present and being, or representing by proxy, one or more shareholders entitled to attend and vote at the meeting constitute a quorum.

11.9 Chair. The following individual is entitled to preside as chair at a meeting of shareholders:

(a) the chair of the board, if any; or

(b) if the chair of the board is absent or unwilling to act as chair of the meeting, the president, if any.

11.10 Selection of Alternate Chair. If, at any meeting of shareholders, there is no chair of the board or president present within 15 minutes after the time set for holding the meeting, or if the chair of the board and the president are unwilling to act as chair of the meeting, or if the chair of the board and the president have advised the secretary, if any, or any director present at the meeting, that they will not be present at the meeting, the directors present must choose one of their number to be chair of the meeting or if all of the directors present decline to take the chair or fail to so choose or if no director is present, the shareholders entitled to vote at the meeting who are present in person or by proxy may choose any person present at the meeting to chair the meeting.

11.11 Adjournments. The chair of a meeting of shareholders may, and if so directed by the meeting must, adjourn the meeting from time to time and from place to place, but no business may be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

11.12 Notice of Adjourned Meeting. It is not necessary to give any notice of an adjourned meeting of shareholders or of the business to be transacted at an adjourned meeting of shareholders except that, when a meeting is adjourned for 30 days or more, notice of the adjourned meeting must be given as in the case of the original meeting.

11.13 Decision by Show of Hands or Poll. Subject to the *Business Corporations Act*, every motion put to a vote at a meeting of shareholders will be decided on a show of hands, or the functional equivalent of a show of hands by means of electronic, telephonic or other communications facility unless a poll, before or on the declaration of the result of the vote by show of hands or the functional equivalent of a show of hands, is directed by the chair or demanded by at least one shareholder entitled to vote who is present in person or by proxy.

11.14 Declaration of Result. The chair of a meeting of shareholders must declare to the meeting the decision on every question in accordance with the result of the show of hands (or its functional equivalent) or the poll, as the case may be, and that decision must be entered in the minutes of the meeting. A declaration of the chair that a resolution is carried by the necessary majority or is defeated is, unless a poll is directed by the chair or demanded under Article 11.13, conclusive evidence without proof of the number or proportion of the votes recorded in favour of or against the resolution.

11.15 Motion Need Not be Seconded. No motion proposed at a meeting of shareholders need be seconded unless the chair of the meeting rules otherwise, and the chair of any meeting of shareholders is entitled to propose or second a motion.

11.16 Casting Vote. In the case of an equality of votes, the chair of a meeting of shareholders does not, either on a show of hands (or its functional equivalent) or on a poll, have a second or casting vote in addition to the vote or votes to which the chair may be entitled as a shareholder.

11.17 Manner of Taking Poll. Subject to Article 11.18, if a poll is duly demanded at a meeting of shareholders:

(a) the poll must be taken:

(i) at the meeting, or within seven days after the date of the meeting, as the chair of the meeting directs; and

(ii) in the manner, at the time and at the place that the chair of the meeting directs;

(b) the result of the poll is deemed to be the decision of the meeting at which the poll is demanded; and

(c) the demand for the poll may be withdrawn by the person who demanded it.

11.18 Demand for Poll on Adjournment. A poll demanded at a meeting of shareholders on a question of adjournment must be taken immediately at the meeting.

11.19 Chair Must Resolve Dispute. In the case of any dispute as to the admission or rejection of a vote given on a poll, the chair of the meeting must determine the dispute, and the chair’s determination made in good faith is final and conclusive.

11.20 Casting of Votes. On a poll, a shareholder entitled to more than one vote need not cast all the votes in the same way.

11.21 No Demand for Poll on Election of Chair. No poll may be demanded in respect of the vote by which a chair of a meeting of shareholders is elected.

11.22 Demand for Poll Not to Prevent Continuance of Meeting. The demand for a poll at a meeting of shareholders does not, unless the chair of the meeting so rules, prevent the continuation of a meeting for the transaction of any business other than the question on which a poll has been demanded.

11.23 Retention of Ballots and Proxies. The Company or its agent must, for at least three months after a meeting of shareholders, keep each ballot cast on a poll and each proxy voted at the meeting, and, during that period, make them available for inspection during normal business hours by any shareholder or proxy holder entitled to vote at the meeting. At the end of such three month period, the Company may destroy such ballots and proxies.

ARTICLE 12
VOTES OF SHAREHOLDERS

12.1 Number of Votes by Shareholder or by Shares. Subject to any special rights or restrictions attached to any shares and to the restrictions imposed on joint shareholders under Article 12.3:

(a) on a vote by show of hands (or its functional equivalent), every person present who is a shareholder or proxy holder and entitled to vote on the matter has one vote; and

(b) on a poll, every shareholder entitled to vote on the matter has one vote in respect of each share entitled to be voted on the matter and held by that shareholder and may exercise that vote either in person or by proxy.

12.2 Votes of Persons in Representative Capacity. A person who is not a shareholder may vote at a meeting of shareholders, whether on a show of hands (or its functional equivalent) or on a poll, and may appoint a proxy holder to act at the meeting, if, before doing so, the person satisfies the chair of the meeting, or the directors, that the person is a legal personal representative or a trustee in bankruptcy for a shareholder who is entitled to vote at the meeting.

12.3 Votes by Joint Holders. If there are joint shareholders registered in respect of any share:

(a) any one of the joint shareholders may vote at any meeting of shareholders, personally or by proxy, in respect of the share as if that joint shareholder were solely entitled to it; or

(b) if more than one of the joint shareholders is present at any meeting of shareholders, personally or by proxy, and more than one of them votes in respect of that share, then only the vote of the joint shareholder present whose name stands first on the central securities register in respect of the share will be counted.

12.4 Legal Personal Representatives as Joint Shareholders. Two or more legal personal representatives of a shareholder in whose sole name any share is registered are, for the purposes of Article 12.3, deemed to be joint shareholders.

12.5 Representative of a Corporate Shareholder. If a corporation, that is not a subsidiary of the Company, is a shareholder, that corporation may appoint a person to act as its representative at any meeting of shareholders of the Company, and:

(a) for that purpose, the instrument appointing a representative must be received:

(i) at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice for the receipt of proxies, or if no number of days is specified, two business days before the day set for the holding of the meeting or adjourned or postponed meeting; or

(ii) at the meeting or any adjourned or postponed meeting, to the chair of the meeting or adjourned or postponed meeting or by a person designated by the chair of the meeting or adjourned or postponed meeting;

(b) if a representative is appointed under this Article 12.5:

(i) the representative is entitled to exercise in respect of and at that meeting the same rights on behalf of the corporation that the representative represents as that corporation could exercise if it were a shareholder who is an individual, including, without limitation, the right to appoint a proxy holder; and

(ii) the representative, if present at the meeting, is to be counted for the purpose of forming a quorum and is deemed to be a shareholder present in person at the meeting.

Evidence of the appointment of any such representative may be sent to the Company or its transfer agent by written instrument, fax or any other method of transmitting legibly recorded messages.

12.6 Proxy Provisions Do Not Apply to All Companies. Articles 12.7 to 12.15 do not apply to the Company if and for so long as it is a public company or a pre-existing reporting company which has the Statutory Reporting Company Provisions as part of its Articles or to which the Statutory Reporting Company Provisions apply.

12.7 Appointment of Proxy Holders. Every shareholder of the Company, including a corporation that is a shareholder but not a subsidiary of the Company, entitled to vote at a meeting of shareholders of the Company may, by proxy, appoint one or more (but not more than five) proxy holders to attend and act at the meeting in the manner, to the extent and with the powers conferred by the proxy.

12.8 Alternate Proxy Holders. A shareholder may appoint one or more alternate proxy holders to act in the place of an absent proxy holder.

12.9 When Proxy Holder Need Not Be Shareholder. A person must not be appointed as a proxy holder unless the person is a shareholder, although a person who is not a shareholder may be appointed as a proxy holder if:

(a) the person appointing the proxy holder is a corporation or a representative of a corporation appointed under Article 12.5;

(b) the Company has at the time of the meeting for which the proxy holder is to be appointed only one shareholder entitled to vote at the meeting; or

(c) the shareholders present in person or by proxy at and entitled to vote at the meeting for which the proxy holder is to be appointed, by a resolution on which the proxy holder is not entitled to vote but in respect of which the proxy holder is to be counted in the quorum, permit the proxy holder to attend and vote at the meeting.

12.10 Deposit of Proxy. A proxy for a meeting of shareholders must:

(a) be received at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice, or if no number of days is specified, two business days before the day set for the holding of the meeting or any adjourned meeting;

(b) unless the notice provides otherwise, be provided, at the meeting or any adjourned meeting, to the chair of the meeting or to a person designated by the chair of the meeting; or

(c) be received in any other manner determined by the board or the chair of the meeting.

A proxy may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages or by using such available internet or telephone voting services as may be approved by the directors.

12.11 Validity of Proxy Vote. A vote given in accordance with the terms of a proxy is valid notwithstanding the death or incapacity of the shareholder giving the proxy and despite the revocation of the proxy or the revocation of the authority under which the proxy is given, unless notice in writing of that death, incapacity or revocation is received:

(a) at the registered office of the Company, at any time up to and including the last business day before the day set for the holding of the meeting or any adjourned meeting at which the proxy is to be used; or

(b) at the meeting or any adjourned meeting by the chair of the meeting or adjourned meeting, before any vote in respect of which the proxy has been given has been taken.

12.12 Form of Proxy. A proxy, whether for a specified meeting or otherwise, must be either in the following form or in any other form approved by the directors or the chair of the meeting:

Lucy Scientific Discovery Inc.
(the "Company")

The undersigned, being a shareholder of the Company, hereby appoints *[name]* or, failing that person, *[name]*, as proxy holder for the undersigned to attend, act and vote for and on behalf of the undersigned at the meeting of shareholders of the Company to be held on *[month, day, year]* and at any adjournment of that meeting.

Number of shares in respect of which this proxy is given (if no number is specified, then this proxy if given in respect of all shares registered in the name of the shareholder): _____.

Signed this _____ day of _____, _____.

(Signature of shareholder)

(Name of shareholder—printed)

12.13 Revocation of Proxy. Subject to Article 12.14, every proxy may be revoked by an instrument in writing that is received:

(a) at the registered office of the Company at any time up to and including the last business day before the day set for the holding of the meeting at which the proxy is to be used; or

(b) at the meeting or any adjourned meeting, by the chair of the meeting or any adjourned meeting, before any vote in respect of which the proxy has been given has been taken.

12.14 Revocation of Proxy Must Be Signed. An instrument referred to in Article 12.13 must be signed as follows:

(a) if the shareholder for whom the proxy holder is appointed is an individual, the instrument must be signed by the shareholder or the shareholder's legal personal representative or trustee in bankruptcy;

(b) if the shareholder for whom the proxy holder is appointed is a corporation, the instrument must be signed by the corporation or by a representative appointed for the corporation under Article 12.5.

12.15 Chair May Determine Validity of Proxy. The chair of any meeting of shareholders may determine whether or not a proxy deposited for use at the meeting, which may not strictly comply with the requirements of this Article 12 as to form, execution, accompanying documentation, time of filing or otherwise, shall be valid for use at the meeting, and any such determination made in good faith shall be final, conclusive and binding upon the meeting.

12.16 Production of Evidence of Authority to Vote. The directors or the chair of any meeting of shareholders may, but need not, inquire into the authority of any person to vote at the meeting and may, but need not, demand from that person production of evidence as to the existence of the authority to vote.

ARTICLE 13
DIRECTORS

13.1 Number of Directors. The number of directors, excluding additional directors appointed under Article 14.10, is set at:

(a) if the Company is a public company, a number that is no less than three (3) and no greater than ten (10), and which shall be the most recently set of:

(i) the number of directors set by the board of directors of the Company; and

(ii) the number of directors set under Article 14.6;

(b) if the Company is not a public company, the most recently set of:

(i) the number of directors set by the board of directors of the Company; and

(ii) the number of directors set under Article 14.6.

13.2 Change in Number of Directors. If the number of directors is set under Article 13.1(a)(i) or 13.1(b)(i):

(a) the shareholders may elect the directors needed to fill any vacancies in the board of directors up to that number;

(b) if the shareholders do not elect the directors needed to fill any vacancies in the board of directors up to that number contemporaneously with the setting of that number, then the directors may appoint directors to fill those vacancies.

13.3 Directors' Acts Valid Despite Vacancy. An act or proceeding of the directors is not invalid merely because fewer than the number of directors set or otherwise required under these Articles is in office.

13.4 Qualifications of Directors. Notwithstanding any other provision of these Articles, a director is not required to hold a share in the capital of the Company as qualification for the director's office but must be qualified as required by the *Business Corporations Act* to become, act or continue to act as a director.

13.5 Remuneration of Directors. The directors are entitled to the remuneration for acting as directors, if any, as the directors may from time to time determine. If the directors so decide, the remuneration of the directors, if any, will be determined by the shareholders. That remuneration may be in addition to any salary or other remuneration paid to any officer or employee of the Company as such, who is also a director.

13.6 Reimbursement of Expenses of Directors. The Company must reimburse each director for the reasonable expenses that he or she may incur in and about the business of the Company.

13.7 Special Remuneration for Directors. If any director performs any professional or other services for the Company that in the opinion of the directors are outside the ordinary duties of, or not in that individual's capacity as, a director, or if any director is otherwise specially occupied in or about the Company's business, he or she may be paid remuneration fixed by the directors, or, at the option of that director, fixed by ordinary resolution, and such remuneration may be either in addition to, or in substitution for, any other remuneration that he or she may be entitled to receive.

13.8 Gratuity, Pension or Allowance on Retirement of Director. Unless otherwise determined by ordinary resolution, the directors on behalf of the Company may pay a gratuity or pension or allowance on retirement to any director who has held any salaried office or place of profit with the Company or to that director's spouse or dependents and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

ARTICLE 14
ELECTION AND REMOVAL OF DIRECTORS

14.1 Staggered Terms. For purposes of facilitating staggered terms on the board, the following provisions shall apply:

(a) one-third of the directors (or if the number of directors is not divisible by three, then that number of directors that is one-third of the directors rounded up to the next whole number) shall initially hold office for a three-year term expiring on the third annual general meeting of the Company following the date noted at the end of these Articles, as approved by ordinary resolution of the shareholders of the Company prior to the date noted at the end of these Articles;

(b) one-third of the directors (or if the number of directors is not divisible by three, then that number of directors that is one-third of the directors rounded up to the next whole number) shall initially hold office for a two-year term expiring on the second annual general meeting of the Company following the date noted at the end of these Articles, as approved by ordinary resolution of the shareholders of the Company prior to the date noted at the end of these Articles; and

(c) the remaining number of directors shall initially hold office for a one-year term expiring on the first annual general meeting of the Company following the date noted at the end of these Articles, as approved by ordinary resolution of the shareholders of the Company prior to the date noted at the end of these Articles,

and upon the expiry of the directors' initial terms of office as set forth above, the directors shall be elected in the manner provided in Article 14.2 to hold office for three-year terms expiring on the third annual general meeting following their election.

14.2 Election at Annual General Meeting. At every annual general meeting and in every unanimous resolution contemplated by Article 10.2:

(a) all of the directors whose terms expire shall cease to hold office immediately before the election or appointment of directors under Article 14.2(b) below, but are eligible for re-election or re-appointment; and

(b) the shareholders entitled to vote at the annual general meeting for the election of directors may elect, or in the unanimous resolution appoint, the number of directors required to fill the following vacancies, such that the staggered terms are maintained as contemplated in Article 14.1:

(i) the vacancies created by the expiry of any directors' terms under these Articles, to hold office for three-year terms expiring on the third annual general meeting following their election; and

(ii) any vacancies created before the expiry of any directors' terms under these Articles, which vacancies have not already been filled as otherwise permitted in these Articles, to hold office until the remainder of the unexpired portion of the term of the departed directors for whom the new directors are replacing.

14.3 Election or Appointment between Annual General Meetings. A director may be:

(a) elected or appointed under Articles 14.7, 14.9, 14.12, and 14.13 to hold office until the remainder of the unexpired portion of the term of the departed director for whom the new director is replacing;

(b) appointed under Article 14.10 for a three-year term expiring on the third annual general meeting of the Company following the director's appointment under Article 14.10.

For greater certainty, following the expiry of the term of any director appointed under Articles 14.7, 14.9, 14.10, 14.12, and 14.13, that director is eligible for re-election or re-appointment under these Articles.

14.4 Consent to be a Director. No election, appointment or designation of an individual as a director is valid unless:

(a) that individual consents to be a director in the manner provided for in the *Business Corporations Act*; or

(b) that individual is elected or appointed at a meeting at which the individual is present and the individual does not refuse, at the meeting, to be a director.

14.5 Failure to Elect or Appoint Directors. If:

(a) the Company fails to hold an annual general meeting, and all the shareholders who are entitled to vote at an annual general meeting fail to pass the unanimous resolution contemplated by Article 10.2 on or before the date by which the annual general meeting is required to be held under the *Business Corporations Act*; or

(b) the shareholders fail, at the annual general meeting or in the unanimous resolution contemplated by Article 10.2, to elect or appoint any directors;

then each director then in office continues to hold office until the earlier of:

(c) the date on which that director's successor is elected or appointed; and

(d) the date on which that director otherwise ceases to hold office under the *Business Corporations Act* or these Articles.

14.6 Places of Retiring Directors Not Filled. If, at any meeting of shareholders at which there should be an election of directors, the places of any of the retiring directors are not filled by that election, then those retiring directors who are not re-elected and who are asked by the newly elected directors to continue in office will, if willing to do so, continue in office to complete the number of directors for the time being set pursuant to these Articles until further new directors are elected at a meeting of shareholders convened for that purpose. If any such election or continuance of directors does not result in the election or continuance of the number of directors for the time being set pursuant to these Articles, then the number of directors of the Company is deemed to be set at the number of directors actually elected or continued in office.

14.7 Directors May Fill Casual Vacancies. Any casual vacancy occurring in the board of directors may be filled by the directors, subject to these Articles.

14.8 Remaining Directors Power to Act. The directors may act notwithstanding any vacancy in the board of directors, but if the Company has fewer directors in office than the number set pursuant to these Articles as the quorum of directors, then the directors may only act for the purpose of appointing directors up to that number or of summoning a meeting of shareholders for the purpose of filling any vacancies on the board of directors or, subject to the *Business Corporations Act*, for any other purpose.

14.9 Shareholders May Fill Vacancies. If the Company has no directors or fewer directors in office than the number set pursuant to these Articles as the quorum of directors, then the shareholders may elect or appoint directors to fill any vacancies on the board of directors, subject to these Articles.

14.10 Additional Directors. Notwithstanding Articles 13.1 and 13.2, between annual general meetings or unanimous resolutions contemplated by Article 10.2, the directors may appoint one or more additional directors subject to these Articles, but the number of additional directors appointed under this Article 14.10 must not at any time exceed one-third of the number of the current directors who were elected or appointed as directors other than under this Article 14.10. Except as provided otherwise under these Articles or the *Business Corporations* Act, any director so appointed shall cease to hold office at the end of a three-year term expiring on the third annual general meeting of the Company following the director's appointment but is eligible for re-election or re-appointment.

14.11 Ceasing to be a Director. A director ceases to be a director when:

(a) the term of office of the director expires;

(b) the director dies;

(c) the director resigns as a director by notice in writing provided to the Company or a lawyer for the Company; or

(d) the director is removed from office pursuant to Articles 14.12 or 14.13.

14.12 Removal of Director by Shareholders. The Company may remove any director before the expiration of that director's term of office by special resolution. In that event, the shareholders may elect, or appoint by ordinary resolution, a director to fill the resulting vacancy, subject to these Articles. If the shareholders do not elect or appoint a director to fill the resulting vacancy contemporaneously with the removal, then the directors may appoint a director to fill that vacancy, subject to these Articles.

14.13 Removal of Director by Directors. The directors may remove any director before the expiration of his or that director's term of office if the director is convicted of an indictable offence, or if the director ceases to be qualified to act as a director of a company and does not promptly resign, and the directors may appoint a director to fill the resulting vacancy, subject to these Articles.

ARTICLE 15
ALTERNATE DIRECTORS

15.1 Appointment of Alternate Director. Any director (an "appointor") may, by notice in writing received by the Company, appoint any person (an "appointee") who is qualified to act as a director to be his or her alternate to act in his or her place at meetings of the directors or committees of the directors at which the appointor is not present unless (in the case of an appointee who is not a director) the directors have reasonably disapproved the appointment of such person as an alternate director and have given notice to that effect to his or her appointor within a reasonable time after the notice of appointment is received by the Company.

15.2 Notice of Meetings. Every alternate director so appointed is entitled to notice of meetings of the directors and of committees of the directors of which his or her appointor is a member and to attend and vote as a director at any such meetings at which his or her appointor is not present.

15.3 Alternate for More Than One Director Attending Meetings. A person may be appointed as an alternate director by more than one director, and an alternate director:

(a) will be counted in determining the quorum for a meeting of directors once for each of his or her appointors and, in the case of an appointee who is also a director, once more in that capacity;

(b) has a separate vote at a meeting of directors for each of his or her appointors and, in the case of an appointee who is also a director, an additional vote in that capacity;

(c) will be counted in determining the quorum for a meeting of a committee of directors once for each of his or her appointors who is a member of that committee and, in the case of an appointee who is also a member of that committee as a director, once more in that capacity; and

(d) has a separate vote at a meeting of a committee of directors for each of his or her appointors who is a member of that committee and, in the case of an appointee who is also a member of that committee as a director, an additional vote in that capacity.

15.4 Consent Resolutions. Every alternate director, if authorized by the notice appointing him or her, may sign in place of his or her appointor any resolutions to be consented to in writing.

15.5 Alternate Director Not an Agent. Every alternate director is deemed not to be the agent of his or her appointor.

15.6 Revocation of Appointment of Alternate Director. An appointor may at any time, by notice in writing received by the Company, revoke the appointment of an alternate director appointed by him or her.

15.7 Ceasing to be an Alternate Director. The appointment of an alternate director ceases when:

(a) his or her appointor ceases to be a director arid is not promptly re-elected or re-appointed;

(b) the alternate director dies;

(c) the alternate director resigns as an alternate director by notice in writing provided to the Company or a lawyer for the Company;

(d) the alternate director ceases to be qualified to act as a director; or

(e) his or her appointor revokes the appointment of the alternate director.

15.8 Remuneration and Expenses of Alternate Director. The Company may reimburse an alternate director for the reasonable expenses that would be properly reimbursed if he or she were a director, and the alternate director is entitled to receive from the Company such proportion, if any, of the remuneration otherwise payable to the appointor as the appointor may from time to time direct.

ARTICLE 16
POWERS AND DUTIES OF DIRECTORS

16.1 Powers of Management. The directors must, subject to the *Business Corporations Act* and these Articles, manage or supervise the management of the business and affairs of the Company and have the authority to exercise all such powers of the Company as are not, by the *Business Corporations Act* or by these Articles, required to be exercised by the shareholders of the Company.

16.2 Appointment of Attorney of Company. The directors may from time to time, by power of attorney or other instrument, under seal if so required by law, appoint any person to be the attorney of the Company for such purposes, and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the directors under these Articles and excepting the power to fill vacancies in the board of directors, to remove a director, to change the membership of, or fill vacancies in, any committee of the directors, to appoint or remove officers appointed by the directors and to declare dividends) and for such period, and with such remuneration and subject to such conditions as the directors may think fit. Any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorney as the directors think fit. Any such attorney may be authorized by the directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in such attorney.

ARTICLE 17
DISCLOSURE OF INTEREST OF DIRECTORS

17.1 Obligation to Account for Profits. A director or senior officer who holds a disclosable interest (as that term is used in the *Business Corporations Act*) in a contract or transaction into which the Company has entered or proposes to enter is liable to account to the Company for any profit that accrues to the director or senior officer under or as a result of the contract or transaction only if and to the extent provided in the *Business Corporations Act*.

17.2 Restrictions on Voting by Reason of Interest. A director who holds a disclosable interest in a contract or transaction into which the Company has entered or proposes to enter is not entitled to vote on any directors' resolution to approve that contract or transaction, unless all the directors have a disclosable interest in that contract or transaction, in which case any or all of those directors may vote on such resolution.

17.3 Interested Director Counted in Quorum. A director who holds a disclosable interest in a contract or transaction into which the Company has entered or proposes to enter and who is present at the meeting of directors at which the contract or transaction is considered for approval may be counted in the quorum at the meeting whether or not the director votes on any or all of the resolutions considered at the meeting.

17.4 Disclosure of Conflict of Interest or Property. A director or senior officer who holds any office or possesses any property, right or interest that could result, directly or indirectly, in the creation of a duty or interest that materially conflicts with that individual's duty or interest as a director or senior officer, must disclose the nature and extent of the conflict as required by the *Business Corporations Act.*

17.5 Director Holding Other Office in the Company. A director may hold any office or place of profit with the Company, other than the office of auditor of the Company, in addition to their office of director for the period and on the terms (as to remuneration or otherwise) that the directors may determine.

17.6 No Disqualification. No director or intended director is disqualified by that director's or intended director's office from contracting with the Company either with regard to the holding of any office or place of profit the director holds with the Company or as vendor, purchaser or otherwise, and no contract or transaction entered into by or on behalf of the Company in which a director is in any way interested is liable to be voided for that reason.

17.7 Professional Services by Director or Officer. Subject to the *Business Corporations Act*, a director or officer, or any person in which a director or officer has an interest, may act in a professional capacity for the Company, except as auditor of the Company, and the director or officer or such person is entitled to remuneration for professional services as if that director or officer were not a director or officer.

17.8 Director or Officer in Other Corporations. A director or officer may be or become a director, officer or employee of, or otherwise interested in, any person in which the Company may be interested as a shareholder or otherwise, and, subject to the *Business Corporations Act*, the director or officer is not accountable to the Company for any remuneration or other benefits received by that individual as director, officer or employee of, or from that individual's interest in, such other person.

ARTICLE 18
PROCEEDINGS OF DIRECTORS

18.1 Meetings of Directors. The directors may meet together for the conduct of business, adjourn and otherwise regulate their meetings as they think fit, and meetings of the directors held at regular intervals may be held at the place, at the time and on the notice, if any, as the directors may from time to time determine.

18.2 Voting at Meetings. Questions arising at any meeting of directors are to be decided by a majority of votes and, in the case of an equality of votes, the chair of the meeting does not have a second or casting vote.

18.3 Chair of Meetings. The following individual is entitled to preside as chair at a meeting of directors:

(a) the chair of the board, if any;

(b) in the absence of the chair of the board, the president, if any, if the president is a director; or

(c) any other director chosen by the directors if:

(i) neither the chair of the board nor the president, if a director, is present at the meeting within 15 minutes after the time set for holding the meeting;

(ii) neither the chair of the board nor the president, if a director, is willing to chair the meeting; or

(iii) the chair of the board and the president, if a director, have advised the secretary, if any, or any other director, that they will not be present at the meeting.

18.4 Meetings by Telephone or Other Communications Medium. A director may participate in a meeting of the directors or of any committee of the directors in person or by telephone if all directors participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other. A director may participate in a meeting of the directors or of any committee of the directors by a communications medium other than telephone if all directors participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other and if all directors who wish to participate in the meeting agree to such participation. A director who participates in a meeting in a manner contemplated by this Article 18.4 is deemed for all purposes of the *Business Corporations Act* and these Articles to be present at the meeting and to have agreed to participate in that manner.

18.5 Calling of Meetings. A director may, and the corporate secretary or an assistant corporate secretary of the Company, if any, on the request of a director must, call a meeting of the directors at any time.

18.6 Notice of Meetings. Other than for meetings held at regular intervals as determined by the directors pursuant to Article 18.1, reasonable notice of each meeting of the directors, specifying the place, day and time of that meeting must be given to each of the directors by any method set out in Article 24.1 or orally or by telephone.

18.7 When Notice Not Required. It is not necessary to give notice of a meeting of the directors to a director if:

(a) the meeting is to be held immediately following a meeting of shareholders at which that director was elected or appointed, or is the meeting of the directors at which that director is appointed; or

(b) the director has waived notice of the meeting.

18.8 Meeting Valid Despite Failure to Give Notice. The accidental omission to give notice of any meeting of directors to, or the non-receipt of any notice by, any director does not invalidate any proceedings at that meeting.

18.9 Waiver of Notice of Meetings. Any director may send to the Company a document signed by that director waiving notice of any past, present or future meeting or meetings of the directors and may at any time withdraw that waiver with respect to meetings held after that withdrawal. After sending a waiver with respect to all future meetings and until that waiver is withdrawn, no notice of any meeting of the directors need be given to such director and all meetings of the directors so held are deemed not to be improperly called or constituted by reason of notice not having been given to such director.

Attendance of a director at a meeting of the directors is a waiver of notice of the meeting, unless that director attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

18.10 Quorum. The quorum necessary for the transaction of the business of the directors is a majority of the number of directors in office or such greater number as the directors may determine from time to time.

18.11 Validity of Acts Where Appointment Defective. Subject to the *Business Corporations Act*, an act of a director or officer is not invalid merely because of an irregularity in the election or appointment or a defect in the qualification of that director or officer.

18.12 Consent Resolutions in Writing. A resolution of the directors or of any committee of the directors consented to in writing by all of the directors entitled to vote on it, whether by signed document (which may include an electronic signature, as permitted by the *Electronic Transactions Act* (British Columbia)), fax, email or any other method of transmitting legibly recorded messages, is as valid and effective as if it had been passed at a meeting of the directors or of the committee of the directors duly called and held. Such resolution may be in two or more counterparts which together are deemed to constitute one resolution in writing. A resolution passed in that manner is effective on the date stated in the resolution or on the latest date stated on any counterpart. A resolution of the directors or of any committee of the directors passed in accordance with this Article 18.12 is deemed to be a proceeding at a meeting of directors or of the committee of the directors and to be as valid and effective as if it had been passed at a meeting of the directors or of the committee of the directors that satisfies all the requirements of the *Business Corporations Act* and all the requirements of these Articles relating to meetings of the directors or of a committee of the directors.

ARTICLE 19
EXECUTIVE AND OTHER COMMITTEES

19.1 Appointment and Powers of Executive Committee. The directors may, by resolution, appoint an executive committee consisting of the director or directors that they consider appropriate, and this committee has, during the intervals between meetings of the board of directors, all of the directors' powers, except:

(a) the power to fill vacancies in the board of directors;

(b) the power to remove a director;

(c) the power to change the membership of, or fill vacancies in, any committee of the directors; and

(d) such other powers, if any, as may be set out in the resolution or any subsequent directors' resolution.

19.2 Appointment and Powers of Other Committees. The directors may, by resolution:

(a) appoint one or more committees (other than the executive committee) consisting of the director or directors that they consider appropriate;

(b) delegate to a committee appointed under paragraph (a) any of the directors' powers, except:

(i) the power to fill vacancies in the board of directors;

(ii) the power to remove a director;

(iii) the power to change the membership of, or fill vacancies in, any committee of the directors; and

(iv) the power to appoint or remove officers appointed by the directors; and

(c) make any delegation referred to in paragraph (b) subject to the conditions set out in the resolution or any subsequent directors' resolution.

19.3 Obligations of Committees. Any committee appointed under Articles 19.1 or 19.2, in the exercise of the powers delegated to it, must:

(a) conform to any rules that may from time to time be imposed on it by the directors; and

(b) report every act or thing done in exercise of those powers at such times as the directors may require.

19.4 Powers of Board. The directors may, at any time, with respect to a committee appointed under Articles 19.1 or 19.2:

(a) revoke or alter the authority given to the committee, or override a decision made by the committee, except as to acts done before such revocation, alteration or overriding;

(b) terminate the appointment of, or change the membership of, the committee; and

(c) fill vacancies in the committee.

19.5 Committee Meetings. Subject to Article 19.3(a) and unless the directors otherwise provide in the resolution appointing the committee or in any subsequent resolution, with respect to a committee appointed under Articles 19.1 or 19.2:

(a) the committee may meet and adjourn as it thinks proper;

(b) the committee may elect a chair of its meetings but, if no chair of a meeting is elected, or if at a meeting the chair of the meeting is not present within 15 minutes after the time set for holding the meeting, the directors present who are members of the committee may choose one of their number to chair the meeting;

(c) a majority of the members of the committee constitutes a quorum of the committee; and

(d) questions arising at any meeting of the committee are determined by a majority of votes of the members present, and in case of an equality of votes, the chair of the meeting does not have a second or casting vote.

ARTICLE 20
OFFICERS

20.1 Directors May Appoint Officers. The directors may, from time to time, appoint such officers, if any, as the directors determine and the directors may, at any time, terminate any such appointment.

20.2 Functions, Duties and Powers of Officers. The directors may, for each officer:

(a) determine the functions and duties of the officer;

(b) entrust to and confer on the officer any of the powers exercisable by the directors on such terms and conditions and with such restrictions as the directors think fit; and

(c) revoke, withdraw, alter or vary all or any of the functions, duties and powers of the officer.

20.3 Qualifications. No officer may be appointed unless that officer is qualified in accordance with the *Business Corporations Act*. One person may hold more than one position as an officer of the Company. Any person appointed as the chair of the board or as the managing director must be a director. Any other officer need not be a director.

20.4 Remuneration and Terms of Appointment. All appointments of officers are to be made on the terms and conditions and at the remuneration (whether by way of salary, fee, commission, participation in profits or otherwise) that the directors think fit and are subject to termination at the pleasure of the directors, and an officer may in addition to such remuneration be entitled to receive, after he or she ceases to hold such office or leaves the employment of the Company, a pension or gratuity.

ARTICLE 21
INDEMNIFICATION

21.1 Definitions. In this Article 21:

(a) "**eligible party**", in relation to a Company, means an individual who:

(i) is or was a director or officer of the Company,

(ii) is or was a director or officer of another corporation (A) at a time when the corporation is or was an affiliate of the Company, or (B) at the request of the Company, or

(iii) at the request of the Company, is or was, or holds or held a position equivalent to that of, a director of officer of a partnership, trust, joint venture or other unincorporated entity,

and includes, to the extent permitted by the Act, the heirs and personal or other legal representatives of that individual;

(b) "**eligible penalty**" means a judgment, penalty or fine awarded or imposed in, or an amount paid in settlement of, an eligible proceeding;

(c) "**eligible proceeding**" means a proceeding in which an eligible party or any of the heirs and personal or other legal representatives of the eligible party, by reason of the eligible party being or having been a director or officer of, or holding or having held a position equivalent to that of a director or officer of, the Company or an associated corporation:

(i) is or may be joined as a party; or

(ii) is or may be liable for or in respect of a judgment, penalty or fine in, or expenses related to, the proceeding;

(d) "**expenses**" has the meaning set out in the *Business Corporations Act*.

21.2 Mandatory Indemnification of Directors and Former Directors. Subject to the *Business Corporations Act*, the Company must indemnify an eligible party against all eligible penalties to which such person is or may be liable, and the Company must, after the final disposition of an eligible proceeding, pay the expenses actually and reasonably incurred by such person in respect of that proceeding. Each director is deemed to have contracted with the Company on the terms of the indemnity contained in this Article 21.2.

21.3 Indemnification of Other Persons. Subject to any restrictions in the *Business Corporations Act*, the Company may indemnify any person.

21.4 Non-Compliance with *Business Corporations Act*. The failure of a director or officer of the Company to comply with the *Business Corporations Act* or these Articles does not invalidate any indemnity to which he or she is entitled under this Article 21.

21.5 Company May Purchase Insurance. The Company may purchase and maintain insurance for the benefit of any person (or that person's heirs or legal personal representatives) who:

(a) is or was a director, officer, employee or agent of the Company;

(b) is or was a director, officer, employee or agent of a corporation at a time when the corporation is or was an affiliate of the Company;

(c) at the request of the Company, is or was a director, officer, employee or agent of a corporation or of a partnership, trust, joint venture or other unincorporated entity;

(d) at the request of the Company, holds or held a position equivalent to that of a director or officer of a partnership, trust, joint venture or other unincorporated entity;

against any liability incurred by that person as such director, officer, employee or agent or person who holds or held such equivalent position.

ARTICLE 22
DIVIDENDS

22.1 Payment of Dividends Subject to Special Rights. The provisions of this Article 22 are subject to the rights, if any, of shareholders holding shares with special rights as to dividends.

22.2 Declaration of Dividends. Subject to the *Business Corporations Act* and the rights of the holders of issued shares of the Company, the directors may from time to time declare and authorize payment of such dividends as they consider appropriate.

22.3 No Notice Required. The directors need not give notice to any shareholder of any declaration under Article 22.2.

22.4 Record Date. The directors may set a date as the record date for the purpose of determining shareholders entitled to receive payment of a dividend. The record date must not precede the date on which the dividend is to be paid by more than two months. If no record date is set, the record date is 5 p.m. on the date on which the directors pass the resolution declaring the dividend.

22.5 Manner of Paying Dividend. A resolution declaring a dividend may direct payment of the dividend wholly or partly in money or by the distribution of specific assets or of fully paid shares or of bonds, debentures or other securities of the Company or any other corporation, or in any one or more of those ways.

22.6 Settlement of Difficulties. If any difficulty arises in regard to a distribution under Article 22.5, the directors may settle the difficulty as they deem advisable, and, in particular, may:

(a) set the value for distribution of specific assets;

(b) determine that cash payments in substitution for all or any part of the specific assets to which any shareholders are entitled may be made to any shareholders on the basis of the value so fixed in order to adjust the rights of all parties; and

(c) vest any such specific assets in trustees for the persons entitled to the dividend.

22.7 When Dividend Payable. Any dividend may be made payable on such date as is fixed by the directors.

22.8 Dividends to be Paid in Accordance with Number of Shares. All dividends on shares of any class or series of shares must be declared and paid according to the number of such shares held.

22.9 Receipt by Joint Shareholders. If several persons are joint shareholders of any share, any one of them may give an effective receipt for any dividend, bonus or other money payable in respect of the share.

22.10 Dividend Bears No Interest. No dividend bears interest against the Company.

22.11 Fractional Dividends. If a dividend to which a shareholder is entitled includes a fraction of the smallest monetary unit of the currency of the dividend, that fraction may be disregarded in making payment of the dividend and that payment represents full payment of the dividend.

22.12 Payment of Dividends. Any dividend or other distribution payable in money in respect of shares may be paid by cheque, made payable to the order of the person to whom it is sent, and mailed to the address of the shareholder, or in the case of joint shareholders, to the address of the joint shareholder who is first named on the central securities register, or to the person and to the address the shareholder or joint shareholders may direct in writing. The mailing of such cheque will, to the extent of the sum represented by the cheque (plus the amount of the tax required by law to be deducted), discharge all liability for the dividend unless such cheque is not paid on presentation or the amount of tax so deducted is not paid to the appropriate taxing authority.

22.13 Capitalization of Surplus. Notwithstanding anything contained in these Articles, the directors may from time to time capitalize any surplus of the Company and may from time to time issue, as fully paid, shares or any bonds, debentures or other securities of the Company as a dividend representing the surplus or any part of the surplus.

22.14 Unclaimed Dividends. Any dividend unclaimed after a period of three years from the date on which the same has been declared to be payable shall be forfeited and shall revert to the Company. The Company shall not be liable to any person in respect of any dividend which is forfeited to the Company or delivered to any public official pursuant to any applicable abandoned property, escheat or similar law.

ARTICLE 23
DOCUMENTS, RECORDS AND REPORTS

23.1 Recording of Financial Affairs. The directors must cause adequate accounting records to be kept to record properly the financial affairs and condition of the Company and to comply with the *Business Corporations Act*.

23.2 Inspection of Accounting Records. Unless the directors determine otherwise, or unless otherwise determined by ordinary resolution, no shareholder of the Company is entitled to inspect or obtain a copy of any accounting records of the Company.

ARTICLE 24
NOTICES

24.1 Method of Giving Notice. Unless the *Business Corporations Act* or these Articles provide otherwise, a notice, statement, report or other record required or permitted by the *Business Corporations Act* or these Articles to be sent by or to a person may be sent by any one of the following methods:

(a) mail addressed to the person at the applicable address for that person as follows:

(i) for a record mailed to a shareholder, the shareholder's registered address;

(ii) for a record mailed to a director or officer, the prescribed address for mailing shown for the director or officer in the records kept by the Company or the mailing address provided by the recipient for the sending of that record or records of that class;

(iii) in any other case, the mailing address of the intended recipient;

(b) delivery at the applicable address for that person as follows, addressed to the person:

(i) for a record delivered to a shareholder, the shareholder's registered address;

(ii) for a record delivered to a director or officer, the prescribed address for delivery shown for the director or officer in the records kept by the Company or the delivery address provided by the recipient for the sending of that record or records of that class;

(iii) in any other case, the delivery address of the intended recipient;

(c) sending the record by fax to the fax number provided by the intended recipient for the sending of that record or records of that class;

(d) sending the record by email to the email address provided by the intended recipient for the sending of that record or records of that class;

(e) physical delivery to the intended recipient;

(f) creating and providing a record posted on or made available through a generally-accessible electronic source and providing written notice by any of the foregoing methods of the availability of such record; or

(g) as otherwise permitted by any securities legislation (together with all regulations and rules made and promulgated thereunder and all administrative policy statements, blanket orders, and rulings, notices, and other administrative directions issued by securities commissions or similar authorities appointed thereunder) in any province or territory of Canada or in the federal jurisdiction of the United States or in any state of the United States that is applicable to the Company.

24.2 Deemed Receipt. A notice, statement, report or other record that is:

(a) mailed to a person by ordinary mail to the applicable address for that person referred to in Article 24.1 is deemed to be received by the person to whom it was mailed on the day, Saturdays, Sundays and holidays excepted, following the date of mailing;

(b) faxed to a person to the fax number provided by that person referred to in Article 24.1 is deemed to be received by the person to whom it was faxed on the day it was faxed;

(c) e-mailed to a person to the e-mail address provided by that person referred to in Article 24.1 is deemed to be received by the person to whom it was e-mailed on the day it was e-mailed; and

(d) delivered in accordance with Article 24.1(f), is deemed to be received by the person on the day such written notice is sent.

24.3 Certificate of Sending. A certificate signed by the corporate secretary, if any, or other officer of the Company or of any other corporation acting in that capacity on behalf of the Company stating that a notice, statement, report or other record was sent in accordance with Article 24.1 is conclusive evidence of that fact.

24.4 Notice to Joint Shareholders. A notice, statement, report or other record may be provided by the Company to the joint shareholders of a share by providing such record to the joint shareholder first named in the central securities register in respect of the share.

24.5 Notice to Legal Personal Representatives and Trustees. A notice, statement, report or other record may be provided by the Company to the persons entitled to a share in consequence of the death, bankruptcy or incapacity of a shareholder by:

(a) mailing the record, addressed to them:

(i) by name, by the title of the legal personal representative of the deceased or incapacitated shareholder, by the title of trustee of the bankrupt shareholder or by any similar description; and

(ii) at the address, if any, supplied to the Company for that purpose by the persons claiming to be so entitled; or

(b) if an address referred to in paragraph (a)(ii) has not been supplied to the Company, by giving the notice in a manner in which it might have been given if the death, bankruptcy or incapacity had not occurred.

24.6 Undelivered Notices. If, on two consecutive occasions, a notice, statement, report or other record is sent to a shareholder pursuant to Article 24.1 and on each of those occasions any such record is returned because the shareholder cannot be located, then, subject to the *Business Corporations Act*, the Company shall not be required to send any further records to the shareholder until the shareholder informs the Company in writing of that shareholder's new address.

ARTICLE 25
SEAL AND EXECUTION OF DOCUMENTS

25.1 Who May Attest Seal. Except as provided in Articles 25.2 and 25.3, the Company's seal, if any, must not be impressed on any record except when that impression is attested by the signatures of:

(a) any two directors;

(b) any officer, together with any director;

(c) if the Company only has one director, that director; or

(d) any one or more directors or officers or persons as may be determined by the directors.

25.2 Sealing Copies. For the purpose of certifying under seal a certificate of incumbency of the directors or officers of the Company or a true copy of any resolution or other document, despite Article 25.1, the impression of the seal may be attested by the signature of any director or officer or the signature of any other person as may be determined by the directors.

25.3 Mechanical Reproduction of Seal. The directors may authorize the seal to be impressed by third parties on share certificates or bonds, debentures or other securities of the Company as they may determine appropriate from time to time. To enable the seal to be impressed on any share certificates or bonds, debentures or other securities of the Company, whether in definitive or interim form, on which facsimiles of any of the signatures of the directors or officers of the Company are, in accordance with the *Business Corporations Act* or these Articles, printed or otherwise mechanically reproduced, there may be delivered to the person employed to engrave, lithograph or print such definitive or interim share certificates or bonds, debentures or other securities one or more unmounted dies reproducing the seal and such persons as are authorized to attest the Company's seal may in writing authorize such person to cause the seal to be impressed on such definitive or interim share certificates or bonds, debentures or other securities by the use of such dies. Share certificates or bonds, debentures or other securities to which the seal has been so impressed are for all purposes deemed to be under and to bear the seal impressed on them.

25.4 Execution of Documents Generally. The Directors may from time to time by resolution appoint any one or more persons, officers or Directors for the purpose of executing any instrument, document or agreement in the name of and on behalf of the Company for which the seal need not be affixed, and if no such person, officer or Director is appointed, then any one officer or Director of the Company may execute such instrument, document or agreement.

ARTICLE 26
PROHIBITIONS

26.1 Definitions. In this Article 26:

(a) "**designated security**" means:

(i) a voting security of the Company;

(ii) a security of the Company that is not a debt security and that carries a residual right to participate in the earnings of the Company or, on the liquidation or winding up of the Company, in its assets; or

(iii) a security of the Company convertible, directly or indirectly, into a security described in paragraph (i) or (ii);

(b) "**security**" has the meaning assigned in the *Securities Act*;

(c) "**voting security**" means a security of the Company that:

(i) is not a debt security, and

(ii) carries a voting right either under all circumstances or under some circumstances that have occurred and are continuing.

26.2 Application. Article 26.3 does not apply to the Company if and for so long as it is a public company or a pre-existing reporting company which has the Statutory Reporting Company Provisions as part of its Articles or to which the Statutory Reporting Company Provisions apply.

26.3 Consent Required for Transfer of Shares or Designated Securities. No share or designated security may be sold, transferred or otherwise disposed of without the consent of the directors and the directors are not required to give any reason for refusing to consent to any such sale, transfer or other disposition.

ARTICLE 27
FORUM SELECTION

27.1 Forum for Adjudication of Certain Disputes. Unless the Company consents in writing to the selection of an alternative forum, the Supreme Court of British Columbia, Canada and the appellate Courts therefrom, shall, to the fullest extent permitted by law, be the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the Company; (ii) any action or proceeding asserting a claim of breach of a fiduciary duty owed by any director, officer, or other employee of the Company to the Company; (iii) any action or proceeding asserting a claim arising pursuant to any provision of the *Business Corporations Act* or these Articles (as either may be amended from time to time); or (iv) any action or proceeding asserting a claim otherwise related to the affairs of the Company. Unless the Company consents in writing to the selection of an alternative forum, and without limiting the generality of the foregoing sentence, the United States District Court for the District of Delaware shall be the sole and exclusive forum for resolving any complaint filed in the United States asserting a cause of action arising under the *Securities Act of 1933*, as amended and the *Securities Exchange Act of 1934*, as amended. If any action or proceeding, the subject matter of which is within the scope of the preceding sentence, is filed other than with the designated court (a "**Foreign Action**") in the name of any securityholder, such securityholder shall be deemed to have consented to (x) the personal jurisdiction of the court in connection with any action or proceeding brought in in any such court to enforce the preceding sentence, and (y) having service of process made upon such securityholder in any such action or proceeding by service upon such securityholder's counsel in the Foreign Action as agent for such securityholder. Any person or entity purchasing or otherwise acquiring any interest in common shares in the capital of the Company shall be deemed to have notice of and consented to the provisions of this Section 27.1.

ARTICLE 28
SPECIAL RIGHTS AND RESTRICTIONS ATTACHED TO COMMON SHARES

28.1 The Common Shares Without Par Value (the "**Common Shares**") have attached to them the special rights and restrictions set out in this Article 28.

Dividends

28.2 Except as otherwise provided in these Articles, each holder of a Common Share is entitled, as such, to receive, on the date fixed for payment thereof, and the Company will pay thereon, such dividends as the directors may in their sole and absolute discretion declare from time to time out of the money or other property of the Company properly applicable to the payment of dividends.

28.3 No holder of a Common Share will be entitled, as such, to any dividend other than or in excess of the dividends, if any, declared pursuant to Article 28.2.

28.4 The directors may, in their sole and absolute discretion, declare and pay or set apart for payment dividends on the Common Shares independently of any dividend on, and without also declaring or paying or setting apart for payment any dividend (whether or not of a similar amount) on, any one or more other classes of shares in the Company and may, in their sole and absolute discretion, declare and pay or set apart for payment dividends on shares of any one or more classes of shares in the Company other than the Common Shares independently of any dividend on, and without also declaring or paying or setting apart for payment any dividend (whether or not of a similar amount) on, the Common Shares.

Winding Up

28.5 In the event of the liquidation, dissolution or winding-up of the Company or other distribution of property or assets of the Company among its shareholders for the purpose of winding up its affairs, no amount will be paid and no property or asset of the Company will be distributed to the holders of the Common Shares, as such, until the holders of any other class or series of shares entitled to receive assets of the Company upon such a distribution in priority to the holders of the Common Shares, as such, have first received from the property and assets of the Company the amount to which they are entitled pursuant to these Articles, but thereafter, the holders of the Common Shares will be entitled to all remaining property and assets of the Company on a share for share basis.

Votes

28.6 Each holder of a Common Share, as such, is entitled to receive notice of and to attend and vote in person or by proxy at all meetings of the shareholders of the Company and is entitled to one vote for each such share held.

ARTICLE 29
SPECIAL RIGHTS AND RESTRICTIONS ATTACHED TO THE PREFERRED SHARES

Preferred Shares

29.1 The special rights or restrictions attached to the Preferred Shares Without Par Value (the "**Preferred Shares**") shall be as follows:

Issuable in Series

29.2 The Preferred Shares may at any time and from time to time be issued in one or more series.

29.3 Subject to Article 9.3 and the *Business Corporations Act*, the board may from time to time, by directors' resolution, if none of the Preferred Shares of any particular series are issued, alter these Articles and authorize the alteration of the Notice of Articles of the Company, as the case may be, to do one or more of the following:

(a) determine the maximum number of shares of any of those series of Preferred Shares that the Company is authorized to issue, determine that there is no such maximum number, or alter any determination made under this paragraph (i) or otherwise in relation to a maximum number of those shares;

(b) create an identifying name by which the shares of any of those series of Preferred Shares may be identified, or alter any identifying name created for those shares; and

(c) attach special rights or restrictions to the shares of any of those series of Preferred Shares or alter any special rights or restrictions attached to those shares, including, but without limiting or restricting the generality of the foregoing, special rights or restrictions with respect to:

    (i) the rate, amount, method of calculation and payment of any dividends, whether cumulative, partly cumulative or non-cumulative, and whether such rate, amount, method of calculation or payment is subject to change or adjustment in the future;

(ii) any rights upon a dissolution, liquidation or winding-up of the Company or upon any other return of capital or distribution of the assets of the Company among its shareholders for the purpose of winding up its affairs;

(iii) any rights of redemption, retraction or purchase for cancellation and the prices and terms and conditions of any such rights;

(iv) any rights of conversion, exchange or reclassification and the terms and conditions of any such rights;

(v) any voting rights and restrictions;

(vi) the terms and conditions of any share purchase plan or sinking fund; and

(vii) any other special rights or restrictions, not inconsistent with these share provisions, attaching to such series of Preferred Shares.

29.4 No special rights or restrictions attached to any series of Preferred Shares will confer upon the shares of that series a priority over the shares of any other series of Preferred Shares in respect of dividends or a return of capital in the event of the dissolution of the Company or on the occurrence of any other event that entitles the shareholders holding the shares of all series of the Preferred Shares to a return of capital. The Preferred Shares of each series will, with respect to the payment of dividends and the distribution of assets or return of capital in the event of dissolution or on the occurrence of any other event that entitles the shareholders holding the shares of all series of the Preferred Shares to a return of capital, rank on a parity with the shares of every other series.

Class Rights or Restrictions

29.5 Holders of Preferred Shares will be entitled to preference with respect to payment of dividends over the Common Shares and any other shares ranking junior to the Preferred Shares with respect to payment of dividends.

29.6 In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or any other distribution of the assets of the Company among its shareholders for the purpose of winding up its affairs, the holders of the Preferred Shares will be entitled to preference over the Common Shares and any other shares ranking junior to the Preferred Shares with respect to the repayment of capital paid up on and the payment of unpaid dividends accrued on the Preferred Shares.

29.7 The Preferred Shares may also be given such other preferences over the Common Shares and any other shares ranking junior to the Preferred Shares as may be fixed by directors' resolution as to the respective series authorized to be issued.

DATED _____, 2021.

SIGNATURE OF A DIRECTOR OF THE COMPANY

THE SECURITIES REPRESENTED 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 APPLICABLE STATE SECURITIES LAWS. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF THE CORPORATION THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, ONLY (A) TO THE CORPORATION, (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. Securities Act AND IN COMPLIANCE WITH LOCAL LAWS AND REGULATIONS, (C) IN COMPLIANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES OR "BLUE SKY" LAWS, OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS, AND, IN THE CASE OF SUBPARAGRAPH (C) OR (D), THE SELLER FURNISHES TO THE CORPORATION AN OPINION OF COUNSEL OF RECOGNIZED STANDING OR SUCH OTHER EVIDENCE AS THE CORPORATION MAY REQUIRE IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE CORPORATION TO SUCH EFFECT. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.

WARRANT TO PURCHASE COMMON SHARES OF HOLLYWEED NORTH CANNABIS INC.

Effective Date: As of November 5, 2020

This certifies that **ORIGO HOLDINGS, INC.,** a Delaware limited liability company ("**Origo**"), or registered assigns, is the registered holder of the Warrant (this "**Warrant**") represented by this Warrant Certificate (this "**Warrant Certificate**"), which entitles Origo or any subsequent holder of this Warrant (each a "**Holder**"), subject to the provisions contained herein, to purchase from **HOLLYWEED NORTH CANNABIS INC.**, a corporation organized under the laws of British Columbia (the "**Company**"), such number of the Class A common shares of the Company (the "**Common Shares**"), as set forth in Section 2.1 herein, subject to adjustment upon the occurrence of certain events specified herein, at the Exercise Price (as defined below), subject to adjustment upon the occurrence of certain events specified herein.

1. DEFINITIONS.

As used in this Warrant, the following terms shall have the following meanings:

BCBCA: the *Business Corporations Act* (British Columbia).

Board: the board of directors of the Company.

Business Day: any day that is not a day on which banking institutions are authorized or required to be closed in the jurisdiction in which the principal office of the Company is located.

Cashless Exercise: the meaning set forth in Clause (1) of Section 2.4.

CDN, Dollars or $: means Canadian dollars.

Common Shares: the voting Class A Common Shares of the Company.

Company: HollyWeed North Cannabis Inc., a corporation organized under the laws of British Columbia, Canada.

Company Formation Documents: the Amended and Restated Articles of Incorporation of the Company, dated May 27, 2019, as filed under the BCBCA, as the same may be amended from time to time.

Effective Exercise Date: the meaning set forth in Section 4.

Effective Issuance Price: the meaning set forth in Section 4.5.

Excess Tender Amount: the meaning set forth in Section 4.3.

Exchange Act: the Securities Exchange Act of 1934, as amended.

ex-date: when used with respect to any issuance or distribution, means the first Business Day after the record date, *provided* that if the Common Shares are then traded on a Recognized Securities Market (for the avoidance of doubt, for purposes of this Warrant and any related agreements, including Nasdaq) it shall mean the first date on which the Common Shares trade regular way on the relevant exchange or in the relevant market from which the Fair Market Value was obtained without the right to receive such issuance or distribution.

Exercise Date: the meaning set forth in Section 2.2.

Exercise Price: subject to the adjustment provisions set forth in this Warrant, shall mean CDN twelve cents (CDN$0.12) per share, subject to the adjustment provisions hereinafter set forth.

Expiration Date: the meaning set forth in Section 2.3.

Fair Market Value:

(i) In the case of Common Shares means the amount which a willing buyer would pay a willing seller in an arm's-length transaction for one share of such Common Shares, as determined by the Board in good faith, provided that if the Common Shares are then traded on a Recognized Securities Market, it shall mean the closing sale price of such security (or, if no closing sale price is reported, the average of the closing bid and ask prices or, if more than one in either case, the average of the average closing bid and the average closing ask prices) on such date as reported in composite transactions on the Recognized Securities Market on which the Common Shares are then traded.

(ii) In the case of cash, the amount thereof.

(iii) In the case of other property, the amount which a willing buyer would pay a willing seller in an arm's-length transaction for such property, as determined by the Board in good faith.

Holder: from time to time, the holder(s) of this Warrant.

Line of Credit Note: the CDN$6,675,000 secured convertible promissory note of the Company and its subsidiaries issued to Origo.

Nasdaq: the Nasdaq Stock Exchange, including the Nasdaq Capital Market.

Person: any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

Premium Per Pro Forma Share: the meaning set forth in Section 4.3.

Recognized Securities Market. any one of the Nasdaq, the New York Stock Exchange, the NYSE:American Exchange, the OTC Markets (including the OTCQX platform), the Canadian Securities Exchange, the Toronto Stock Exchange, the TSX Venture Exchange or any other United States or foreign stock exchange that constitutes the principal securities exchange on which the Common Shares is then traded.

Registration Statement: a registration statement on Form F-1 (or other applicable form for registering securities under the Securities Act) as filed by the Company with the SEC in connection with an initial public offering of the Common Shares in the United States.

Registrable Securities: means the Common Shares issuable under this Warrant as well as any Common Shares issuable upon conversion of the Line of Credit Note. Registrable Securities shall continue to be Registrable Securities (whether they continue to be held by Origo or they are sold to other Persons) until (i) they are sold outside of the United States in accordance with any applicable Canadian securities laws, (ii) pursuant to an effective registration statement under the Securities Act or (iii) they shall have otherwise been transferred (including pursuant to Rule 144 under the Securities Act) and new securities not subject to transfer restrictions under any federal securities laws and not bearing any legend restricting further transfer shall have been delivered by the Company, all applicable holding periods shall have expired, and no other applicable and legally binding restriction on transfer by the holder thereof shall exist.

Reorganization Event: the meaning set forth in Section 4.4.

Rights to Purchase Securities: means options, warrants and rights issued by the Company (whether presently exercisable or not) to purchase Common Shares that are convertible or exchangeable (whether presently convertible or exchangeable or not) into or exercisable (whether presently exercisable or not) for Voting Securities but, for the avoidance of doubt, not including a shareholders rights plan.

Securities Act: the United States Securities Act of 1933, as amended.

Transfer: the meaning set forth in Section 2.5.

Voting Securities means the Common Shares and any other securities of the Company having power generally to vote in the election of members of the Board.

Warrant Shares: means the Common Shares issuable or issued upon the exercise of this Warrant, consisting of seventy million, three hundred eleven thousand, seven hundred and fifty five (70,311,755) Common Shares, subject to adjustment as provided herein.

2. EXERCISE PRICE; EXERCISE OF WARRANT AND EXPIRATION OF WARRANT.

2.1. Exercise Price. Subject to the terms of this Warrant, including all of the adjustment provisions hereof, the Holder hereof shall be entitled upon exercise of this Warrant to purchase all or any portion of the Warrant Shares upon exercise the Warrant made on or prior to the date of exercise hereof, at the Exercise Price then in effect.

2.2. Exercise of Warrant. This Warrant shall be exercisable in whole or in part from time to time on any Business Day (each, an "Exercise Date") beginning on November 5, 2020 and ending on the Expiration Date (the "Exercise Period"), in the manner provided for herein.

2.3. Expiration of Warrants. This Warrant shall expire and the rights of the Holder of this Warrant to purchase Warrant Shares shall terminate at the close of business on November 5, 2025 (the "Expiration Date").

2.4. Method of Exercise; Payment of Exercise Price. In order to exercise this Warrant, the Holder hereof must surrender this Warrant to the Company, with the form on the reverse of or attached to this Warrant duly executed. With respect to payment of the Exercise Price, the Holder shall have two options:

(1) having the Company withhold, from the total number of Warrant Shares that would otherwise be delivered to the Holder upon such exercise at the Exercise Price, that lower number of Warrant Shares issuable upon exercise of this Warrant with an aggregate Fair Market Value as of the last Business Day prior to such exercise equal to the in-the-money value of such Warrant Shares based upon the Exercise Price then in effect (a "Cashless Exercise"), or

(2) payment in full of the Exercise Price then in effect for the number of Warrant Shares as to which this Warrant is submitted for exercise.

To the Extent that the Holder shall elect to exercise this Warrant through a Cashless Exercise, the Holder shall be entitled to receive a certificate for the number of Warrant Shares equal to the quotient obtained by dividing the product of (A-B) and (X) by (A), where:

(A)= the closing price of the Common Shares on the Trading Day immediately preceding the date on which Holder elects to exercise this Warrant by means of a "cashless exercise," as set forth in the

applicable Notice of Exercise;

(B)= the Exercise Price of this Warrant, as adjusted hereunder; and

(X)= the number of Warrant Shares that would be issuable upon exercise of this Warrant in accordance with the terms of this Warrant if such exercise were by means of a cash exercise rather than a cashless exercise.

To the extent there is a difference in the currency of the closing price of the Common Shares and the Exercise Price, herein, the closing price of the Common Shares shall be converted into CDN using the Daily Exchange Rate of the Bank of Canada on the day prior to the applicable Trading Day.

Any such payment of the Exercise Price pursuant to clause (2) above shall be payable in cash or other same-day funds. Upon the surrender of this Warrant following one or more partial exercises, unless this Warrant has expired, a new Warrant of the same tenor representing the number of shares of Warrant Shares, if any, with respect to which this Warrant shall not then have been exercised, shall promptly be issued and delivered to the Holder.

Upon surrender of this Warrant in conformity with the foregoing provisions, the Company shall instruct its transfer agent to transfer to the Holder of such Warrant appropriate evidence of ownership of any shares of Warrant Shares or other securities or property (including any money) to which the Holder is entitled, registered or otherwise placed in, or payable to the order of, such name or names as may be directed in writing by the Holder, and shall deliver such evidence of ownership and any other securities or property (including any money) to the Person or Persons entitled to receive the same, together with an amount in cash in lieu of any fraction of a share as provided in Section 4.7. Upon payment of the Exercise Price therefor, a Holder shall be deemed to own and have all of the rights associated with any Warrant Shares or other securities or property (including money) to which it is entitled pursuant to this Warrant upon the surrender of this Warrant in accordance herewith. If the Holder shall direct that such securities be registered in a name other than that of the Holder, such direction shall be tendered in conjunction with a signature guarantee from an eligible guarantor institution participating in a signature guarantee program approved by the Securities Transfer Association, and any other reasonable evidence of authority that may be required by the Company.

2.5. Compliance with the Securities Laws.

(a) This Warrant may not be exercised (and the Company shall be under no obligation to process any exercise), and no Warrant Shares may be sold, transferred pledged, hypothecated, or otherwise disposed of (any such sale, transfer or other disposition, a "Transfer"), except in compliance with this Section 2.5.

(b) A Holder may exercise this Warrant and may Transfer this Warrant or any and all of his or its Warrant Shares to either (i) a transferee that is an "accredited investor" or a "qualified institutional buyer," as such terms are defined in applicable Canadian securities laws, Regulation D and Rule 144A under the Securities Act, respectively, or (ii) any transferee, if the Warrant Shares have been registered for resale under the Securities Act and qualified or exempt for sale under applicable Canadian securities laws.

(c) In addition to the foregoing, a Holder may exercise this Warrant and may Transfer this Warrant or his or its Warrant Shares in accordance with Regulation S under the Securities Act or in any transaction that is registered under the Securities Act.

3. LEGENDS, REGISTRATION AND BOARD RIGHTS.

3.1. Legends. Subject to Section 3.2, each certificate, instrument, or book entry representing (i) the Class A Common Shares, (ii) the Registrable Securities, and (iii) any other securities issued in respect of the securities referenced in clauses (i) and (ii), upon any share split, share dividend, recapitalization, merger, consolidation, or similar event, shall (unless otherwise permitted by the provisions of Section 4) be notated with a legend, and no other legend, substantially in the following form:

> THE SECURITIES REPRESENTED 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 APPLICABLE STATE SECURITIES LAWS. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF THE CORPORATION THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, ONLY (A) TO THE CORPORATION, (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. Securities Act AND IN COMPLIANCE WITH LOCAL LAWS AND REGULATIONS, (C) IN COMPLIANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE U.S. Securities Act PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES OR "BLUE SKY" LAWS, OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. Securities Act OR ANY APPLICABLE STATE SECURITIES LAWS, AND, IN THE CASE OF SUBPARAGRAPH (C) OR (D), THE SELLER FURNISHES TO THE CORPORATION AN OPINION OF COUNSEL OF RECOGNIZED STANDING OR SUCH OTHER EVIDENCE AS THE CORPORATION MAY REQUIRE IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE CORPORATION TO SUCH EFFECT. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.

3.2. Registration. If at any time the Company registers or intends to register under the Securities Act, or qualify for distribution in Canada under applicable Canadian securities laws, any Common Shares, Rights to Purchase Securities or any other securities convertible, exchangeable or exercisable for Common Shares or other Voting Securities on a registration statement under the Securities Act or a prospectus under applicable Canadian securities laws, or grants any demand or piggyback registration rights to any other holder of Common Shares, Rights to Purchase Securities or any other securities convertible, exchangeable or exercisable for Common Shares or shares of Voting Securities, the Company shall offer to the Holder of this Warrant to register the Warrant Shares of such Holder on no less favorable terms and conditions and/or enter into an agreement on customary terms and conditions with the Holder of this Warrant granting to such Holder *pari passu* registration rights with respect to the Registrable Securities of such Holder, as applicable. Notwithstanding the foregoing, the provisions of this Section 3.1 shall not apply to an initial public offering of Common Shares or other securities of the Company, unless that Company shall also register for resale in such initial public offering Common Shares owned by other shareholders.

3.3. Board Rights. For so long as any of the Warrants are outstanding or that Origo or any other initial Holder of Warrants owns ten percent (10%) or more of the outstanding Common Shares, Origo shall have the right to appoint 40% of the members of the board of directors of the Company.

4. ADJUSTMENTS.

4.1. Adjustments upon Certain Transactions.

(a) The Exercise Price and the number of Warrant Shares issuable upon exercise of this Warrant shall be adjusted in the event the Company (i) pays a dividend or makes any other distribution with respect to any of its Common Shares solely in Common Shares, (ii) subdivides its outstanding Common Shares, or (iii) combines its outstanding Common Shares into a smaller number of shares. In such event, the number of Warrant Shares issuable upon exercise of this Warrant immediately prior to the record date of such dividend or distribution or the effective date of such subdivision or combination (the "Effective Exercise Date") shall be adjusted so that the Holder of this Warrant shall thereafter be entitled to receive the number of Warrant Shares that such Holder would have owned or have been entitled to receive after the happening of any of the events described above, had the Warrant been exercised immediately prior to the happening of such event or any record date with respect hereto.

In addition, upon an adjustment pursuant to this Section 4.1, the Exercise Price for each of the Warrant Shares payable upon exercise of this Warrant shall be adjusted (without rounding) so that it shall equal the product of the Exercise Price immediately prior to such adjustment multiplied by a fraction, the numerator of which shall be the number of Warrant Shares issuable upon the exercise of this Warrant immediately prior to such adjustment, and the denominator of which shall be the number of Warrant Shares so issuable immediately thereafter. Such adjustment shall become effective immediately after the Effective Exercise Date of such event retroactive to the record date, if any, for such event.

(b) For avoidance of doubt, the adjustment contemplated by this section can be expressed by formula as follows:

Ub = Warrant Shares underlying this Warrant before the adjustment

Ua = Warrant Shares underlying this Warrant after the adjustment

Pb = exercise price per share before the adjustment

Pa = exercise price per share after the adjustment

Ob = shares outstanding before the transaction in question

Oa = shares outstanding after the transaction in question

Ua = Ub x Oa / Ob

Pa = Pb x Ob / Oa

4.2. Dividends and Distributions.

(a) If the Company shall fix a record date for the payment of a dividend or the making of a distribution with respect to any of its Common Shares, (other than one covered by Section 4.1), then the Exercise Price to be in effect after the record date for such dividend or distribution shall be determined (without rounding) by multiplying (x) the Exercise Price in effect immediately prior to such record date by (y) a fraction, the numerator of which shall be the Fair Market Value per share of Common Shares as of the last Business Day (or, if the Common Shares is then traded on a Recognized Securities Market, the last trading day) before the ex-date less the Fair Market Value of the cash, securities (excluding Common Shares that is the same class of securities for which this Warrant would be exercisable immediately after such distribution or dividend taking into account the adjustments pursuant to this Article 4) or other property paid per share in such dividend or distribution, and the denominator of which shall be the Fair Market Value per share of Common Shares as of the last Business Day (or, if the Common Shares is then traded on a Recognized Securities Market, the last trading day) before the ex-date. Upon any adjustment of the Exercise Price pursuant to Section 4.2(a), the total number of Common Shares purchasable upon the exercise of this Warrant shall be such number of shares (calculated to the nearest thousandth) purchasable immediately prior to such adjustment multiplied by a fraction, the numerator of which shall be the Exercise Price in effect immediately before such adjustment and the denominator of which shall be the Exercise Price in effect immediately after such adjustment.

(b) For avoidance of doubt, the adjustment contemplated by Section 4.2(a)(2) can be expressed by formula as follows:

Ub = Warrant Shares underlying this Warrant before the adjustment

Ua = Warrant Shares underlying this Warrant after the adjustment

Pb = exercise price per share before the adjustment

Pa = exercise price per share after the adjustment

M = Fair Market Value per share of Common Shares as of the last Business Day (or, if applicable, trading day) before ex-date

D = Fair Market Value of the dividend or distribution made per share of Common Shares

Ua = Ub x M / (M - D)

Pa = Pb x (M - D) / M

4.3. Tender Offers. If a publicly-announced tender offer or issuer bid made by the Company or any of its subsidiaries for all or any portion of the Common Shares shall expire and tendering holders of Common Shares are paid aggregate consideration having a Fair Market Value when paid which exceeds the aggregate Fair Market Value of the Common Shares acquired in such tender offer as of the last Business Day, or, if applicable, trading day before the date on which such tender offer is first publicly announced (such excess, the "Excess Tender Amount"), then the Exercise Price to be in effect after the tender offer expires shall be determined (without rounding) by multiplying (x) the Exercise Price in effect immediately prior to such adjustment by (y) a fraction, the numerator of which shall be the Fair Market Value per share of the Common Shares as of the last trading day before the date on which such tender offer is first publicly announced less the Premium Per Pro Forma Share, and the denominator of which shall be the Fair Market Value per share of Common Shares as of the last Business Day, or, if applicable, trading day before the date on which such tender offer is first publicly announced. As used herein, "Premium Per Pro Forma Share" means (x) the Excess Tender Amount divided by (y) the number of Common Shares outstanding at expiration of the tender offer after giving pro forma effect to the purchase of shares in the tender offer. Upon any adjustment of the Exercise Price pursuant to this Section 4.3, the total number of Warrant Shares purchasable upon the exercise of this Warrant shall be such number of Warrant Shares (calculated to the nearest thousandth) purchasable immediately prior to such adjustment multiplied by a fraction, the numerator of which shall be the Exercise Price in effect immediately before such adjustment and the denominator of which shall be the Exercise Price in effect immediately after such adjustment. For avoidance of doubt, the adjustment contemplated by this section can be expressed by formula as follows:

Ub = Warrant Shares underlying this Warrant before the adjustment

Ua = Warrant Shares underlying this Warrant after the adjustment

Pb = exercise price per share before the adjustment

Pa = exercise price per share after the adjustment

M = Fair Market Value per share of Common Shares as of the last Business Day (or, if applicable, trading day) before the tender offer is announced

E = Excess Tender Amount (the aggregate premium paid in the tender offer)

Pr = Premium Per Pro Forma Share Oa = Shares outstanding after giving effect to tender offer

Pr = E / Oa

Ua = Ub x M / (M - Pr)

Pa = Pb x (M - Pr) / M

4.4. Consolidation, Merger or Sale. If any consolidation, merger, amalgamation, arrangement or similar extraordinary transaction of the Company with another entity, or the sale of all or substantially all of its assets, or any recapitalization or reclassification of the Common Shares, shall be effected (a "Reorganization Event"), and in connection with such Reorganization Event, the Warrant Shares shall be converted into or exchanged for or become the right to receive cash, securities or other property, then, as a condition of such Reorganization Event, lawful and adequate provisions shall be made by the Company whereby the Holder of this Warrant shall thereafter have the right to purchase and receive on exercise of this Warrant, for an aggregate price equal to the aggregate Exercise Price for all of the Warrant Shares underlying this Warrant as in effect immediately before such transaction (subject to adjustment thereafter as contemplated by the succeeding sentence), the same kind and amount of cash, securities or other property as it would have had the right to receive if it had exercised this Warrant immediately before such transaction and been entitled to participate therein. In the event of any such Reorganization Event, the Company shall make appropriate provision to ensure that applicable provisions of this Warrant (including, without limitation, the provisions of this Article 4) shall thereafter be binding on the other party to such transaction (or the successor in such transaction) and applicable to any securities thereafter deliverable upon the exercise of this Warrant. The Company will not effect any such Reorganization Event unless, prior to the consummation thereof, the successor entity (if other than the Company) resulting from such Reorganization Event or the entity purchasing such assets shall assume by written instrument reasonably satisfactory in form and substance to the Holder of this Warrant, executed and mailed or delivered to the Holder at the last address of such Holder appearing on the books of the Company, the obligation to deliver the cash, securities or property deliverable upon exercise of this Warrant. The Company shall notify the Holder of this Warrant of any such proposed Reorganization Event reasonably prior to the consummation thereof so as to provide such Holder with a reasonable opportunity prior to such consummation to exercise this Warrant in accordance with the terms and conditions hereof; provided, however, that in the case of a transaction which requires notice to be given to the holders of Common Shares of the Company, the Holder of this Warrant shall be provided the same notice given to the holders of other Common Shares of the Company.

4.5. Full-Ratchet Adjustment for Lower Revaluations. In the case of (a) any issuance of Common Shares, rights or options to acquire Common Shares or securities convertible or exchangeable into, or exercisable for Common Shares (other than Common Shares underlying rights or options to acquire Common Shares or securities convertible or exchangeable into Common Shares, in each case that are issued and outstanding on the date hereof or that are issued to directors, officers or employees of the Company pursuant to the terms of a stock option plan that is in existence as of the date hereof), or (b) the amendment to or change in the exercise, conversion or exchange price of such securities, in each case for an Effective Issuance Price that is lower than the Exercise Price (in each case, other than issuances, amendments or changes covered by Section 4.1, 4.2, 4.3 or 4.4), the Exercise Price for this Warrant shall be further reduced to an amount equal to the Effective Issuance Price.

As used herein, the "Effective Issuance Price" shall be:

(i) with respect to Common Shares issued for cash the per share amount of the net cash proceeds received by the Company for such Common Shares;

(ii) with respect to Common Shares issued for other consideration, the Fair Market Value of the net consideration calculated on a per share basis;

(iii) with respect to any option, warrant or other right to acquire Common Shares, whether direct or indirect and whether or not conditional or contingent, the sum of (a) the Fair Market Value of the aggregate consideration, if any, received by the Company for the issuance of such option, warrant or right divided by the number of Common Shares into which such option, warrant or right is exercisable at time of issuance, plus (b) the per share amount of the exercise price to the extent paid in cash and per share Fair Market Value of the exercise price if paid in other consideration; and

(iv) with respect to securities convertible or exchangeable into Common Shares, the net consideration per security paid for such securities (to the extent paid in cash) or the net Fair Market Value of the consideration per security paid for such securities if the price for such securities is paid in other consideration, as of the date of their issuance divided by the number of Common Shares for which such securities are convertible or exchangeable.

For the avoidance of doubt, the Exercise Price of this Warrant shall in no event be increased pursuant to this Section 4.5.

4.6. Fractional Shares. No fractional shares shall be issued upon exercise of this Warrant. Instead, the Company shall pay to the Holder, in lieu of issuing any fractional share, a sum in cash equal to such fraction multiplied by the Fair Market Value of a share of Common Shares, as determined by the Company's Chief Executive Officer, Chief Financial Officer or Board, on the Business Day or, if applicable, trading day immediately prior to the date of exercise.

4.7. Notice of Adjustment. Prior to the consummation of any transaction, action or other event that would trigger an adjustment (or right to adjustment) under this Section 4, the Company shall mail to the Holder by first class mail, postage prepaid, no later than ten (10) Business Days prior to such consummation notice of such transaction, action or other event, along with reasonable details with respect thereto. Whenever the number of Common Shares or other stock or property issuable upon the exercise of this Warrant or the Exercise Price is adjusted, as herein provided, the Company shall promptly mail by first class mail, postage prepaid, to the Holder notice of such adjustment or adjustments and shall deliver a certificate of a firm of independent public accountants selected by the Board (who may be the regular accountants employed by the Company) setting forth the number of Common Shares or other stock or property issuable upon the exercise of this Warrant and the Exercise Price after such adjustment, setting forth a brief statement of the facts requiring such adjustment and setting forth the computation by which such adjustment was made.

5. WARRANT TRANSFER BOOKS.

The Company shall cause to be kept at its principal office a register in which, subject to such reasonable regulations as it may prescribe, the Company shall provide for the registration of this Warrant Certificate and of transfers or exchanges of this Warrant Certificate as herein provided.

At the option of the Holder, this Warrant Certificate may be exchanged at such office, and upon payment of the charges hereinafter provided. Whenever this Warrant Certificate is so surrendered for exchange, the Company shall execute and deliver the Warrant Certificates that the Holder making the exchange is entitled to receive.

All Warrant Certificates issued upon any registration of transfer or exchange of this Warrant Certificate shall be the valid obligations of the Company, evidencing the same obligations, and entitled to the same benefits, as the Warrant Certificate surrendered for such registration of transfer or exchange.

If this Warrant Certificate is surrendered for registration of transfer or exchange it shall (if so required by the Company) be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the Company, duly executed by the Holder hereof or his attorney duly authorized in writing.

No service charge shall be made to the Holder for any registration of transfer or exchange of this Warrant Certificate. The Company may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any registration of transfer or exchange of this Warrant Certificate.

The Warrant Certificate when duly endorsed in blank shall be deemed negotiable and when this Warrant Certificate shall have been so endorsed, the Holder hereof may be treated by the Company and all other persons dealing therewith as the absolute owner hereof for any purpose and as the Person entitled to exercise the rights represented hereby, or to the transfer hereof on the register of the Company, any notice to the contrary notwithstanding; but until such transfer on such register, the Company shall treat the registered Holder hereof as the owner for all purposes. No such transfer shall be registered until the Company has been supplied with the aforementioned instruments of transfer and any other such documentation as the Company may reasonably require.

6. WARRANT HOLDER.

6.1. Right of Action. All rights of action in respect of this Warrant are vested in the Holder hereof, and the Holder, without the consent of the Company, may, on such Holder's own behalf and for such Holder's own benefit, enforce, and may institute and maintain any suit, action or proceeding against the Company suitable to enforce, or otherwise in respect of, such Holder's right to exercise or exchange this Warrant in the manner provided herein or any other obligation of the Company under this Warrant.

7. REPRESENTATIONS AND COVENANTS.

7.1. Reservation of Common Shares for Issuance on Exercise of Warrant. The Company covenants that it will at all times reserve and keep available, free from pre-emptive rights, out of its authorized but unissued Common Shares, solely for the purpose of issue upon exercise of this Warrant as herein provided, such number of Common Shares as shall then be issuable upon the exercise of all Warrant Shares issuable hereunder plus such number of Common Shares as shall then be issuable upon the exercise of other outstanding warrants, options and rights (whether or not vested), the settlement of any forward sale, swap or other derivative contract, and the conversion of all outstanding convertible securities or other instruments convertible into Common Shares or rights to acquire Common Shares. The Company covenants that all Warrant Shares and other Common Shares which shall be issuable shall, upon such issue, be duly and validly issued and fully paid and non-assessable.

7.2. Notice of Dividends. At any time when the Company declares any dividend on its Common Shares, it shall give notice to the Holder of this Warrant of any such declaration not less than 15 days prior to the related record date for payment of the dividend so declared.

7.3. Capitalization. The Company represents and warrants to the Holder that as of the date hereof, the Company has 83,130,498 Common Shares outstanding and on a fully diluted basis, before giving effect to this Warrant or the Common Shares issuable on conversion of the Line of Credit Note, the Company has 89,787,688 Common Shares on a fully diluted basis. To the extent that this representation is not true as of the date hereof and there are more Common Shares outstanding then set out above (actual or on a diluted basis), the number of Warrant Shares shall be increased such that the Warrant would exercise into 44% of the Common Shares on a diluted as were then outstanding as of the date hereof. For greater certainty, should there be fewer Common Shares outstanding than as set out in this representation, no adjustment shall be made to the number of Warrant Shares issuable on exercise of the Warrant.

8. MISCELLANEOUS.

8.1. Payment of Taxes. The Company shall pay all transfer, stamp and other similar taxes that may be imposed in respect of the issuance or delivery of this Warrant or in respect of the issuance or delivery by the Company of any securities upon exercise of this Warrant with respect thereto. The Company shall not be required, however, to pay any tax or other charge imposed in connection with any transfer involved in the issue of any certificate for Common Shares or other securities underlying this Warrant or payment of cash to any Person other than the Holder of this Warrant Certificate surrendered upon the exercise or purchase of this Warrant, and in case of such transfer or payment, the Company shall not be required to issue any stock certificate to pay any cash until such tax or charge has been paid or it has been established to the Company's satisfaction that no such tax or other charge is due. The Company and the Holder agree that the issuance and exercise of this Warrant is a capital transaction and not a compensatory transaction, and any Holder who is not a U.S. person for U.S. federal income tax purposes hereby represents that the Warrant Shares would, if owned by such Holder, be capital assets in its hands for U.S. Federal income tax purposes.

8.2. Surrender of Certificates. Any Warrant Certificate surrendered for exercise or purchase shall, if surrendered to the Company, be promptly cancelled and destroyed and shall not be reissued by the Company.

8.3. Mutilated, Destroyed, Lost and Stolen Warrant Certificates. If (a) a mutilated Warrant Certificate is surrendered to the Company or (b) the Company receives evidence to its satisfaction of the destruction, loss or theft of the Warrant Certificate, and there is delivered to the Company such appropriate affidavit of loss, applicable processing fee and a corporate bond of indemnity as may be required by it to save it harmless, then, in the absence of notice to the Company that the Warrant Certificate has been acquired by a bona fide purchaser, the Company shall execute and deliver, in exchange for such mutilated Warrant Certificate or in lieu of such destroyed, lost or stolen Warrant Certificate, a new Warrant Certificate of like tenor and for a like aggregate number of shares of Warrant Shares, if any, with respect to which this Warrant shall not then have been exercised.

Upon the issuance of any new Warrant Certificate under this Section 8.3, the Company may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and other expenses in connection therewith.

Any new Warrant Certificate executed and delivered pursuant to this Section 8.3 in lieu of a destroyed, lost or stolen Warrant Certificate shall constitute an original contractual obligation of the Company, whether or not the destroyed, lost or stolen Warrant Certificate shall be at any time enforceable by anyone, and shall be subject to the same terms as this Warrant.

The provisions of this Section 8.3 are exclusive and shall preclude (to the extent lawful) all other rights or remedies with respect to the replacement of a mutilated, destroyed lost, or stolen Warrant Certificate.

8.4. Notices. Any notice, demand or delivery authorized by this Warrant shall be sufficiently given or made when mailed if sent by first-class mail, postage prepaid, addressed to the Holder of this Warrant at such Holder's address shown on the register of the Company and to the Company at its principal address, addressed to the Secretary of the Company, in each case or such other address as shall have been furnished to the party giving or making such notice, demand or delivery.

8.5. Applicable Law. This Warrant and all rights arising hereunder shall be governed by the laws of British Columbia and the federal laws of Canada applicable therein.

8.6. Amendments. This Warrant may only be amended with the prior written consent of the Holder and the Company.

8.7. Headings. The descriptive headings of the several Articles and Sections of this Warrant are inserted for convenience and shall not control or affect the meaning or construction of any of the provisions hereof.

IN WITNESS WHEREOF, this Warrant has been duly executed and delivered by the Company, by order of its Board of Directors, this 5th day of November, 2020.

HOLLYWEED NORTH CANNABIS INC.

By: /s/ Renee Gagnon
Name: Renee Gagnon
Title: President & Director

ACCEPTED AND AGREED TO:

ORIGO HOLDINGS, INC.

By: /s/ Israel Maxx Abramowitz
Israel Maxx Abramowitz, President

EXHIBIT A

FORM OF EXERCISE

(To be executed upon exercise of Warrant.)

The undersigned hereby irrevocably elects to exercise the Warrant represented by this Warrant Certificate, to purchase _____ Common Shares, in the form of Common Shares ("Warrant Shares"), of HollyWeed North Cannabis Inc. in accordance with the Warrant Certificate, and in accordance with the terms set forth below.

By checking the appropriate paragraph election, the undersigned hereby exercises the Warrant, as follows:.

_____[check if applicable] Having the Company withhold, from the total number of Common Shares that would otherwise be delivered to the undersigned upon such exercise, that lower number of Common Shares issuable upon exercise of this Warrant with an aggregate Fair Market Value as of the last Business Day prior to such exercise equal to a purchase price for such Common Shares that would otherwise be payable by the undersigned upon such exercise based upon the Exercise Price then in effect (a "Cashless Exercise"), or

_____[check if applicable] By) by payment in full of the Exercise Price then in effect for the shares of Warrant Shares as to which this Warrant is submitted for exercise, payable in cash or other same-day funds.

The undersigned requests that said Warrant Shares be registered in such names and delivered, all as specified in accordance with the instructions set forth below.

If said number of Warrant Shares is less than all of the shares of Warrant Shares purchasable hereunder, the undersigned requests that a new Warrant Certificate representing the remaining balance of the Warrants evidenced hereby be issued and delivered to the undersigned unless otherwise specified in the instructions below.

Dated: _____

_____
(Insert Social Security or Other Identifying Number of Holder)

Name: _____
(Please Print)

Address: _____

_____

_____

_____
Signature (Signature must conform in all respects to name of holder as specified on the face of the Warrant Certificate and must be guaranteed by a bank, stockbroker, savings and loan association or credit union meeting the requirements of the Warrant Holder.

EXHIBIT B

FORM OF ASSIGNMENT

FOR VALUE RECEIVED the undersigned registered holder of the within Warrant Certificate hereby sells, assigns, and transfers unto the Assignee(s) named below all of the right of the undersigned under the within Warrant Certificate, with respect to the number of Warrants set forth below:

Names of Assignees	Address	Social Security or other Identifying Number of Assignee(s)	Number of Shares Represented by the Portion of this Warrant to be Assigned

And does hereby irrevocably constitute and appoint _____ the undersigned's attorney to make such transfer on the books of _____ maintained for that purpose, with full power of substitution in he premises.

Date: _____

_____
(Signature of Owner)

_____
(Street Address)

_____
(City) (State) (Zip Code)

_____
Signature Guaranteed By:

_____

* The signature must correspond with the name as written upon the face of the within Warrant Certificate in every particular, without alteration or enlargement or any change whatever, and must be guaranteed by a financial institution satisfactory to the Company.

THE SECURITIES REPRESENTED 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 APPLICABLE STATE SECURITIES LAWS. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF THE CORPORATION THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, ONLY (A) TO THE CORPORATION, (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. Securities Act AND IN COMPLIANCE WITH LOCAL LAWS AND REGULATIONS, (C) IN COMPLIANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES OR "BLUE SKY" LAWS, OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS, AND, IN THE CASE OF SUBPARAGRAPH (C) OR (D), THE SELLER FURNISHES TO THE CORPORATION AN OPINION OF COUNSEL OF RECOGNIZED STANDING OR SUCH OTHER EVIDENCE AS THE CORPORATION MAY REQUIRE IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE CORPORATION TO SUCH EFFECT. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.

WARRANT TO PURCHASE COMMON SHARES OF HOLLYWEED NORTH CANNABIS INC.

Effective Date: As of January 22, 2021

This certifies that **[NAME],** a [STATE] company ("**[Name]**"), or registered assigns, is the registered holder of the Warrant (this "**Warrant**") represented by this Warrant Certificate (this "**Warrant Certificate**"), which entitles [Name] or any subsequent holder of this Warrant (each a "**Holder**"), subject to the provisions contained herein, to purchase from **HOLLYWEED NORTH CANNABIS INC.**, a corporation organized under the laws of British Columbia (the "**Company**"), such number of the Class A common shares of the Company (the "**Common Shares**"), as set forth in Section 2.1 herein, subject to adjustment upon the occurrence of certain events specified herein, at the Exercise Price (as defined below), subject to adjustment upon the occurrence of certain events specified herein.

1. DEFINITIONS.

As used in this Warrant, the following terms shall have the following meanings:

BCBCA: the *Business Corporations Act* (British Columbia).

Board: the board of directors of the Company.

Business Day: any day that is not a day on which banking institutions are authorized or required to be closed in the jurisdiction in which the principal office of the Company is located.

CDN, Dollars or $: means Canadian dollars.

Common Shares: the voting Class A Common Shares of the Company.

Company: HollyWeed North Cannabis Inc., a corporation organized under the laws of British Columbia, Canada.

Company Formation Documents: the Amended and Restated Articles of Incorporation of the Company, dated May 27, 2019, as filed under the BCBCA, as the same may be amended from time to time.

Effective Exercise Date: the meaning set forth in Section 4.

Effective Issuance Price: the meaning set forth in Section 4.5.

Excess Tender Amount: the meaning set forth in Section 4.3.

Exchange Act: the Securities Exchange Act of 1934, as amended.

ex-date: when used with respect to any issuance or distribution, means the first Business Day after the record date, *provided* that if the Common Shares are then traded on a Recognized Securities Market (for the avoidance of doubt, for purposes of this Warrant and any related agreements, including Nasdaq) it shall mean the first date on which the Common Shares trade regular way on the relevant exchange or in the relevant market from which the Fair Market Value was obtained without the right to receive such issuance or distribution.

Exercise Date: the meaning set forth in Section 2.2.

Exercise Price: subject to the adjustment provisions set forth in this Warrant, shall mean CDN twelve cents (CDN$0.12) per share, subject to the adjustment provisions hereinafter set forth.

Expiration Date: the meaning set forth in Section 2.3.

Holder: from time to time, the holder(s) of this Warrant.

Line of Credit Note: the CDN$6,675,000 secured convertible promissory note of the Company and its subsidiaries issued to Origo Holdings Inc.

Nasdaq: the Nasdaq Stock Exchange, including the Nasdaq Capital Market.

Person: any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

Premium Per Pro Forma Share: the meaning set forth in Section 4.3.

Recognized Securities Market. any one of the Nasdaq, the New York Stock Exchange, the NYSE:American Exchange, the OTC Markets (including the OTCQX platform), the Canadian Securities Exchange, the Toronto Stock Exchange, the TSX Venture Exchange, the NEO Exchange or any other United States or foreign stock exchange that constitutes the principal securities exchange on which the Common Shares is then traded.

Registration Statement: a registration statement on Form F-1 (or other applicable form for registering securities under the Securities Act) as filed by the Company with the SEC in connection with an initial public offering of the Common Shares in the United States.

Registrable Securities: means the Common Shares issuable under this Warrant as well as any Common Shares issuable upon conversion of the Line of Credit Note. Registrable Securities shall continue to be Registrable Securities (whether they continue to be held by [Name] or they are sold to other Persons) until (i) they are sold outside of the United States in accordance with any applicable Canadian securities laws, (ii) pursuant to an effective registration statement under the Securities Act or (iii) they shall have otherwise been transferred (including pursuant to Rule 144 under the Securities Act) and new securities not subject to transfer restrictions under any federal securities laws and not bearing any legend restricting further transfer shall have been delivered by the Company, all applicable holding periods shall have expired, and no other applicable and legally binding restriction on transfer by the holder thereof shall exist.

Reorganization Event: the meaning set forth in Section 4.4.

Rights to Purchase Securities: means options, warrants and rights issued by the Company (whether presently exercisable or not) to purchase Common Shares that are convertible or exchangeable (whether presently convertible or exchangeable or not) into or exercisable (whether presently exercisable or not) for Voting Securities but, for the avoidance of doubt, not including a shareholders rights plan.

Securities Act: the United States Securities Act of 1933, as amended.

Transfer: the meaning set forth in Section 2.5.

Voting Securities means the Common Shares and any other securities of the Company having power generally to vote in the election of members of the Board.

Warrant Shares: means the Common Shares issuable or issued upon the exercise of this Warrant, consisting of [NUMBER] ([NUMBER]) Common Shares, subject to adjustment as provided herein.

2. EXERCISE PRICE; EXERCISE OF WARRANT AND EXPIRATION OF WARRANT.

2.1. Exercise Price. Subject to the terms of this Warrant, including all of the adjustment provisions hereof, the Holder hereof shall be entitled upon exercise of this Warrant to purchase all or any portion of the Warrant Shares upon exercise the Warrant made on or prior to the date of exercise hereof, at the Exercise Price then in effect.

2.2. Exercise of Warrant. This Warrant shall be exercisable in whole or in part from time to time on any Business Day (each, an "Exercise Date") beginning on January 22, 2021 and ending on the Expiration Date (the "Exercise Period"), in the manner provided for herein.

2.3. Expiration of Warrants. This Warrant shall expire and the rights of the Holder of this Warrant to purchase Warrant Shares shall terminate at the close of business on November 5, 2025 (the "Expiration Date").

2.4. Method of Exercise; Payment of Exercise Price. Other than as agreed between the Company and the Holder, in order to exercise this Warrant, the Holder hereof must surrender this Warrant to the Company, with the form on the reverse of or attached to this Warrant duly executed along with payment in full of the Exercise Price then in effect for the number of Warrant Shares as to which this Warrant is submitted for exercise.

Any such payment of the Exercise Price pursuant to clause (2) above shall be payable in cash or other same-day funds. Upon the surrender of this Warrant following one or more partial exercises, unless this Warrant has expired, a new Warrant of the same tenor representing the number of shares of Warrant Shares, if any, with respect to which this Warrant shall not then have been exercised, shall promptly be issued and delivered to the Holder.

Upon surrender of this Warrant in conformity with the foregoing provisions, the Company shall instruct its transfer agent to transfer to the Holder of such Warrant appropriate evidence of ownership of any shares of Warrant Shares or other securities or property (including any money) to which the Holder is entitled, registered or otherwise placed in, or payable to the order of, such name or names as may be directed in writing by the Holder, and shall deliver such evidence of ownership and any other securities or property (including any money) to the Person or Persons entitled to receive the same, together with an amount in cash in lieu of any fraction of a share as provided in Section 4.7. Upon payment of the Exercise Price therefor, a Holder shall be deemed to own and have all of the rights associated with any Warrant Shares or other securities or property (including money) to which it is entitled pursuant to this Warrant upon the surrender of this Warrant in accordance herewith. If the Holder shall direct that such securities be registered in a name other than that of the Holder, such direction shall be tendered in conjunction with a signature guarantee from an eligible guarantor institution participating in a signature guarantee program approved by the Securities Transfer Association, and any other reasonable evidence of authority that may be required by the Company.

2.5. Compliance with the Securities Laws.

(a) This Warrant may not be exercised (and the Company shall be under no obligation to process any exercise), and no Warrant Shares may be sold, transferred pledged, hypothecated, or otherwise disposed of (any such sale, transfer or other disposition, a "Transfer"), except in compliance with this Section 2.5.

(b) A Holder may exercise this Warrant and may Transfer this Warrant or any and all of his or its Warrant Shares to either (i) a transferee that is an "accredited investor" or a "qualified institutional buyer," as such terms are defined in applicable Canadian securities laws, Regulation D and Rule 144A under the Securities Act, respectively, or (ii) any transferee, if the Warrant Shares have been registered for resale under the Securities Act and qualified or exempt for sale under applicable Canadian securities laws.

(c) In addition to the foregoing, a Holder may exercise this Warrant and may Transfer this Warrant or his or its Warrant Shares in accordance with Regulation S under the Securities Act or in any transaction that is registered under the Securities Act.

3. LEGENDS, REGISTRATION AND VOLUNTARY ESCROW.

3.1. Legends. Subject to Section 3.2, each certificate, instrument, or book entry representing (i) the Class A Common Shares, (ii) the Registrable Securities, and (iii) any other securities issued in respect of the securities referenced in clauses (i) and (ii), upon any share split, share dividend, recapitalization, merger, consolidation, or similar event, shall (unless otherwise permitted by the provisions of Section 4) be notated with a legend, and no other legend, substantially in the following form:

THE SECURITIES REPRESENTED 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 APPLICABLE STATE SECURITIES LAWS. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF THE CORPORATION THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, ONLY (A) TO THE CORPORATION, (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. Securities Act AND IN COMPLIANCE WITH LOCAL LAWS AND REGULATIONS, (C) IN COMPLIANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE U.S. Securities Act PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES OR "BLUE SKY" LAWS, OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. Securities Act OR ANY APPLICABLE STATE SECURITIES LAWS, AND, IN THE CASE OF SUBPARAGRAPH (C) OR (D), THE SELLER FURNISHES TO THE CORPORATION AN OPINION OF COUNSEL OF RECOGNIZED STANDING OR SUCH OTHER EVIDENCE AS THE CORPORATION MAY REQUIRE IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE CORPORATION TO SUCH EFFECT. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.

3.2. Registration. If at any time the Company registers or intends to register under the Securities Act, or qualify for distribution in Canada under applicable Canadian securities laws, any Common Shares, Rights to Purchase Securities or any other securities convertible, exchangeable or exercisable for Common Shares or other Voting Securities on a registration statement under the Securities Act or a prospectus under applicable Canadian securities laws, or grants any demand or piggyback registration rights to any other holder of Common Shares, Rights to Purchase Securities or any other securities convertible, exchangeable or exercisable for Common Shares or shares of Voting Securities, the Company shall offer to the Holder of this Warrant to register the Warrant Shares of such Holder on no less favorable terms and conditions and/or enter into an agreement on customary terms and conditions with the Holder of this Warrant granting to such Holder *pari passu* registration rights with respect to the Registrable Securities of such Holder, as applicable. Notwithstanding the foregoing, the provisions of this Section 3.1 shall not apply to an initial public offering of Common Shares or other securities of the Company, unless that Company shall also register for resale in such initial public offering Common Shares owned by other shareholders.

3.3. Voluntary Escrow. [Name] agrees that in addition to any escrow restrictions applicable to the Warrant or Warrant Shares pursuant to the polices of any Recognized Securities Market upon which the Registrable Securities will be listed for trading and applicable laws, all of the Registrable Securities (including any Warrant Shares issued upon exercise of the Warrants) issued to the Subscriber will be subject to a one year hold period commencing on the date that the Registrable Securities begin trading on a Recognized Securities Market (the "**Voluntary Escrow**"), to be determined as follows:

(a) [Name] acknowledges and agrees that, at the Closing (as defined herein), or such other time as determined by the Company in its sole discretion, the certificates representing the Registrable Securities, will be delivered to an escrow agent to be determined by the Company in its sole discretion (the "**Escrow Agent**") and held in escrow by the Escrow Agent pursuant to the terms and conditions of a voluntary escrow agreement (an "**Escrow Agreement**"), in such form as is satisfactory to the Company, to be executed by [Name] at the request of the Company. The Escrow Agreement will provide, among other things, that 1/12 of the Registrable Securities will be released on each of the first day of each month following the date on which Company's Registrable Securities commence trading on a Recognized Securities market.

(b) The Escrow Agreement will further provide that [Name] will be entitled to vote any of the Registrable Securities that are held in escrow, but will not be entitled to transfer, option or otherwise encumber any of the Registrable Securities without the prior written consent of the Company

(c) In addition to the legends set forth in Section 3.1, the certificates for the Registrable Securities may, as determined in the sole discretion of the Company, bear a legend to evidence that the Registrable Securities are subject to the Voluntary Escrow.

(d) As and so often as the Company may require, [Name] will execute and deliver to the Company all such further documents, do or cause to be done all such further acts and things, and give all such further assurances as in the opinion of the Company or its counsel are necessary or advisable to give full effect to the Voluntary Escrow.

4. ADJUSTMENTS.

4.1. Adjustments upon Certain Transactions.

(a) The Exercise Price and the number of Warrant Shares issuable upon exercise of this Warrant shall be adjusted in the event the Company (i) pays a dividend or makes any other distribution with respect to any of its Common Shares solely in Common Shares, (ii) subdivides its outstanding Common Shares, or (iii) combines its outstanding Common Shares into a smaller number of shares. In such event, the number of Warrant Shares issuable upon exercise of this Warrant immediately prior to the record date of such dividend or distribution or the effective date of such subdivision or combination (the "Effective Exercise Date") shall be adjusted so that the Holder of this Warrant shall thereafter be entitled to receive the number of Warrant Shares that such Holder would have owned or have been entitled to receive after the happening of any of the events described above, had the Warrant been exercised immediately prior to the happening of such event or any record date with respect hereto.

In addition, upon an adjustment pursuant to this Section 4.1, the Exercise Price for each of the Warrant Shares payable upon exercise of this Warrant shall be adjusted (without rounding) so that it shall equal the product of the Exercise Price immediately prior to such adjustment multiplied by a fraction, the numerator of which shall be the number of Warrant Shares issuable upon the exercise of this Warrant immediately prior to such adjustment, and the denominator of which shall be the number of Warrant Shares so issuable immediately thereafter. Such adjustment shall become effective immediately after the Effective Exercise Date of such event retroactive to the record date, if any, for such event.

(b) For avoidance of doubt, the adjustment contemplated by this section can be expressed by formula as follows:

Ub = Warrant Shares underlying this Warrant before the adjustment

Ua = Warrant Shares underlying this Warrant after the adjustment

Pb = exercise price per share before the adjustment

Pa = exercise price per share after the adjustment

Ob = shares outstanding before the transaction in question

Oa = shares outstanding after the transaction in question

Ua = Ub x Oa / Ob

Pa = Pb x Ob / Oa

4.2. Dividends and Distributions.

(a) If the Company shall fix a record date for the payment of a dividend or the making of a distribution with respect to any of its Common Shares, (other than one covered by Section 4.1), then the Exercise Price to be in effect after the record date for such dividend or distribution shall be determined (without rounding) by multiplying (x) the Exercise Price in effect immediately prior to such record date by (y) a fraction, the numerator of which shall be the Fair Market Value per share of Common Shares as of the last Business Day (or, if the Common Shares is then traded on a Recognized Securities Market, the last trading day) before the ex-date less the Fair Market Value of the cash, securities (excluding Common Shares that is the same class of securities for which this Warrant would be exercisable immediately after such distribution or dividend taking into account the adjustments pursuant to this Article 4) or other property paid per share in such dividend or distribution, and the denominator of which shall be the Fair Market Value per share of Common Shares as of the last Business Day (or, if the Common Shares is then traded on a Recognized Securities Market, the last trading day) before the ex-date. Upon any adjustment of the Exercise Price pursuant to Section 4.2(a), the total number of Common Shares purchasable upon the exercise of this Warrant shall be such number of shares (calculated to the nearest thousandth) purchasable immediately prior to such adjustment multiplied by a fraction, the numerator of which shall be the Exercise Price in effect immediately before such adjustment and the denominator of which shall be the Exercise Price in effect immediately after such adjustment.

(b) For avoidance of doubt, the adjustment contemplated by Section 4.2(a)(2) can be expressed by formula as follows:

Ub = Warrant Shares underlying this Warrant before the adjustment

Ua = Warrant Shares underlying this Warrant after the adjustment

Pb = exercise price per share before the adjustment

Pa = exercise price per share after the adjustment

M = Fair Market Value per share of Common Shares as of the last Business Day (or, if applicable, trading day) before ex-date

D = Fair Market Value of the dividend or distribution made per share of Common Shares

Ua = Ub x M / (M - D)

Pa = Pb x (M - D) / M

4.3. Tender Offers. If a publicly-announced tender offer or issuer bid made by the Company or any of its subsidiaries for all or any portion of the Common Shares shall expire and tendering holders of Common Shares are paid aggregate consideration having a Fair Market Value when paid which exceeds the aggregate Fair Market Value of the Common Shares acquired in such tender offer as of the last Business Day, or, if applicable, trading day before the date on which such tender offer is first publicly announced (such excess, the "Excess Tender Amount"), then the Exercise Price to be in effect after the tender offer expires shall be determined (without rounding) by multiplying (x) the Exercise Price in effect immediately prior to such adjustment by (y) a fraction, the numerator of which shall be the Fair Market Value per share of the Common Shares as of the last trading day before the date on which such tender offer is first publicly announced less the Premium Per Pro Forma Share, and the denominator of which shall be the Fair Market Value per share of Common Shares as of the last Business Day, or, if applicable, trading day before the date on which such tender offer is first publicly announced. As used herein, "Premium Per Pro Forma Share" means (x) the Excess Tender Amount divided by (y) the number of Common Shares outstanding at expiration of the tender offer after giving pro forma effect to the purchase of shares in the tender offer. Upon any adjustment of the Exercise Price pursuant to this Section 4.3, the total number of Warrant Shares purchasable upon the exercise of this Warrant shall be such number of Warrant Shares (calculated to the nearest thousandth) purchasable immediately prior to such adjustment multiplied by a fraction, the numerator of which shall be the Exercise Price in effect immediately before such adjustment and the denominator of which shall be the Exercise Price in effect immediately after such adjustment. For avoidance of doubt, the adjustment contemplated by this section can be expressed by formula as follows:

Ub = Warrant Shares underlying this Warrant before the adjustment

Ua = Warrant Shares underlying this Warrant after the adjustment

Pb = exercise price per share before the adjustment

Pa = exercise price per share after the adjustment

M = Fair Market Value per share of Common Shares as of the last Business Day (or, if applicable, trading day) before the tender offer is announced

E = Excess Tender Amount (the aggregate premium paid in the tender offer)

Pr = Premium Per Pro Forma Share Oa = Shares outstanding after giving effect to tender offer

Pr = E / Oa

Ua = Ub x M / (M - Pr)

Pa = Pb x (M - Pr) / M

4.4. Consolidation, Merger or Sale. If any consolidation, merger, amalgamation, arrangement or similar extraordinary transaction of the Company with another entity, or the sale of all or substantially all of its assets, or any recapitalization or reclassification of the Common Shares, shall be effected (a "Reorganization Event"), and in connection with such Reorganization Event, the Warrant Shares shall be converted into or exchanged for or become the right to receive cash, securities or other property, then, as a condition of such Reorganization Event, lawful and adequate provisions shall be made by the Company whereby the Holder of this Warrant shall thereafter have the right to purchase and receive on exercise of this Warrant, for an aggregate price equal to the aggregate Exercise Price for all of the Warrant Shares underlying this Warrant as in effect immediately before such transaction (subject to adjustment thereafter as contemplated by the succeeding sentence), the same kind and amount of cash, securities or other property as it would have had the right to receive if it had exercised this Warrant immediately before such transaction and been entitled to participate therein. In the event of any such Reorganization Event, the Company shall make appropriate provision to ensure that applicable provisions of this Warrant (including, without limitation, the provisions of this Article 4) shall thereafter be binding on the other party to such transaction (or the successor in such transaction) and applicable to any securities thereafter deliverable upon the exercise of this Warrant. The Company will not effect any such Reorganization Event unless, prior to the consummation thereof, the successor entity (if other than the Company) resulting from such Reorganization Event or the entity purchasing such assets shall assume by written instrument reasonably satisfactory in form and substance to the Holder of this Warrant, executed and mailed or delivered to the Holder at the last address of such Holder appearing on the books of the Company, the obligation to deliver the cash, securities or property deliverable upon exercise of this Warrant. The Company shall notify the Holder of this Warrant of any such proposed Reorganization Event reasonably prior to the consummation thereof so as to provide such Holder with a reasonable opportunity prior to such consummation to exercise this Warrant in accordance with the terms and conditions hereof; provided, however, that in the case of a transaction which requires notice to be given to the holders of Common Shares of the Company, the Holder of this Warrant shall be provided the same notice given to the holders of other Common Shares of the Company.

4.5. Full-Ratchet Adjustment for Lower Revaluations. In the case of (a) any issuance of Common Shares, rights or options to acquire Common Shares or securities convertible or exchangeable into, or exercisable for Common Shares (other than Common Shares underlying rights or options to acquire Common Shares or securities convertible or exchangeable into Common Shares, in each case that are issued and outstanding on the date hereof or that are issued to directors, officers or employees of the Company pursuant to the terms of a stock option plan that is in existence as of the date hereof), or (b) the amendment to or change in the exercise, conversion or exchange price of such securities, in each case for an Effective Issuance Price that is lower than the Exercise Price (in each case, other than issuances, amendments or changes covered by Section 4.1, 4.2, 4.3 or 4.4), the Exercise Price for this Warrant shall be further reduced to an amount equal to the Effective Issuance Price.

As used herein, the "Effective Issuance Price" shall be:

(i) with respect to Common Shares issued for cash the per share amount of the net cash proceeds received by the Company for such Common Shares;

(ii) with respect to Common Shares issued for other consideration, the Fair Market Value of the net consideration calculated on a per share basis;

(iii) with respect to any option, warrant or other right to acquire Common Shares, whether direct or indirect and whether or not conditional or contingent, the sum of (a) the Fair Market Value of the aggregate consideration, if any, received by the Company for the issuance of such option, warrant or right divided by the number of Common Shares into which such option, warrant or right is exercisable at time of issuance, plus (b) the per share amount of the exercise price to the extent paid in cash and per share Fair Market Value of the exercise price if paid in other consideration; and

(iv) with respect to securities convertible or exchangeable into Common Shares, the net consideration per security paid for such securities (to the extent paid in cash) or the net Fair Market Value of the consideration per security paid for such securities if the price for such securities is paid in other consideration, as of the date of their issuance divided by the number of Common Shares for which such securities are convertible or exchangeable.

For the avoidance of doubt, the Exercise Price of this Warrant shall in no event be increased pursuant to this Section 4.5.

4.6. Fractional Shares. No fractional shares shall be issued upon exercise of this Warrant. Instead, the Company shall pay to the Holder, in lieu of issuing any fractional share, a sum in cash equal to such fraction multiplied by the Fair Market Value of a share of Common Shares, as determined by the Company's Chief Executive Officer, Chief Financial Officer or Board, on the Business Day or, if applicable, trading day immediately prior to the date of exercise.

4.7. Notice of Adjustment. Prior to the consummation of any transaction, action or other event that would trigger an adjustment (or right to adjustment) under this Section 4, the Company shall mail to the Holder by first class mail, postage prepaid, no later than ten (10) Business Days prior to such consummation notice of such transaction, action or other event, along with reasonable details with respect thereto. Whenever the number of Common Shares or other stock or property issuable upon the exercise of this Warrant or the Exercise Price is adjusted, as herein provided, the Company shall promptly mail by first class mail, postage prepaid, to the Holder notice of such adjustment or adjustments and shall deliver a certificate of a firm of independent public accountants selected by the Board (who may be the regular accountants employed by the Company) setting forth the number of Common Shares or other stock or property issuable upon the exercise of this Warrant and the Exercise Price after such adjustment, setting forth a brief statement of the facts requiring such adjustment and setting forth the computation by which such adjustment was made.

5. WARRANT TRANSFER BOOKS.

The Company shall cause to be kept at its principal office a register in which, subject to such reasonable regulations as it may prescribe, the Company shall provide for the registration of this Warrant Certificate and of transfers or exchanges of this Warrant Certificate as herein provided.

At the option of the Holder, this Warrant Certificate may be exchanged at such office, and upon payment of the charges hereinafter provided. Whenever this Warrant Certificate is so surrendered for exchange, the Company shall execute and deliver the Warrant Certificates that the Holder making the exchange is entitled to receive.

All Warrant Certificates issued upon any registration of transfer or exchange of this Warrant Certificate shall be the valid obligations of the Company, evidencing the same obligations, and entitled to the same benefits, as the Warrant Certificate surrendered for such registration of transfer or exchange.

If this Warrant Certificate is surrendered for registration of transfer or exchange it shall (if so required by the Company) be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the Company, duly executed by the Holder hereof or his attorney duly authorized in writing.

No service charge shall be made to the Holder for any registration of transfer or exchange of this Warrant Certificate. The Company may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any registration of transfer or exchange of this Warrant Certificate.

The Warrant Certificate when duly endorsed in blank shall be deemed negotiable and when this Warrant Certificate shall have been so endorsed, the Holder hereof may be treated by the Company and all other persons dealing therewith as the absolute owner hereof for any purpose and as the Person entitled to exercise the rights represented hereby, or to the transfer hereof on the register of the Company, any notice to the contrary notwithstanding; but until such transfer on such register, the Company shall treat the registered Holder hereof as the owner for all purposes. No such transfer shall be registered until the Company has been supplied with the aforementioned instruments of transfer and any other such documentation as the Company may reasonably require.

6. WARRANT HOLDER.

6.1. Right of Action. All rights of action in respect of this Warrant are vested in the Holder hereof, and the Holder, without the consent of the Company, may, on such Holder's own behalf and for such Holder's own benefit, enforce, and may institute and maintain any suit, action or proceeding against the Company suitable to enforce, or otherwise in respect of, such Holder's right to exercise or exchange this Warrant in the manner provided herein or any other obligation of the Company under this Warrant.

7. REPRESENTATIONS AND COVENANTS.

7.1. Reservation of Common Shares for Issuance on Exercise of Warrant. The Company covenants that it will at all times reserve and keep available, free from pre-emptive rights, out of its authorized but unissued Common Shares, solely for the purpose of issue upon exercise of this Warrant as herein provided, such number of Common Shares as shall then be issuable upon the exercise of all Warrant Shares issuable hereunder plus such number of Common Shares as shall then be issuable upon the exercise of other outstanding warrants, options and rights (whether or not vested), the settlement of any forward sale, swap or other derivative contract, and the conversion of all outstanding convertible securities or other instruments convertible into Common Shares or rights to acquire Common Shares. The Company covenants that all Warrant Shares and other Common Shares which shall be issuable shall, upon such issue, be duly and validly issued and fully paid and non-assessable.

7.2. Notice of Dividends. At any time when the Company declares any dividend on its Common Shares, it shall give notice to the Holder of this Warrant of any such declaration not less than 15 days prior to the related record date for payment of the dividend so declared.

7.3. Capitalization. The Company represents and warrants to the Holder that as of the date hereof, the Company has 83,130,498 Common Shares outstanding and on a fully diluted basis, before giving effect to this Warrant or the Common Shares issuable on conversion of the Line of Credit Note, the Company has 89,787,688 Common Shares on a fully diluted basis. To the extent that this representation is not true as of the date hereof and there are more Common Shares outstanding then set out above (actual or on a diluted basis), the number of Warrant Shares shall be increased such that the Warrant would exercise into 44% of the Common Shares on a diluted as were then outstanding as of the date hereof. For greater certainty, should there be fewer Common Shares outstanding than as set out in this representation, no adjustment shall be made to the number of Warrant Shares issuable on exercise of the Warrant.

8. MISCELLANEOUS.

8.1. Payment of Taxes. The Company shall pay all transfer, stamp and other similar taxes that may be imposed in respect of the issuance or delivery of this Warrant or in respect of the issuance or delivery by the Company of any securities upon exercise of this Warrant with respect thereto. The Company shall not be required, however, to pay any tax or other charge imposed in connection with any transfer involved in the issue of any certificate for Common Shares or other securities underlying this Warrant or payment of cash to any Person other than the Holder of this Warrant Certificate surrendered upon the exercise or purchase of this Warrant, and in case of such transfer or payment, the Company shall not be required to issue any stock certificate to pay any cash until such tax or charge has been paid or it has been established to the Company's satisfaction that no such tax or other charge is due. The Company and the Holder agree that the issuance and exercise of this Warrant is a capital transaction and not a compensatory transaction, and any Holder who is not a U.S. person for U.S. federal income tax purposes hereby represents that the Warrant Shares would, if owned by such Holder, be capital assets in its hands for U.S. Federal income tax purposes.

8.2. Surrender of Certificates. Any Warrant Certificate surrendered for exercise or purchase shall, if surrendered to the Company, be promptly cancelled and destroyed and shall not be reissued by the Company.

8.3. Mutilated, Destroyed, Lost and Stolen Warrant Certificates. If (a) a mutilated Warrant Certificate is surrendered to the Company or (b) the Company receives evidence to its satisfaction of the destruction, loss or theft of the Warrant Certificate, and there is delivered to the Company such appropriate affidavit of loss, applicable processing fee and a corporate bond of indemnity as may be required by it to save it harmless, then, in the absence of notice to the Company that the Warrant Certificate has been acquired by a bona fide purchaser, the Company shall execute and deliver, in exchange for such mutilated Warrant Certificate or in lieu of such destroyed, lost or stolen Warrant Certificate, a new Warrant Certificate of like tenor and for a like aggregate number of shares of Warrant Shares, if any, with respect to which this Warrant shall not then have been exercised.

Upon the issuance of any new Warrant Certificate under this Section 8.3, the Company may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and other expenses in connection therewith.

Any new Warrant Certificate executed and delivered pursuant to this Section 8.3 in lieu of a destroyed, lost or stolen Warrant Certificate shall constitute an original contractual obligation of the Company, whether or not the destroyed, lost or stolen Warrant Certificate shall be at any time enforceable by anyone, and shall be subject to the same terms as this Warrant.

The provisions of this Section 8.3 are exclusive and shall preclude (to the extent lawful) all other rights or remedies with respect to the replacement of a mutilated, destroyed lost, or stolen Warrant Certificate.

8.4. Notices. Any notice, demand or delivery authorized by this Warrant shall be sufficiently given or made when mailed if sent by first-class mail, postage prepaid, addressed to the Holder of this Warrant at such Holder’s address shown on the register of the Company and to the Company at its principal address, addressed to the Secretary of the Company, in each case or such other address as shall have been furnished to the party giving or making such notice, demand or delivery.

8.5. Applicable Law. This Warrant and all rights arising hereunder shall be governed by the laws of British Columbia and the federal laws of Canada applicable therein.

8.6. Amendments. This Warrant may only be amended with the prior written consent of the Holder and the Company.

8.7. Headings. The descriptive headings of the several Articles and Sections of this Warrant are inserted for convenience and shall not control or affect the meaning or construction of any of the provisions hereof.

IN WITNESS WHEREOF, this Warrant has been duly executed and delivered by the Company, by order of its Board of Directors, this 22nd day of January 2021.

HOLLYWEED NORTH CANNABIS INC.

By: _____
Name: Renee Gagnon
Title: President & Director

ACCEPTED AND AGREED TO:

[NAME]

By: _____

EXHIBIT A

FORM OF EXERCISE

(To be executed upon exercise of Warrant.)

The undersigned hereby irrevocably elects to exercise the Warrant represented by this Warrant Certificate, to purchase _____ Common Shares, in the form of Common Shares ("Warrant Shares"), of HollyWeed North Cannabis Inc. in accordance with the Warrant Certificate, and in accordance with the terms set forth below.

By checking the appropriate paragraph election, the undersigned hereby exercises the Warrant, as follows:.

_____[check if applicable] Having the Company withhold, from the total number of Common Shares that would otherwise be delivered to the undersigned upon such exercise, that lower number of Common Shares issuable upon exercise of this Warrant with an aggregate Fair Market Value as of the last Business Day prior to such exercise equal to a purchase price for such Common Shares that would otherwise be payable by the undersigned upon such exercise based upon the Exercise Price then in effect (a "Cashless Exercise"), or

_____[check if applicable] By) by payment in full of the Exercise Price then in effect for the shares of Warrant Shares as to which this Warrant is submitted for exercise, payable in cash or other same-day funds.

The undersigned requests that said Warrant Shares be registered in such names and delivered, all as specified in accordance with the instructions set forth below.

If said number of Warrant Shares is less than all of the shares of Warrant Shares purchasable hereunder, the undersigned requests that a new Warrant Certificate representing the remaining balance of the Warrants evidenced hereby be issued and delivered to the undersigned unless otherwise specified in the instructions below.

Dated: _____

_____
(Insert Social Security or Other Identifying Number of Holder)

Name: _____
(Please Print)

Address: _____

_____

_____

_____
Signature (Signature must conform in all respects to name of holder as specified on the face of the Warrant Certificate and must be guaranteed by a bank, stockbroker, savings and loan association or credit union meeting the requirements of the Warrant Holder.

EXHIBIT B

FORM OF ASSIGNMENT

FOR VALUE RECEIVED the undersigned registered holder of the within Warrant Certificate hereby sells, assigns, and transfers unto the Assignee(s) named below all of the right of the undersigned under the within Warrant Certificate, with respect to the number of Warrants set forth below:

Names of Assignees	Address	Social Security or other Identifying Number of Assignee(s)	Number of Shares Represented by the Portion of this Warrant to be Assigned

And does hereby irrevocably constitute and appoint _____ the undersigned's attorney to make such transfer on the books of _____ maintained for that purpose, with full power of substitution in he premises.

Date: _____

_____
(Signature of Owner)

_____
(Street Address)

_____
(City) (State) (Zip Code)

Signature Guaranteed By:

_____

* The signature must correspond with the name as written upon the face of the within Warrant Certificate in every particular, without alteration or enlargement or any change whatever, and must be guaranteed by a financial institution satisfactory to the Company.

Exhibit 10.2

HOLLYWEED NORTH CANNABIS INC.

STOCK OPTION PLAN

MAY 27, 2019

TABLE OF CONTENTS

STOCK OPTION PLAN

ARTICLE 1.
DEFINITIONS AND INTERPRETATION

1.1 Definitions.

As used herein, unless there is something in the subject matter or context inconsistent therewith, the following terms will have the meanings set forth below:

(a) "**Administrator**" means such committee, director, senior officer or employee of the Corporation as may be designated as Administrator by the Board from time to time.

(b) "**Award Date**" means the date on which the Board awards a particular Option.

(c) "**Board**" means the board of directors of the Corporation, or any committee thereof to which the board of directors of the Corporation has delegated the power to administer and grant Options under the Plan.

(d) "**Cause**" means:

(i) in the case of an Employee (1) cause as such term is defined in the written employment agreement with the Employee or if there is no written employment agreement or cause is not defined therein, the usual meaning of just cause under the common law or the laws of the jurisdiction in which the Employee is employed; (2) that is employed in an "at will" jurisdiction, the usual meaning of just cause under the common law of the Province of British Columbia; or (2) the termination of employment as a result of an order made by any Regulatory Authority having jurisdiction to so order;

(ii) in the case of a Consultant (1) the occurrence of any event which, under the written consulting contract with the Consultant or the common law or the laws of the jurisdiction in which the Consultant provides services, gives the Corporation or a Subsidiary the right to immediately terminate the consulting contract; or (2) the termination of the consulting contract as a result of an order made by any Regulatory Authority having jurisdiction to so order;

(iii) in the case of a Director, ceasing to be a Director as a result of (1) ceasing to be qualified to act as a Director pursuant to the section 124 of the *Business Corporations Act* (British Columbia) (the "**BCBCA**"); (2) a resolution having been passed by the shareholders pursuant to section 128(3)(a) of the BCBCA, or (3) an order made by any Regulatory Authority having jurisdiction to so order; or

(iv) in the case of an Officer who is not an Employee, ceasing to be an Officer as a result of an order made by any Regulatory Authority having jurisdiction to so order.

(e) "**Common Shares**" means class B common shares in the capital of the Corporation.

(f) "**Consultant**" means a person, other than an employee, director or officer of the Corporation or a Subsidiary or a registrant under the *Securities Act* (British Columbia), that:

(i) is engaged to provide on an ongoing bona fide basis, consulting, technical, management, advisory or other services to the Corporation or a Subsidiary, other than services provided in relation to a distribution;

(ii) provides the services under a written contract between the Corporation or a Subsidiary and such person;

(iii) in the reasonable opinion of the Board, spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or a Subsidiary; and

(iv) has a relationship with the Corporation or a Subsidiary that enables such person to be knowledgeable about the business and affairs of the Corporation.

(g) "**Corporation**" means Hollyweed North Cannabis Inc.

(h) "**Director**" has the meaning given to that term in the *Securities Act* (British Columbia), and for the purposes of the Plan includes directors of the Corporation and any Subsidiary.

(i) "**Eligible Persons**" means Directors, Officers, Employees and Consultants.

(j) "**Employee**" means any individual regularly employed, personally or through an issuer all the voting securities of which are beneficially owned by one or more Employees, by the Corporation or a Subsidiary.

(k) "Equity Securities" means:

(i) Shares or any other security of the Corporation that carries the residual right to participate in the earnings of the Corporation and, on liquidation, dissolution or winding-up, in the assets of the Corporation, whether or not the security carries voting rights;

(ii) any warrants, options or rights entitling the holders thereof to purchase or acquire any such securities; or

(iii) any securities issued by the Corporation which are convertible or exchangeable into such securities.

(l) "**Exercise Notice**" means the notice respecting the exercise of an Option, in the form set out as Schedule "B" hereto, duly executed by the Option Holder.

(m) "**Exercise Period**" means the period during which a particular Option may be exercised and is the period from and including the Award Date through to and including the Expiry Date.

(n) "**Exercise Price**" means the price at which an Option may be exercised as determined in accordance with paragraph 3.5.

(o) "**Expiry Date**" means the date determined in accordance with paragraph 3.4 and after which a particular Option cannot be exercised.

(p) "**Fixed Expiry Date**" has the meaning given to that term under paragraph 3.4.

(q) "**Fully Diluted Basis**" at any time means that all vested options, warrants or other rights of any kind to acquire Common Shares and all securities of the Corporation which are convertible, exercisable or exchangeable into Common Shares (directly or indirectly through exchange into Shares which are themselves convertible into Common Shares) which are outstanding at that time shall be deemed to have been fully exercised, converted or exchanged, as the case may be, and the Common Shares issuable as a result thereof shall be deemed to have been fully issued and to form part of the holdings of the person(s) entitled to receive such shares.

(r) "**IPO**" means the offering and sale to the public of securities of the Corporation in connection with which any securities of the Corporation are listed or quoted on an organized trading facility including by way of a reverse takeover of an existing listed entity.

(s) "**Market Value**" means the market value of the Corporation's Shares, as determined in accordance with paragraph 3.5.

(t) "**Offeror**" means the person or persons making a Third Party Offer.

(u) "**Officer**" means a senior officer as such term is defined in the *Securities Act* (British Columbia), and for the purposes of the Plan includes senior officers of the Corporation and any Subsidiary.

(v) "**Option**" means an option to acquire Common Shares awarded to an Eligible Person pursuant to the Plan; provided that the Optionee has executed and delivered to the Corporation an agreement to be bound by the terms of the Option.

(w) "**Option Certificate**" means the certificate, in the form set out as Schedule "A" hereto, evidencing an Option.

(x) "**Option Holder**" means a person who holds an unexercised and unexpired Option or, where applicable, the Personal Representative of such person.

(y) "**Personal** Representative" means:

(i) in the case of a deceased Option Holder, the executor or administrator of the deceased duly appointed by a court or public authority having jurisdiction to do so; and

(ii) in the case of an Option Holder who for any reason is unable to manage his or her affairs, the person entitled by law to act on behalf of such Option Holder.

(z) "**Plan**" means this stock option plan.

(aa) "**Regulatory Authorities**" means all stock exchanges, inter-dealer quotation networks and other organized trading facilities on which the Corporation's Shares are listed, if any, and all securities commissions or similar securities regulatory bodies having jurisdiction over the Corporation.

(bb) "**Share**" or "**Shares**" means, as the case may be, Common Shares and any one or more shares of any other class in the share capital of the Corporation as the Board may designate from time to time.

(cc) "**Subsidiary**" means a subsidiary of the Corporation.

(dd) "**Termination Date**" means:

(i) in the case of the Option Holder's resignation from employment or the termination of the Option Holder's consulting contract by the Option Holder, the date that the Option Holder provides notice of such resignation or termination to the Corporation or any Subsidiary; or

(ii) in the case of the termination of the Option Holder's employment or consulting contract by the Corporation or any Subsidiary for any reason (whether such termination is lawful or unlawful) other than death, the date that the Corporation or any Subsidiary delivers written notice of such lawful or unlawful termination of the Option Holder's employment or consulting contract to the Option Holder; or

(iii) in the case of the expiry of a fixed-term employment agreement or consulting contract that is not renewed or extended, the last day of the term.

(ee) "**Third Party Offer**" means a bona-fide offer to purchase all of the Equity Securities of the Company, which offer shareholders holding not less than 50% of all Shares of the Company (calculated on a Fully Diluted Basis, provided that for the purposes of this definition, the term Fully Diluted Basis shall not include any Equity Securities which, if exercised, converted or exchanged, would put the holder thereof in a worse economic position given the purchase price payable by the Offeror) of the Company have agreed to accept.

(ff) "**Triggering Event**" means:

(i) A Third Party Offer; or

(ii) any amalgamation, arrangement, merger or other consolidation after which the voting securities of the Corporation outstanding immediately prior thereto represent (either by remaining outstanding or by being converted into voting securities of the surviving or acquiring entity) less than 50% of the combined voting power of the voting securities of the Corporation or such surviving or acquiring entity outstanding immediately after such event; or

(iii) any other sale of the business of the Corporation, as determined by the Board.

1.2 Choice of Law.

The Plan is established under, and the provisions of the Plan will be subject to and interpreted and construed in accordance with, the laws of the Province of British Columbia.

1.3 Headings

The headings used herein are for convenience only and are not to affect the interpretation of the Plan.

ARTICLE 2.
PURPOSE AND PARTICIPATION

2.1 Purpose

The purpose of the Plan is to provide the Corporation with a share-related mechanism to attract, retain and motivate qualified Directors, Employees, Officers and Consultants, to reward such of those Directors, Employees, Officers and Consultants as may be awarded Options under the Plan by the Board from time to time for their contributions toward the long term goals of the Corporation and to enable and encourage such Directors, Employees, Officers and Consultants to acquire shares in the capital of the Corporation as long term investments.

2.2 Participation

The Board will, from time to time and in its sole discretion, determine which of the Eligible Persons, if any, will be awarded Options. The Board shall, in its discretion determine whether each such Eligible Person shall be awarded an Option to purchase Common Shares. The Board may, in its sole discretion, grant the majority of the Options to insiders of the Corporation.

2.3 Notification of Award

Following the approval by the Board of the awarding of an Option, the Administrator will notify the Option Holder in writing of the award and will enclose with such notice the Option Certificate representing the Option so awarded.

2.4 Copy of Plan

Each Option Holder, concurrently with the notice of the award of the Option, will be provided with a copy of the Plan. A copy of any amendment to the Plan will be promptly provided by the Administrator to each Option Holder.

2.5 Limitation

The Plan does not give any Option Holder that is a Director or Officer the right to serve or continue to serve as a Director or Officer of the Corporation or any Subsidiary nor does it give any Option Holder that is an Employee or Consultant the right to be or to continue to be employed with or have a consulting contract with the Corporation or any Subsidiary.

ARTICLE 3.
TERMS AND CONDITIONS OF OPTIONS

3.1 Board to Issue Shares

The Shares to be issued to Option Holders upon the exercise of Options will be authorized as unissued Common Shares, the issuance of which will have been authorized by the Board.

3.2 Number of Shares

Subject to the Plan and Allocation Subject to adjustment as provided for in paragraph 3.8 of the Plan, the aggregate number of unissued Common Shares that will be available for Eligible Persons to acquire pursuant to Options granted under the Plan will equal, at any given time, 10% of the then issued and outstanding common shares of the Corporation, on a rolling basis. If any Option is exercised, expires or otherwise terminates for any reason, the number of Common Shares in respect of such Option will again be available for the purposes of the Plan.

The portion of the Options granted under the Plan that will be available for grant to Directors is limited to 10% of the Options under the Plan available for grant at any given time.

3.3 Term of Option

Subject to such other terms or conditions that may be attached to an Option granted hereunder, an Option Holder may exercise any vested portion or portions of an Option in whole or in part at any time or from time to time during the Exercise Period. Any Option or part thereof not exercised within the Exercise Period will terminate and become null, void and of no effect as of 5:00 p.m. local time in Vancouver, British Columbia on the Expiry Date.

3.4 Termination

Subject to subparagraphs (a) to (f) below, the Expiry Date of an Option will be the date fixed by the Board at the time the particular Option is awarded (the "**Fixed Expiry Date**"), provided that the Expiry Date will be no later than the fifth anniversary of the Award Date of such Option:

(a) Death

In the event that the Option Holder should die while his or her Option is outstanding, the Expiry Date for any vested portion or portions of the Option will be the earlier of the Fixed Expiry Date and the date that is one year after the date of the Option Holder's death. The Expiry Date for any unvested portion of the Option will be the date of the Option Holder's death.

(b) Ceasing to be a Director

If the Option Holder holds an Option as a Director and the Option Holder ceases to be a Director (other than by reason of death), the Expiry Date for any vested portion or portions of the Option will be, unless otherwise provided for in the Option Certificate, the Fixed Expiry Date unless the Option Holder ceases to be a Director for Cause, in which case the Expiry Date will be the date that the Option Holder ceases to be a Director. The Expiry Date for any unvested portion of the Option will be the date that the Option Holder ceases to be a Director.

(c) Ceasing to be an Employee or Consultant

If the Option Holder holds an Option as an Employee or Consultant and the Option Holder ceases to be an Employee or Consultant (other than by reason of death), the Expiry Date for any vested portion or portions of the Option will be, unless otherwise provided for in the Option Certificate, the earlier of the Fixed Expiry Date and the 90th day following the Termination Date unless the Option Holder ceases to be an Employee or Consultant as a result of Cause, in which case the Expiry Date will be the Termination Date. The Expiry Date for any unvested portion of the Option will be the Termination Date. For greater certainty, if the Corporation or a Subsidiary gives an Employee or Consultant working notice of termination of employment or the consulting contract or payment in lieu of notice, no further vesting will occur during (i) the working notice period; or (ii) the deemed notice period for which the Employee or Consultant is receiving payment in lieu of notice.

(d) Ceasing to be an Officer

If the Option Holder holds an Option as an Officer and the Option Holder ceases to be an Officer (other than by reason of death), the Expiry Date for any vested portion or portions of the Option will be, unless otherwise provided for in the Option Certificate, the earlier of the Fixed Expiry Date and the 90th day following the date that the Option Holder ceases to be an Officer unless the Option Holder ceases to be an Officer for Cause, in which case the Expiry Date will be the date that the Option Holder ceases to be an Officer. The Expiry Date for any unvested portion of the Option will be the date that the Option Holder ceases to be an Officer.

(e) Initial Public Offering

In the event the Corporation undertakes an Initial Public Offering, the Board, the Regulatory Authorities, the stock exchange, the agents or the underwriters may, prior to completion of the IPO, require that some or all of the Options be cancelled, re-priced upwards or otherwise revised, in which case the Board may, in its sole discretion, deal with the Options in the manner it deems fair and reasonable. Without limiting the generality of the foregoing, the Board may, without any action or consent required on the part of any Option Holder:

(i) deliver a notice to the Option Holder advising the Option Holder that the unvested portion of the Option held by the Option Holder, if any, will immediately vest;

(ii) deliver a notice to the Option Holder advising the Option Holder that the Option Holder will have 14 days following the date of the notice to exercise any vested portion or portions of the Option held by the Option Holder, failing which the vested portion or portions of the Option will be deemed to have been exercised in full without any payment by the Option Holder and, in such case, the Option Holder will be entitled to receive the number of Common Shares, as applicable, of the Corporation as is determined by the following formula:

$$\frac{(X - Y) \times Z}{X}$$

where X equals the price at which the Corporation proposes to offer the Common Shares to the public by way of its IPO, Y equals the Exercise Price of the Option and Z equals the number of Common Shares, issuable upon the exercise of the vested portion or portions of the Option Holder's Option. The Expiry Date of any unvested portion of the Option Holder's Option will be the date of the notice. Any fractional amounts resulting from the above calculation will be rounded up to the nearest whole number of Common Shares, as applicable; or

(iii) take such other actions, and combinations of the foregoing actions, as it deems fair and reasonable under the circumstances.

If the Corporation proceeds to list its Common Shares on a public stock exchange or commences an IPO, each Option Holder will promptly enter into all such escrow, pooling or other agreements as are required by the Regulatory Authorities, the stock exchange, the agents or the underwriters in connection with such listing or IPO. In the event that the Corporation does not complete the IPO, the Corporation will, to the extent reasonably practicable, grant to the Option Holder an Option equivalent (including the original vesting terms, if any) to the Option cancelled or exercised, provided that in the case of an Option that was exercised or deemed to be exercised, the Option Holder surrenders for cancellation the Common Shares, as applicable, acquired upon the exercise or deemed exercise of the Option.

(f) Triggering Event

In the event of a Triggering Event, the Board may, in its sole discretion, deal with outstanding Options in the manner it deems fair and reasonable in light of the circumstances of the Triggering Event. Without limiting the generality of the foregoing, the Board may, without any action or consent required on the part of any Option Holder:

(i) deliver a notice to the Option Holder advising the Option Holder that the unvested portion of the Option held by the Option Holder, if any, will immediately vest;

(ii) deliver a notice to an Option Holder advising the Option Holder that the Expiry Date for any vested portion or portions of the Option will be the earlier of the Fixed Expiry Date and the 5th day following the date of the notice and the Expiry Date for any unvested portion of the Option will be the date of the notice;

(iii) send a notice to an Option Holder advising the Option Holder that the Option is, in connection with any Third Party Offer, either to be assumed by an Offeror or parent thereof or to be replaced with a comparable stock option to purchase shares in the capital of the Offeror or parent thereof. In the event the Option is assumed or replaced by the Offeror or parent thereof, the terms and conditions of the Option may be subject to adjustment, and the notice will specify any adjustment to the terms and conditions of the Option including, without limitation, the number and class of shares that may be purchased, the exercise price and the vesting terms;

(iv) provided that the price per Common Share being offered by the Offeror is greater than the Exercise Price, deem an Option to have been exercised in full and the Common Shares, as applicable, to have been tendered pursuant to any Third Party Offer and apply a portion of the Option Holder's proceeds from the closing under the Triggering Event to the Exercise Price payable by the Option Holder;

(v) deem an Option to have been exercised in full without any payment by the Option Holder and, in such case, the Option Holder will be entitled to receive the number of Common Shares of the Corporation as is determined by the following formula:

$$\frac{(X - Y) \times Z}{X}$$

where X equals the purchase price for a Common Share under the Third Party Offer, Y equals the Exercise Price of the Option and Z equals the number of Common Shares, with respect to which the Option is being exercised;

(vi) cancel an Option and pay to the Option Holder the amount that the Option Holder would have received under the Triggering Event, after deducting the Exercise Price of the Option, had the Option been exercised in full;

(vii) where consideration received for the Common Shares is other than cash, deem an Option to be amended to provide that on exercise of such Option the Option Holder shall be entitled to receive such consideration that the Option Holder would have received had such Option Holder exercised such Option immediately prior to the Triggering Event; or

(viii) take such other actions, and combinations of the foregoing actions, as it deems fair and reasonable under the circumstances.

The Corporation may also require the Option Holder to sell all of the Common Shares acquired by the Option Holder upon the exercise of an Option under the Triggering Event. If the transaction contemplated by the Triggering Event does not close, the Corporation will, upon the request of an Option Holder to the extent permitted by applicable laws, grant to the Option Holder an Option equivalent (including original vesting terms, if any) to the Option cancelled or exercised, provided that in the case of an Option which was exercised, the Option Holder surrenders for cancellation the Common Shares purchased upon the exercise of the Option.

3.5 Exercise Price

The price at which an Option Holder may purchase a Common Share upon the exercise of an Option will be as set forth in the Option Certificate issued in respect of such Option and, unless otherwise determined by the Board, will not be less than the Market Value of the Common Shares as of the Award Date. The Market Value of the Common Shares for a particular Award Date will be determined as follows:

(a) for each organized trading facility on which the Common Shares are listed, if any, Market Value will be the closing trading price of the Common Shares on the last trading day immediately preceding the Award Date;

(b) if the Common Shares are listed on more than one organized trading facility, then Market Value will be the greatest of the Market Values determined for each organized trading facility on which those Common Shares are listed as determined for each organized trading facility in accordance with subparagraph (a) above;

(c) if the Common Shares are listed on one or more organized trading facility but have not traded during the ten trading day period immediately preceding the Award Date, then the Market Value will be, subject to the necessary approvals of the applicable Regulatory Authorities, such value as is determined by resolution of the Board; and

(d) if the Common Shares are not listed on any organized trading facility, then the Market Value will be, subject to the necessary approvals of the applicable Regulatory Authorities, such value as is determined by the Board.

Notwithstanding anything else contained herein, in no case will the Market Value be less than the minimum prescribed by each of the organized trading facilities as would apply to the Award Date in question.

3.6 Additional Terms

Subject to all applicable securities laws and regulations and the rules and policies of all applicable Regulatory Authorities, the Board may attach other terms and conditions to the grant of a particular Option, such terms and conditions to be referred to in a schedule attached to the Option Certificate. These terms and conditions may include, but are not necessarily limited to, providing that a portion or portions of an Option expire after certain periods of time or upon the occurrence of certain events, other than as provided for herein, provided that no Option will expire more than 5 years after the Award Date.

3.7 Assignment of Options.

Options may not be assigned or transferred, provided however that the Personal Representative of an Option Holder may, to the extent permitted by paragraph 4.1, exercise the Option within the Exercise Period.

3.8 Adjustments

If:

(a) the Common Shares are changed into or exchanged for a different number or kind of Shares of the Corporation or securities of another corporation, whether through an arrangement, amalgamation or other similar procedure or otherwise, or a share recapitalization, subdivision or consolidation;

(b) a dividend is paid in Shares, other than in lieu of dividends paid in the ordinary course; or

(c) there is any other change that the Board, in its sole discretion, determines equitably requires an adjustment to be made,

then, subject to any required action by any of the shareholders of the Corporation, any term that the Board determines requires adjustment (including the number of Common Shares subject to each outstanding Option and the aggregate number of Common Shares that have been authorized for issuance under the Plan, but as to which no Options have yet been granted or that have again become available for the purposes of the Plan, the Exercise Price of each outstanding Option, as well as any other terms that the Board determines require adjustment) will be adjusted by the Board in the manner the Board deems appropriate and its determination will be final, binding and conclusive. Except as the Board determines, no issuance by the Corporation of Shares of any class, or securities convertible into Shares of any class, will affect, and no adjustment by reason thereof will be made with respect to, the number or Exercise Price of the Common Shares subject to an Option. No fractional shares will be issued upon the exercise of an Option and accordingly, if as a result of the adjustment, an Option Holder would become entitled to a fractional Common Share, the Option Holder will have the right to purchase only the next lowest whole number of Common Shares, as applicable, and no payment or other adjustment will be made with respect to the fractional interest so disregarded.

3.9 Vesting

The Board may, in its sole discretion, attach a term or condition to a particular Option providing that the Option will vest over a certain period of time or upon the occurrence of certain events. The Board may also, in its sole discretion, attach a term or condition to a particular Option providing that the Option will be exercisable immediately, in full, notwithstanding that it has vesting provisions, upon the occurrence of certain events. Unless otherwise determined by the Board, in its sole discretion, all Options will vest over 3 years (the "Vesting Period") subject to the following additional terms and conditions:

(a) the Options will vest in a linear fashion quarterly (every 3 months) over the Vesting Period, provided the Option Holder continues to hold a position with, or be engaged by, the Corporation. The number of Options vesting daily will equal the total number of Options granted divided by the total number of days comprising the Vesting Period;

(b) new option grants will be determined by the Board once per month or following the regular recurring Board meeting schedule (but not less than quarterly) and option grants will not necessarily be retroactive to the hire date of Option Holder; and

(c) no Options will vest until the Option Holder has completed his or her probation period, if applicable.

ARTICLE 4.
EXERCISE OF OPTION

4.1 Exercise of Option

An Option may be exercised only by the Option Holder or the Personal Representative of the Option Holder. Unless otherwise provided in an Option Holder's Option Certificate, an Option Holder or the Personal Representative of the Option Holder may exercise the vested portion or portions of an Option in whole or in part at any time or from time to time during the Exercise Period up to 5:00 p.m. local time in Vancouver, British Columbia on the Expiry Date by delivering to the Administrator an Exercise Notice, the applicable Option Certificate and a certified cheque or bank draft payable to the Corporation in an amount equal to the aggregate Exercise Price of the Common Shares, as applicable, to be purchased pursuant to the exercise of the Option. The Common Shares issuable upon exercise of an Option shall be deemed to be issued on the date the Option Holder or the Personal Representative of the Option Holder delivers to the Corporation the Exercise Notice, Option Certificate and payment as contemplated in this Section.

4.2 Issue of Share Certificates

As soon as practicable following the receipt of the Exercise Notice, the Administrator will cause to be delivered to the Option Holder a certificate for the Common Shares, as applicable, purchased by the Option Holder. If the number of Common Shares, as applicable, in respect of which the Option was exercised is less than the number of Common Shares, as applicable, subject to the Option Certificate surrendered, the Administrator will forward a new Option Certificate to the Option Holder concurrently with delivery of the share certificate for the balance of the Common Shares, as applicable, available under the Option. The Corporation may elect to retain the original share certificates in the minute book of the Corporation and provide the Option Holder with a copy.

4.3 Condition of Issue

The Options and the issue of Common Shares, as applicable, by the Corporation pursuant to the exercise of Options are subject to the terms and conditions of the Plan and compliance with the rules and policies of all applicable Regulatory Authorities with respect to the granting of such Options and the issuance and distribution of such Common Shares, as applicable, and to all applicable securities laws and regulations. The Option Holder agrees to comply with all such laws, regulations, rules and policies and agrees to furnish to the Corporation any information, reports or undertakings required to comply with, and to fully cooperate with, the Corporation in complying with such laws, regulations, rules and policies.

4.4 Applicable Taxes

As a condition of an issuance of Common Shares upon the exercise of an Option, the Option Holder shall pay (or make such other arrangements as may be acceptable to the Board) the Corporation for any and all taxes to be paid or that may be required to be paid by the Corporation under applicable law in connection with a taxable benefit the Option Holder will have as a result of exercising such Option or as otherwise may be required by applicable law.

4.5 Additional Agreements

If the Corporation is subject to a shareholders' agreement, and if required by the Board, in its sole discretion, then, as a condition of an issuance of Common Shares upon exercise of an Option, the Option Holder shall agree to be bound to such shareholders' agreement. If required by the Board, in its sole discretion, the Option Holder shall, as a condition of an issuance of Common Shares upon exercise of an Option, enter into any voting trust agreement or execute a power of attorney in favour of the President or Secretary of the Corporation and for such person to vote any Shares issued upon exercise of an Option whether such vote is represented in a written resolution of shareholders or at a meeting of the shareholders of the Corporation.

ARTICLE 5.
ADMINISTRATION

5.1 Administration

The Plan will be administered by the Administrator on the instructions of the Board. The Board may make, amend and repeal at any time and from time to time such regulations not inconsistent with the Plan as it may deem necessary or advisable for the proper administration and operation of the Plan and such regulations will form part of the Plan. The Board may delegate to the Administrator such administrative duties and powers as it may see fit.

5.2 Interpretation

The interpretation by the Board of any of the provisions of the Plan and any determination by it pursuant thereto will be final and conclusive and will not be subject to any dispute by any Option Holder. No member of the Board or any person acting pursuant to authority delegated by it hereunder will be liable for any action or determination in connection with the Plan made or taken in good faith and each member of the Board and each such person will be entitled to indemnification with respect to any such action or determination in the manner provided for by the Corporation.

ARTICLE 6.
AMENDMENT, TERMINATION AND NOTICE

6.1 Prospective Amendment

The Board may from time to time amend the Plan and the terms and conditions of any Option thereafter to be granted and, without limiting the generality of the foregoing, may make such amendment for the purpose of meeting any changes in any relevant law, rule or regulation applicable to the Plan, any Option, the Shares, or for any other purpose which may be permitted by all relevant laws, regulations, rules and policies provided always that any such amendment will not alter the terms or conditions of any Option or impair any right of any Option Holder pursuant to any Option awarded prior to such amendment.

6.2 Retrospective Amendment

The Board may from time to time retrospectively amend the Plan and, with the consent of the affected Option Holders, retrospectively amend the terms and conditions of any Options that have been previously granted.

6.3 Amendment to Option

Notwithstanding anything else contained in the Plan and subject to any necessary approval from the Option Holder, the Corporation’s shareholders and the Regulatory Authorities, if any, the Board may in its discretion (a) extend the Expiry Date of any Option, provided that in no case will an Option expire more than 5 years after the Award Date; (b) alter or change the vesting terms applicable to an Option, including accelerating the vesting schedule to make the Option exercisable immediately, in full; (c) lower the Exercise Price; or (d) amend any other term of an outstanding Option.

6.4 Approvals

The Plan and any amendments hereto are subject to all necessary approvals of the applicable Regulatory Authorities and the shareholders, if any.

6.5 Termination

The Board may terminate the Plan at any time provided that such termination will not alter the terms or conditions of any Option or impair any right of any Option Holder pursuant to any Option awarded prior to the date of such termination, which will continue to be governed by the provisions of the Plan.

6.6 Agreement

The Corporation and every Option awarded hereunder will be bound by and subject to the terms and conditions of the Plan. By accepting an Option granted hereunder, the Option Holder has expressly agreed with the Corporation to be bound by the terms and conditions of the Plan.

6.7 Notice

Any notice or other communication contemplated under the Plan to be given by the Corporation to an Option Holder will be given by the Corporation delivering, faxing or emailing the notice to the Option Holder at the last address, fax number or email address for the Option Holder in the Corporation's records. Any such notice will be deemed to have been given on the date on which it was delivered, or in the case of fax or email, the next business day after transmission. An Option Holder may, at any time, advise the Corporation of a change in the Option Holder's address, fax number or email address.

SCHEDULE “A”

HOLLYWEED NORTH CANNABIS INC.
OPTION CERTIFICATE

This Option Certificate is issued pursuant to the provisions of the Stock Option Plan of Hollyweed North Cannabis Inc (the “Corporation”) dated May 27, 2019 (the “Plan”).

Option Holder's Name:
Address:

Total Options:
Exercise Price Per Share:

Award Date:
Vesting Schedule:
Expiry Date:

The vested portion or portions of the Option may be exercised at any time and from time to time from and including the Award Date through to 5:00 p.m. local time in Vancouver, British Columbia on the Expiry Date by delivering to the Administrator of the Plan an Exercise Notice, in the form provided in the Plan, together with this Certificate and a certified cheque or bank draft payable to the Corporation in an amount equal to the aggregate of the Exercise Price of the Common Shares in respect of which the Option is being exercised.

Upon receiving the Exercise Notice, the Administrator may deliver a shareholders’ agreement, voting trust agreement and/or other agreement to the Option Holder. The Option and the issue of Shares by the Company pursuant to the exercise of the Option are subject to the Option Holder signing and returning to the Administrator a copy of such agreement(s), if so required by the Administrator.

This Certificate and the Option evidenced hereby is not assignable, transferable or negotiable and, other than as expressly provided otherwise in this Option Certificate, is subject to the detailed terms and conditions contained in the Plan, the terms and conditions of which the Option Holder hereby expressly agrees with the Corporation to be bound by. This Certificate is issued for convenience only and in the case of any dispute with regard to any matter in respect hereof, the provisions of the Plan and the records of the Corporation shall prevail.

The Option is also subject to the terms and conditions contained in the schedules, if any, attached hereto. All terms not otherwise defined in this Certificate shall have the meanings given to them under the Plan.

The Optionee represents and warrants that he/she has not been induced to enter this Option Agreement either by the expectation of employment or continued employment with the Corporation or any subsidiary of the Corporation.

THE OPTION HOLDER ACKNOWLEDGES AND AGREES THAT NOTHING IN THIS CERTIFICATE OR THE PLAN SHALL CONFER UPON THE OPTION HOLDER ANY RIGHT WITH RESPECT TO CONTINUED EMPLOYMENT OR DIRECTORSHIP OR A CONTINUING CONSULTANT OR SERVICE PROVIDER CONTRACT, NOR SHALL IT INTERFERE WITH THE OPTION HOLDER’S RIGHT OR THE CORPORATION’S RIGHT TO TERMINATE SUCH EMPLOYMENT, DIRECTORSHIP OR CONTRACT FOR ANY REASON OR NO REASON.

Dated this _____ day of _____, 20___.

[COMPANY NAME]

Per: _____
Administrator, Stock Option Plan

By this Option Holder:

_____
Signature

_____
Print Name

SCHEDULE "B"

Hollyweed North Cannabis Inc.

NOTICE OF EXERCISE OF OPTION

TO: The Administrator, Stock Option Plan
Hollyweed North Cannabis Inc.
Victoria, B.C.

The undersigned hereby irrevocably gives notice, pursuant to the [company name] stock option plan (the "Plan"), of the exercise of the Option to acquire and hereby subscribes for **(cross out inapplicable item)**:

(a) all of the Shares; or
(b) _____ of the Shares;

which are the subject of the Option Certificate attached hereto.

The undersigned tenders herewith a certified cheque or bank draft **(circle one)** payable to "[company name]" in an amount equal to the aggregate Exercise Price of the aforesaid Shares exercised and directs the Corporation to issue the certificate evidencing said Shares in the name of the undersigned to be mailed to the undersigned at the following address:

_____
_____
_____

The undersigned acknowledges that upon receiving the Exercise Notice, the Administrator may deliver a shareholder's agreement to the undersigned. The Option and the issue of Shares by the Corporation pursuant to the exercise of the Option are subject to the undersigned signing and returning to the Administrator a copy of the shareholders' agreement, if so required by the Administrator.

The Optionee represents and warrants that he/she has not been induced to enter this Option Agreement either by the expectation of employment or continued employment with the Corporation or any subsidiary of the Corporation.

By executing this Notice of Exercise of Option the undersigned hereby confirms that the undersigned has read the Plan and agrees to be bound by the provisions of the Plan, including without limitation paragraph 4.2. All terms not otherwise defined in this Notice of Exercise of Option shall have the meanings given to them under the Plan.

DATED the _____ day of _____, _____.

Signature of Option Holder

Exhibit 10.3

HOLLYWEED NORTH CANNABIS INC.
OPTION CERTIFICATE

This Option Certificate is issued pursuant to the provisions of the Stock Option Plan of Hollyweed North Cannabis Inc (the "Corporation") dated May 27, 2019 (the "Plan").

Option Holder's Name:
Address:

Total Options:
Exercise Price Per Share:

Award Date:
Vesting Schedule:
Expiry Date:

The vested portion or portions of the Option may be exercised at any time and from time to time from and including the Award Date through to 5:00 p.m. local time in Vancouver, British Columbia on the Expiry Date by delivering to the Administrator of the Plan an Exercise Notice, in the form provided in the Plan, together with this Certificate and a certified cheque or bank draft payable to the Corporation in an amount equal to the aggregate of the Exercise Price of the Common Shares in respect of which the Option is being exercised.

Upon receiving the Exercise Notice, the Administrator may deliver a shareholders' agreement, voting trust agreement and/or other agreement to the Option Holder. The Option and the issue of Shares by the Company pursuant to the exercise of the Option are subject to the Option Holder signing and returning to the Administrator a copy of such agreement(s), if so required by the Administrator.

This Certificate and the Option evidenced hereby is not assignable, transferable or negotiable and, other than as expressly provided otherwise in this Option Certificate, is subject to the detailed terms and conditions contained in the Plan, the terms and conditions of which the Option Holder hereby expressly agrees with the Corporation to be bound by. This Certificate is issued for convenience only and in the case of any dispute with regard to any matter in respect hereof, the provisions of the Plan and the records of the Corporation shall prevail.

The Option is also subject to the terms and conditions contained in the schedules, if any, attached hereto. All terms not otherwise defined in this Certificate shall have the meanings given to them under the Plan.

The Optionee represents and warrants that he/she has not been induced to enter this Option Agreement either by the expectation of employment or continued employment with the Corporation or any subsidiary of the Corporation.

THE OPTION HOLDER ACKNOWLEDGES AND AGREES THAT NOTHING IN THIS CERTIFICATE OR THE PLAN SHALL CONFER UPON THE OPTION HOLDER ANY RIGHT WITH RESPECT TO CONTINUED EMPLOYMENT OR DIRECTORSHIP OR A CONTINUING CONSULTANT OR SERVICE PROVIDER CONTRACT, NOR SHALL IT INTERFERE WITH THE OPTION HOLDER'S RIGHT OR THE CORPORATION'S RIGHT TO TERMINATE SUCH EMPLOYMENT, DIRECTORSHIP OR CONTRACT FOR ANY REASON OR NO REASON.

Dated this _____ day of _____, 20___.

[COMPANY NAME]

Per: _____
Administrator, Stock Option Plan

By this Option Holder:

_____
Signature

_____
Print Name

Exhibit 10.6

EXECUTIVE CONSULTING AGREEMENT

This Agreement dated and made effective as of the 22nd day of February, 2021.

BETWEEN:

HOLLYWEED NORTH CANNABIS INC., a company incorporated pursuant to the laws of Canada and having offices in Victoria, British Columbia (the "Corporation")

- and -

SUPERCRITICAL LABS, LLC, a limited liability company incorporated pursuant to the laws of Puerto Rico and having offices in Dorado, Puerto Rico (the **"Consultant")**

WHEREAS the Corporation wishes to retain the services of the principal of the Consultant, in the capacity of Chief Executive Officer of the Corporation, to assist in the furtherance of its Business;

AND WHEREAS the Corporation and the Consultant have agreed that their relationship will be governed by the terms and conditions of this Executive Consulting Agreement;

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the provision of services by the Consultant to the Corporation, and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged by the parties hereto, the parties hereto agree as follows:

ARTICLE I.
DEFINITIONS AND INTERPRETATION

1.1 In this Executive Consulting Agreement, including the recitals hereto, the following terms shall have the following meanings:

(a) "Act" means the Canada Business Corporations Act, as amended;

(b) "Affiliated" has the meaning set out in the Act, and an "Affiliate" means one of two or more Affiliated bodies corporate;

(c) "Agreement" means this Executive Consulting Agreement, as from time to time supplemented or amended by one or more agreements entered into pursuant to the applicable provisions hereof;

(d) "Board of Directors" means the board of directors of the Corporation;

(e) "Business" means the delivery of pathways to innovative, science-based health and wellness solutions in psychedelics;

(f) "Cause" means any reason which would entitle the Corporation to terminate this agreement without notice or payment in lieu of notice at common law, or under the provisions of any other applicable law or regulation and includes, without limiting the generality of the foregoing:

(i) fraud, misappropriation of the Corporation's property or funds, embezzlement, malfeasance, misfeasance or nonfeasance in office which is willfully or grossly negligent on the part of the Consultant;

(ii) the breach by the Consultant of any of his covenants or obligations under this Agreement, including any non-competition, non-solicitation or confidentiality covenants with the Corporation;

(g) Change of Control" means the occurrence of any of the following (other than as a consequence of the Exchange Listing):

(i) the purchase or acquisition by whatever means of any Shares or Convertible Securities by a Holder which results in the Holder beneficially owning, or exercising control or direction over, Shares or Convertible Securities such that, assuming the conversion of Convertible Securities beneficially owned or over which control or direction is exercised by the Holder, the Holder would beneficially own or exercise control or direction over Shares (together with such Holder's then owned Shares and Convertible Securities, if any) carrying the right to cast more than 51% of the votes attaching to all Shares;

(ii) the amalgamation, consolidation or merger of the Corporation with any other corporation pursuant to which the shareholders of the Corporation immediately prior to such transaction do not own shares of the successor or continuing corporation which would entitle them to cast a majority of the votes attaching to shares in the capital of the successor or continuing corporation which might be cast to elect directors of that corporation;

(iii) the sale, lease or transfer by the Corporation of all or substantially all of the assets of the Corporation to any Person other than a Related Corporation;

(iv) approval by the shareholders of the Corporation of the liquidation, dissolution or winding-up of the Corporation; or

(v) a situation in which the majority of the Board of Directors, following a meeting of the shareholders of the Corporation involving a contest for, or an item of business relating to, the election of directors, are not management nominees to the Board of Directors.

(h) "Common Shares" means the common shares in the capital stock of the Corporation;

(i) "Compensation" means any amounts the Consultant is entitled to receive pursuant to Article IV.

(j) "Compensation Committee" means the committee of the Board of Directors appointed from time to time to consider and determine executive compensation issues or, in the absence of such a committee, means the Board of Directors;

(k) "Confidential Information" means any information of a confidential nature which relates to the Business of the Corporation or any Related Corporation, including trade secrets, technical information, patents, marketing strategies, sales and pricing policies, financial information, business, marketing or technical plans, programs, methods, techniques, concepts, formulas, documentation, intellectual property, software, industrial designs, products, technical studies and data, strategic studies, engineering information, client and supplier lists, shareholder data and personnel information. Notwithstanding the foregoing, Confidential Information shall not include any information which:

(i) was in the possession of or known to the Consultant, without any obligation to keep it confidential, before it was disclosed to the Consultant by the Corporation;

(ii) is or becomes public knowledge through no fault of the Consultant;

(iii) is independently developed by the Consultant outside the scope of his duties to the Corporation;

(iv) is disclosed by the Corporation to another Person without any restriction on its use or disclosure; or

(v) is, or becomes lawfully available to the Consultant from a source other than the Corporation.

(l) “Convertible Securities” means any securities convertible or exchangeable into Shares or carrying the right or obligation to acquire Shares;

(m) “Corporate Property” includes any and all proprietary technology, financial, and operating information, all works of expression and any copyrights in such works, patentable inventions, discoveries or trade secrets, and any materials, tools, equipment, devices, records, files, data, tapes, computer programs, computer disks, software, communications, letters, proposals, memoranda, lists, drawings, blueprints, correspondence, specifications or any other documents or property belonging to the Corporation or any Related Corporations;

(n) “Dedicated Personnel” means Chris McElvany;

(o) “Effective Date” means the date as set forth on page one of this Agreement;

(p) “Exchange” means a recognized Canadian or United States stock exchange;

(q) “Exchange Listing” means the listing of the Common Shares on an Exchange;

(r) “Excluded Reason” means the termination of this employment by the Corporation for Cause pursuant to Section 5.2, by the Consultant pursuant to Section 6.1, or termination upon Death pursuant to Article VII;

(s) “Holder” means any Person or group of Persons acting jointly or in concert, or associated or Affiliated with any such Person, group of Persons or any of such Persons acting jointly or in concert;

(t) “Notice” means any Notice given by one Party to the other Party in accordance with Article XI;

(u) “Party” means one or other of the Consultant and the Corporation, and “Parties” means both the Consultant and the Corporation;

(v) “Person” includes an individual, partnership, association, body corporate, trustee, executor, administrator or legal representative, and “Persons” means a group of more than one Person;

(w) “Related Corporation” means any subsidiary corporation or partnership, division, affiliate, predecessor or successor of the Corporation;

(x) “Severance Period” has the meaning as defined in 6.3(a) herein;

(y) “Shares” means the common shares of the Corporation as constituted on the date first above written;

(z) “Term” means the period during which this Agreement remains in force pursuant to Article II; and (aa) “Termination Date” means the last day actively worked by the Consultant for the Corporation.

1.2 The headings in this Agreement are inserted for convenience and ease of reference only, and shall not affect the construction or interpretation of this Agreement.

1.3 All words in this Agreement importing the singular number include the plural, and vice versa. All words importing gender include the masculine, feminine and neuter genders.

1.4 All monetary amounts are in United States dollars.

1.5 The word “including”, when following any general statement or term, is not to be construed as limiting the general statement or term to the specific items or matters set forth or to similar items or matters, but rather as permitting the general statement or term to refer to all other items or matters that could reasonably fall within its broadest possible scope.

1.6 A reference to a statute includes all regulations made thereunder, all amendments to the statute or regulations in force from time to time, and any statute or regulation that supplements or supersedes such statute or regulations.

1.7 A reference to an entity includes any successor to that entity.

1.8 A reference to “approval”, “authorization” or “consent’ means written approval, authorization or consent.

1.9 A reference to an Article is to an Article of this Agreement and the reference to a Section followed by a number or some combination of numbers and letters refers to the section, paragraph, subparagraph, clause or subclause of this Agreement so designated.

ARTICLE II.
TERM OF AGREEMENT

2.1 The Consultant’s engagement shall commence on the Effective Date and continue on an annual basis until terminated in accordance with the provisions of this Agreement (the **“Term”).**

ARTICLE III.
DUTIES OF CONSULTANT

3.1 The Consultant shall, during the Term:

(a) perform the duties and responsibilities of the Chief Executive Officer of the Corporation, including all those duties and responsibilities customarily performed by a person holding the same or an equivalent position in corporations of a similar size to the Corporation in a similar Business to that of the Corporation in Canada, as well as such other related duties and responsibilities as may be assigned to the Consultant by the Board of Directors from time to time, provided that such other related duties and responsibilities are consistent with the Consultant’s duties as the Chief Executive Officer of the Corporation;

(b) accept such other office or offices which be may be elected or appointed by the Board of Directors in addition to that of Chief Executive Officer, provided that performance of the duties and responsibilities associated with such office or offices shall be consistent with the duties provided for in paragraph 3.1(a).

3.2 Independent Contractor

(a) It is understood and agreed that the Consultant will provide services to the Corporation as an independent contractor, on a contract basis, and that nothing in this Agreement shall be construed to create a relationship of employer and employee between the Corporation and the Consultant. The Consultant acknowledges that it and the Dedicated Personnel will not be employees of the Corporation and accordingly will not be eligible to participate in any employee benefit plans of the Corporation including, without limitation, life insurance, health care, disability income and dental plans. The Consultant acknowledges that it is not, nor will it represent himself to be, an employee of the Corporation.

(b) Except as provided for in this Agreement, the Corporation shall not control, supervise, direct or schedule the activities of the Consultant. The Consultant shall be solely responsible for the performance of the Services and shall have the exclusive direction and control, including the method, manner and scheduling of the same.

(c) It is acknowledged that the work product of the Consultant hereunder is the sole property of the Corporation and the Consultant hereby assigns to the Corporation any proprietary interest and waives all moral rights he may be deemed to have in the work product of the Consultant relating to or resulting from the performance of the Services hereunder. The Consultant will, under no circumstances, use, copy, modify or disclose any such work product without the prior written consent of the Corporation.

3.3 The Consultant shall be free to determine the hours of the day during which he will perform the Services; provided, however, that the Consultant agrees, to the extent possible, to endeavour to make itself available to the directors and employees of the Corporation during their regularly scheduled hours or at specific times as requested by the Corporation. The Consultant acknowledges that the Services are to be completed on a timely basis and agrees that he shall schedule the performance of the Services in order to complete the Services on or prior to such dates as may be specified by the Corporation from time to time.

3.4 It is a condition of this agreement that all of the services performed hereunder shall be performed by the Dedicated Personnel as an employee of the Consultant. In the event that the Dedicated Personnel is not available to perform any of the services performed hereunder, for any reason whatsoever, then the Consultant shall promptly advise the Corporation accordingly. In the event that the Consultant wishes to have any of these services performed hereunder by any other person, it shall obtain the written permission of the Board of Directors of the Corporation in advance of the performance of the services by that other person.

ARTICLE IV.
COMPENSATION

4.1 The Corporation shall pay the Consultant during the Term of this Agreement for the Services provided hereunder (the **"Consulting Fee"),** a fee of USD$175,000.00 per annum beginning on March 1, 2021, payable on the first day of each month in arears, subject to review by the board of directors.

4.2 The Consultant shall invoice the Corporation for Services provided on a monthly basis. The parties acknowledge and agree that the Consulting Fee maybe subject to Canadian withholding tax and goods and services tax, depending on the extent to which the services are performed in the United States. Additional performance bonuses and targets may be established on an annual basis by the board of directors of the Corporation.

4.3 Upon approval from the Board of Directors of the Corporation and regulatory authorities, the Dedicated Personnel will be granted 8,482,113 stock options (in accordance with the Corporation's Stock Option Plan) on a one-time basis at an exercise price of CDN$0.12 per share. These options will vest as to 2,827,371 options immediately and 2,827,371 on each of the first and second anniversaries of the Effective Date.

4.4 Except as specified below, all expenses incurred by the Consultant in connection with the performance of the Services shall be the sole responsibility of the Consultant and the Consultant shall be solely responsible for the payment thereof. The Consultant agrees and acknowledges that the Corporation is not responsible in any manner whatsoever for the costs, expenses or third party accounts incurred by the Consultant. Notwithstanding the above, the Corporation agrees to reimburse the Consultant for, or to pay directly, all third party costs incurred by the Consultant with the prior written authorization or approval of the Corporation. Such costs and disbursements may include, but may not be limited to, computer equipment, communication devices and travel-related expenses. Such costs will be paid or reimbursed by the Corporation within thirty (30) days of written receipt of payment thereof.

4.5 The Consultant shall be responsible for all taxes payable as a result of the provision of the Services or which arise out of this Agreement. The Consultant represents and warrants to the Corporation that it is a non-resident of Canada and a resident of the United States of America for Canadian income and goods and services tax purposes

4.6 If the Corporation should ever be required by any governmental authority at any time to pay, on the Consultant's behalf, any assessments such as income tax, employment insurance premiums, Canada Pension Plan contributions, Provincial/State Health Care contributions, or Workers' Compensation contributions, the Consultant will, forthwith upon notice, reimburse the Corporation for such payment, together with interest and any penalties applicable to such assessments. The Consultant's obligations under this subsection 4.6 will survive the termination of this Agreement and remain in effect until the expiry of the period during which a notice of assessment or reassessment in respect of the taxes under dispute may be issued and any further periods during which such assessment or reassessment may be applied.

4.7 The Corporation may also grant the Consultant annual or incentive bonuses in an amount and on such terms and conditions as the Compensation Committee in its sole discretion may determine from time to time, based upon such factors as the Compensation Committee in its sole discretion determines are relevant, which factors may include the Consultant's performance under the terms of this Agreement and the performance of the Corporation.

4.8 Upon termination of this Agreement for any reason, the Consultant shall be entitled to receive any Compensation earned up to the Termination Date, in addition to any other severance or termination payments which are payable under the terms of this Agreement.

ARTICLE V.
TERMINATION BY CORPORATION

5.1 The Corporation shall be entitled to terminate this Agreement at any time, for any reason, upon written Notice to the Consultant, in which case:

(a) subject to Section 6.3, the Corporation shall pay the Consultant an amount equal to the Consultant's compensation for the Severance Period in full and final settlement of any claims by the Consultant against the Corporation or any Related Corporation, arising out of, or in any way connected to, this Agreement with the Corporation or any Related Corporation, or the termination of such Agreement, whether at common law or under the provision of any statute or regulation, or pursuant to any agreement between the Parties.

(b) the Consultant's right to receive the payment under this Section 5.1 shall not be subject to any duty to mitigate, nor affected by any actual mitigation by the Consultant; and

(c) payment under this Section 5.1 shall be subject to the prior execution by the Consultant of a Settlement Agreement and Release, on terms acceptable to the Corporation acting reasonably.

ARTICLE VI.
TERMINATION BY CONSULTANT

6.1 The Consultant may terminate this Agreement by providing 90 days' prior Notice to the Corporation. Upon receipt of such Notice of termination by the Consultant:

(a) the Corporation shall be required to pay the Consultant any Compensation earned up to the Termination Date, and may either require the Consultant to continue to perform his duties until the Termination Date, or dismiss the Consultant at any time after receipt of the Notice, providing Compensation for the Notice Period equal to two months multiplied by the monthly instalment of the Consulting Fee;

(b) If the Consultant has terminated this Agreement with the Corporation for any reason other than the occurrence of a Change of Control of the Corporation then one hundred percent (100%) of both the vested and unvested portion of all stock options held by the Consultant as of the Termination Date shall be cancelled as of the Termination Date.

6.2 Subject to the conditions set out in Section 6.4, the Consultant may terminate this agreement with the Corporation within 60 days following the occurrence of a Change of Control of the Corporation and receive the payment set out in section 6.3.

6.3 In the event that the Consultant's agreement with the Corporation is terminated in strict accordance with Section 6.2, the Corporation shall pay the Consultant the following amounts in full and final settlement of any claims by the Consultant against the Corporation or any Related Corporation, arising out of or in any way connected to the Consultant's agreement with the Corporation or any Related Corporation, or the termination of such agreement, whether at common law or under the provision of any statute or regulation, or pursuant to the terms of any agreement between the Parties:

(a) Compensation calculated for the Severance Period calculated based upon 6 months plus the number of months remaining in the Term multiplied by the Consulting Fee. The maximum compensation not to exceed 12 months of pay;

(b) one hundred percent (100%) of the unvested portion of all stock options held by the Consultant as of the Termination Date shall be deemed vested and the Consultant shall be entitled to exercise such stock options for a period of six (6) months following the Termination Date.

6.4 Payment under Section 6.3 shall be subject to the following conditions:

(a) the prior execution by the Consultant of a Settlement Agreement and Release on terms acceptable to the Corporation acting reasonably;

(b) the Consultant's full co-operation and assistance, in connection with any Change of Control, to transfer the Consultant's duties and responsibilities to a replacement at the request of the Corporation and for a period requested by the Corporation not to exceed 30 days, and the tendering by the Consultant of his resignation from any position he may hold as an officer or a director of the Corporation and any Related Corporations, at such time as the Corporation may request;

(c) the Consultant's right to receive the payment under Section 7.2 shall not be subject to any duty to mitigate, nor affected by any actual mitigation by the Consultant; and

(d) payment under Section 6.2 shall be in place of, and not in addition to, any other statutory and common law severance or termination payment in lieu of reasonable notice which may be made to the Consultant pursuant to any other term or provision of this Agreement.

ARTICLE VII.
TERMINATION UPON DEATH

7.1 This Agreement shall automatically terminate upon the death of the Dedicated Personnel.

ARTICLE VIII.
PROPERTY RIGHTS

8.1 The Consultant acknowledges and confirms that the Corporation shall be entitled to own and control all proprietary technology, patentable inventions, discoveries, and improvements, trade secrets, all works subject to copyright, and financial, operating, and training ideas, processes, and materials, including works of expression and all copyrights in such works, that are developed for the Corporation, created for the Corporation, or conceived for the Corporation by the Consultant during the course of this Agreement (collectively referred to as "Contract Developments"), to the extent that such Contract Developments relate to the Corporation's Business or if such Contract Developments were in any part undertaken with Corporation supplied software or equipment or on the premises of the Corporation. Accordingly, the Consultant hereby agrees to disclose, deliver, and assign to the Corporation all such Contract Developments, and further agrees to execute all documents, patent applications, and arrangements necessary to further document such ownership and/or assignment and to take whatever other steps may be needed to give the Corporation the full benefit of them.

8.2 The Consultant agrees that all copyrightable materials generated or developed for the Corporation under this Agreement, including computer programs and documentation, shall be considered works made for hire under the copyright laws of Canada and the United States and shall, upon creation, be owned exclusively by the Corporation. To the extent that any such materials, under applicable law, may not be considered works made for hire, the Consultant hereby assigns to the Corporation the ownership of all copyrights in such materials, without the necessity of any further consideration, and the Corporation shall be entitled to register and hold in its own name all copyrights in respect of such materials.

ARTICLE IX.
CONFIDENTIAL INFORMATION, NON-SOLICITATION AND NON-COMPETITION

9.1 The Consultant acknowledges and agrees that in performing the duties and responsibilities pursuant to this Agreement, he will occupy a position of high fiduciary trust and confidence with the Corporation, pursuant to which he will develop and acquire wide experience and knowledge with respect to all aspects of the Business carried on by the Corporation and its Related Corporations, and the manner in which such Business is conducted. It is the express intent and agreement of the Consultant and the Corporation that such knowledge and experience shall be used solely and exclusively in furtherance of the Business interests of the Corporation and its Related Corporations, and not in any manner detrimental to them. The Consultant therefore agrees that, so long as this Agreement is in force, he shall not engage in any practice or business that competes with the Business of the Corporation or its Related Corporations without informing the Board of Directors of the Corporation.

9.2 The Consultant further acknowledges and agrees that in performing the duties and responsibilities pursuant to this Agreement, he will become knowledgeable with respect to a wide variety of Confidential Information which is the exclusive property of the Corporation, the disclosure of which would cause irreparable harm to the Corporation. The Consultant therefore agrees that during the Term and following the termination of this Agreement for any reason, he shall treat confidentially all Confidential Information belonging to the Corporation and shall not disclose the Confidential Information to any unauthorized persons, except with the express consent of the Board of Directors, or otherwise as required by law.

9.3 The Consultant further agrees that:

(a) for a period of two (2) years from the date of termination of this Agreement, the Consultant will not in any way be associated with or involved, directly or indirectly, with any person, firm, corporation or other entity engaged in the Business carried on by the Corporation within a one section radius of the Corporation's current land holdings;

(b) the Consultant will not, for a period of two (2) years from the date of termination of this Agreement, directly or indirectly, through any other party or entity, approach, solicit, entice or attempt to approach, solicit or entice any of the other shareholders, employees or consultants of the Corporation, or anyone who was a shareholder, employee or consultant of the Corporation during the one (1) year prior to termination of this Agreement, to leave the Corporation;

(c) if the geographic area of restriction set forth above in this Section 9.3 shall be deemed or determined to be unreasonable or unenforceable by a Court of competent jurisdiction, the Consultant agrees and submits to the reduction of the geographic area of restriction to such geographic area of restriction as the Court shall deem to be reasonable and enforceable;

(d) the Consultant acknowledges and agrees that the foregoing time limits are reasonable and properly required for the adequate protection of the business of the Corporation, and in the event that any time limitation is deemed to be unreasonable or unenforceable by a Court of competent jurisdiction, the Consultant agrees and submits to the reduction of the time limitation to such period as the Court shall deem to be reasonable and enforceable;

(e) the Consultant agrees that the restrictions and covenants contained in this Section 9.3 shall be construed independent of any other provision of this Agreement, and the existence of any claim or cause of action by the Consultant against the Corporation, whether predicated on this Agreement or otherwise, shall not constitute a defence to the enforcement by the Corporation of the covenants or restrictions contained herein, provided however that if any provision hereof shall be held to be illegal, invalid or unenforceable in any jurisdiction by a Court of competent jurisdiction, such decision shall not effect any other covenants or provisions of this Agreement or the application of any other covenant or provision;

(f) the Consultant agrees that all restrictions contained in this Section 9.3 are reasonable and valid in the circumstances and all defences to the strict enforcement thereof by the Corporation are hereby waived by the Consultant.

9.4 In the event that this Agreement is terminated in accordance with Sections 5.1 or 6.2, the Consultant acknowledges and agrees that for a further period equal to three (3) months, it shall not for any reason, either directly or indirectly through any Person, agent, employee, Affiliate or representative:

(a) purchase, offer or agree to purchase, directly or indirectly, more than 5% of the outstanding securities of the Corporation or a Related Corporation (other than through the exercise of currently outstanding options);

(b) make, or in any way participate in, either directly or indirectly, any non-management solicitation of any proxy to vote or any consent with respect to any Shares;

(c) form, join or in any way participate in a group in connection with any of the foregoing; or

(d) otherwise act, alone or in concert with others, to seek to control or influence the management or the Board of Directors or policies of the Corporation.

9.5 The Consultant further acknowledges and agrees that pursuant to the terms of this Agreement, that to the extent he acquires Corporate Property of the Corporation, it shall remain the exclusive property of the Corporation. Upon termination of this Consultant Consulting Agreement for any reason, the Consultant shall return to the Corporation all Corporate Property, together with any copies or reproductions thereof; which may have come into the Consultant’s possession during the course of or pursuant to this Agreement, and shall delete or destroy all computer files on his personal computer which may contain any Confidential Information belonging to the Corporation.

ARTICLE X.
INDEMNIFICATION AND INSURANCE

10.1 Subject to the requirements of the Act, the Corporation shall indemnify and save harmless the Consultant from and against any personal liability which he incurs as a direct result of performing his duties on behalf of the Corporation, with the exception of any liability which the Corporation is prohibited by law from assuming.

10.2 The Corporation agrees to maintain directors and officers liability insurance for the benefit of the Dedicated Personnel while the Dedicated Personnel remains an officer of the Corporation and shall, at the Consultant's option or direction, provide such insurance for the Dedicated Personnel on a run-off basis upon termination of this Agreement pursuant to Section 5.1 and Articles XI and XII only, for a period of three (3) years from the Termination Date, on commercially reasonable terms.

10.3 The provisions of this Article XIII shall remain in full force and effect notwithstanding the termination of this Agreement for any reason.

ARTICLE XI.
NOTICES

11.1 Any Notice required to be given hereunder may be provided by personal delivery, by registered mail or by facsimile to the Parties hereto at the following addresses:

To the Corporation:

c/o TingleMerrett LLP
1250, 639 — 5th Street, S.W.
Calgary, Alberta T2P 0M9
sreeves@tinglemerrett.com

Attention: Scott Reeves, Corporate Secretary

To the Consultant:

[address]
Attention: Chris McElvany
Email: supercriticallabs@gmail.com

Any Notice, direction or other instrument shall, if delivered, be deemed to have been given and received on the business day on which it was so delivered, and if not a business day, then on the business day next following the day of delivery, and, if mailed, shall be deemed to have been given and received on the fifth day following the day on which it was so mailed, and, if sent by facsimile transmission, shall be deemed to have been given and received on the next business day following the day it was sent.

11.2 Either Party may change its address for Notice in the aforesaid manner.

ARTICLE XII.
GENERAL

12.1 Time shall be of the essence in this Agreement,

12.2 This Agreement shall be construed and enforced in accordance with the laws of the Province of British Columbia, and the Parties hereby attorn to the non-exclusive jurisdiction of British Columbia Courts. Should provisions in this Agreement fail to comply with the applicable legislation, the Agreement shall be interpreted in accordance with those statutory requirements.

12.3 This Agreement and any other agreements expressly incorporated by reference herein, constitute the entire agreement between the Parties with respect to the subject matter hereof, and supercede and replace any and all prior agreements, undertakings, representations or negotiations pertaining to the subject matter of this Agreement. The Parties agree that they have not relied upon any verbal statements, representations, warranties or undertakings in order to enter into this Agreement. In the event of a conflict between this Agreement and any other agreement expressly incorporated by reference herein, the terms of this Agreement shall prevail.

12.4 This Agreement may not be amended or modified in any way except by written instrument signed by the Parties hereto.

12.5 This Agreement shall enure to the benefit of and be binding upon the Parties hereto, together with their personal representatives, successors and permitted assigns.

12.6 This Agreement may not be assigned by either Party without the prior consent of the other Party.

12.7 The waiver by either Party of any breach of the provisions of this Agreement shall not operate or be construed as a waiver by that Party of any other breach of the same or any other provision of this Agreement.

12.8 The Parties agree to execute and deliver such further and other documents, and perform or cause to be performed such further and other acts and things as may be necessary or desirable in order to give full force and effect to this Agreement.

12.9 The Consultant agrees that following the termination of this Agreement with the Corporation for any reason, the Consultant shall tender his resignation from any position he may hold as an officer or director of the Corporation or any Related Corporation.

12.10 Should any provision in this Agreement be found to be invalid, illegal or unenforceable, the validity, legality or enforceability of the remaining provisions of the Agreement shall not be affected or impaired thereby in any way.

IN WITNESS WHEREOF the Parties hereto acknowledge and agree that they have read and understand the terms of this Agreement, and that they have had an opportunity to seek independent legal advice prior to entering into this Agreement, and that they have executed this Agreement with full force and effect from the date first written above.

HOLLYWEED NORTH CANNABIS INC.

SUPERCRITICAL LABS, LLC

Per **/s/ Chris McElvany**
Chris McElvany, President

Per: **/s/ Authorized signatory**

Per: _____

Exhibit 10.8

EXECUTIVE CONSULTING AGREEMENT

This Agreement dated and made effective as of the 22nd day of February, 2021.

BETWEEN:

HOLLYWEED NORTH CANNABIS INC., a company incorporated pursuant to the laws of Canada and having offices in Victoria, British Columbia (the "Corporation")

- and -

AJK BIOPHARMACEUTICAL LLC – CANADIAN CONSULTING SERIES, a company incorporated pursuant to the laws of Nevada and having offices in California, USA (the **"Consultant")**

WHEREAS the Corporation wishes to retain the services of the principal of the Consultant, in the capacity of Chief Scientific Officer of the Corporation, to assist in the furtherance of its Business;

AND WHEREAS the Corporation and the Consultant have agreed that their relationship will be governed by the terms and conditions of this Executive Consulting Agreement;

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the provision of services by the Consultant to the Corporation, and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged by the parties hereto, the parties hereto agree as follows:

ARTICLE I.
DEFINITIONS AND INTERPRETATION

1.1 In this Executive Consulting Agreement, including the recitals hereto, the following terms shall have the following meanings:

(a) "Act" means the Canada Business Corporations Act, as amended;

(b) "Affiliated" has the meaning set out in the Act, and an "Affiliate" means one of two or more Affiliated bodies corporate;

(c) "Agreement" means this Executive Consulting Agreement, as from time to time supplemented or amended by one or more agreements entered into pursuant to the applicable provisions hereof;

(d) "Board of Directors" means the board of directors of the Corporation;

(e) "Business" means the delivery of pathways to innovative, science-based health and wellness solutions in psychedelics;

(f) "Cause" means any reason which would entitle the Corporation to terminate this agreement without notice or payment in lieu of notice at common law, or under the provisions of any other applicable law or regulation and includes, without limiting the generality of the foregoing:

(i) fraud, misappropriation of the Corporation's property or funds, embezzlement, malfeasance, misfeasance or nonfeasance in office which is willfully or grossly negligent on the part of the Consultant;

(ii) the breach by the Consultant of any of his covenants or obligations under this Agreement, including any non-competition, non-solicitation or confidentiality covenants with the Corporation;

(g) "Change of Control" means the occurrence of any of the following (other than as a consequence of the Exchange Listing):

(i) the purchase or acquisition by whatever means of any Shares or Convertible Securities by a Holder which results in the Holder beneficially owning, or exercising control or direction over, Shares or Convertible Securities such that, assuming the conversion of Convertible Securities beneficially owned or over which control or direction is exercised by the Holder, the Holder would beneficially own or exercise control or direction over Shares (together with such Holder's then owned Shares and Convertible Securities, if any) carrying the right to cast more than 51% of the votes attaching to all Shares;

(ii) the amalgamation, consolidation or merger of the Corporation with any other corporation pursuant to which the shareholders of the Corporation immediately prior to such transaction do not own shares of the successor or continuing corporation which would entitle them to cast a majority of the votes attaching to shares in the capital of the successor or continuing corporation which might be cast to elect directors of that corporation;

(iii) the sale, lease or transfer by the Corporation of all or substantially all of the assets of the Corporation to any Person other than a Related Corporation;

(iv) approval by the shareholders of the Corporation of the liquidation, dissolution or winding-up of the Corporation; or

(v) a situation in which the majority of the Board of Directors, following a meeting of the shareholders of the Corporation involving a contest for, or an item of business relating to, the election of directors, are not management nominees to the Board of Directors.

(h) "Common Shares" means the common shares in the capital stock of the Corporation;

(i) "Compensation" means any amounts the Consultant is entitled to receive pursuant to Article IV.

(j) "Compensation Committee" means the committee of the Board of Directors appointed from time to time to consider and determine executive compensation issues or, in the absence of such a committee, means the Board of Directors;

(k) "Confidential Information" means any information of a confidential nature which relates to the Business of the Corporation or any Related Corporation, including trade secrets, technical information, patents, marketing strategies, sales and pricing policies, financial information, business, marketing or technical plans, programs, methods, techniques, concepts, formulas, documentation, intellectual property, software, industrial designs, products, technical studies and data, strategic studies, engineering information, client and supplier lists, shareholder data and personnel information. Notwithstanding the foregoing, Confidential Information shall not include any information which:

(i) was in the possession of or known to the Consultant, without any obligation to keep it confidential, before it was disclosed to the Consultant by the Corporation;

(ii) is or becomes public knowledge through no fault of the Consultant;

(iii) is independently developed by the Consultant outside the scope of his duties to the Corporation;

(iv) is disclosed by the Corporation to another Person without any restriction on its use or disclosure; or

(v) is, or becomes lawfully available to the Consultant from a source other than the Corporation.

(l) “Convertible Securities” means any securities convertible or exchangeable into Shares or carrying the right or obligation to acquire Shares;

(m) “Corporate Property” includes any and all proprietary technology, financial, and operating information, all works of expression and any copyrights in such works, patentable inventions, discoveries or trade secrets, and any materials, tools, equipment, devices, records, files, data, tapes, computer programs, computer disks, software, communications, letters, proposals, memoranda, lists, drawings, blueprints, correspondence, specifications or any other documents or property belonging to the Corporation or any Related Corporations;

(n) “Dedicated Personnel” means Dr. Assad Kazeminy

(o) “Effective Date” means the date as set forth on page one of this Agreement;

(p) “Exchange” means a recognized Canadian or United States stock exchange;

(q) “Exchange Listing” means the listing of the Common Shares on an Exchange;

(r) “Excluded Reason” means the termination of this employment by the Corporation for Cause pursuant to Section 5.2, by the Consultant pursuant to Section 6.1, or termination upon Death pursuant to Article VII;

(s) “Holder” means any Person or group of Persons acting jointly or in concert, or associated or Affiliated with any such Person, group of Persons or any of such Persons acting jointly or in concert;

(t) “Notice” means any Notice given by one Party to the other Party in accordance with Article XI;

(u) “Party” means one or other of the Consultant and the Corporation, and “Parties” means both the Consultant and the Corporation;

(v) “Person” includes an individual, partnership, association, body corporate, trustee, executor, administrator or legal representative, and “Persons” means a group of more than one Person;

(w) “Related Corporation” means any subsidiary corporation or partnership, division, affiliate, predecessor or successor of the Corporation;

(x) “Severance Period” has the meaning as defined in 6.3(a) herein;

(y) “Shares” means the common shares of the Corporation as constituted on the date first above written;

(z) “Term” means the period during which this Agreement remains in force pursuant to Article II; and (aa) “Termination Date” means the last day actively worked by the Consultant for the Corporation.

1.2 The headings in this Agreement are inserted for convenience and ease of reference only, and shall not affect the construction or interpretation of this Agreement.

1.3 All words in this Agreement importing the singular number include the plural, and vice versa. All words importing gender include the masculine, feminine and neuter genders.

1.4 All monetary amounts are in United States dollars.

1.5 The word “including”, when following any general statement or term, is not to be construed as limiting the general statement or term to the specific items or matters set forth or to similar items or matters, but rather as permitting the general statement or term to refer to all other items or matters that could reasonably fall within its broadest possible scope.

1.6 A reference to a statute includes all regulations made thereunder, all amendments to the statute or regulations in force from time to time, and any statute or regulation that supplements or supersedes such statute or regulations.

1.7 A reference to an entity includes any successor to that entity.

1.8 A reference to “approval”, “authorization” or “consent” means written approval, authorization or consent.

1.9 A reference to an Article is to an Article of this Agreement and the reference to a Section followed by a number or some combination of numbers and letters refers to the section, paragraph, subparagraph, clause or subclause of this Agreement so designated.

ARTICLE II.
TERM OF AGREEMENT

2.1 The Consultant’s engagement shall commence on the Effective Date and continue for a three (3) years period in accordance with the provisions of this Agreement (the **“Term”).**

ARTICLE III.
DUTIES OF CONSULTANT

3.1 The Consultant shall, during the Term:

(a) perform the duties and responsibilities of the Chief Scientific Officer of the Corporation substantially as described in Schedule “A” to this Agreement (the "Services").

3.2 Independent Contractor

(a) It is understood and agreed that the Consultant will provide services to the Corporation as an independent contractor, on a contract basis, and that nothing in this Agreement shall be construed to create a relationship of employer and employee between the Corporation and the Consultant. The Consultant acknowledges that it and the Dedicated Personnel will not be employees of the Corporation and accordingly will not be eligible to participate in any employee benefit plans of the Corporation including, without limitation, life insurance, health care, disability income and dental plans. The Consultant acknowledges that it is not, nor will it represent himself to be, an employee of the Corporation.

(b) Except as provided for in this Agreement, the Corporation shall not control, supervise, direct or schedule the activities of the Consultant. The Consultant shall be solely responsible for the performance of the Services and shall have the exclusive direction and control, including the method, manner and scheduling of the same.

(c) It is acknowledged that the work product of the Consultant hereunder is the sole property of the Corporation and the Consultant hereby assigns to the Corporation any proprietary interest and waives all moral rights he may be deemed to have in the work product of the Consultant relating to or resulting from the performance of the Services hereunder. The Consultant will, under no circumstances, use, copy, modify or disclose any such work product without the prior written consent of the Corporation.

3.3 The Consultant shall be free to determine the hours of the day during which it will perform the Services; provided, however, that the Consultant agrees, to the extent possible, to endeavour to make itself available to the directors and employees of the Corporation during their regularly scheduled hours or at specific times as requested by the Corporation. The Consultant acknowledges that the Services are to be completed on a timely basis and agrees that it shall schedule the performance of the Services in order to complete the Services on or prior to such dates as may be reasonably specified by the Corporation from time to time. Notwithstanding the foregoing, it is acknowledged that the Dedicated Personnel is also currently engaged in senior capacities with A ingeal Therapeutics and AJK Biopharmaceutical and that as a result there will be unavoidable schedule conflicts from time to time that prevent the Consultant from performing Services at specifically requested times. It is further acknowledged and agreed that the Services shall be for no more than 20 hours per week.

3.4 It is a condition of this agreement that all of the services performed hereunder shall be performed by the Dedicated Personnel as an employee of the Consultant. In the event that the Dedicated Personnel is not available to perform any of the services performed hereunder, for any reason whatsoever, then the Consultant shall promptly advise the Corporation accordingly. In the event that the Consultant wishes to have any of these services performed hereunder by any other person, it shall obtain the written permission of the Board of Directors of the Corporation in advance of the performance of the services by that other person.

ARTICLE IV.
COMPENSATION

4.1 The Corporation shall pay the Consultant during the Term of this Agreement for the Services provided hereunder (the **"Consulting Fee"),** a fee of USD$180,000.00 per annum beginning on March 1, 2021, payable in monthly installments on the first day of each month in arrears.

4.2 The Consultant shall invoice the Corporation for Services provided on a monthly basis. The parties acknowledge and agree that the Consulting Fee maybe subject to Canadian withholding tax and goods and services tax, depending on the extent to which the services are performed in the United States. Additional performance bonuses and targets may be established on an annual basis by the board of directors of the Corporation.

4.3 Upon approval from the Board of Directors of the Corporation and regulatory authorities, the Dedicated Personnel will be granted 3,000,000 stock options on a one-time basis. Each of these options will be priced at CDN$0.12 per Common Share and will vest as to 1,000,000 upon the execution of this Agreement, and 500,000 options at the end of each three month period during the Term, with the effect that all options shall have vested on the one year anniversary of the execution of this Agreement

4.4 Except as specified below, all expenses incurred by the Consultant in connection with the performance of the Services shall be the sole responsibility of the Consultant and the Consultant shall be solely responsible for the payment thereof. The Consultant agrees and acknowledges that the Corporation is not responsible in any manner whatsoever for the costs, expenses or third party accounts incurred by the Consultant. Notwithstanding the above, the Corporation agrees to reimburse the Consultant for, or to pay directly, all third party costs incurred by the Consultant with the prior written authorization or approval of the Corporation. Such costs and disbursements may include, but may not be limited to, computer equipment, communication devices and travel-related expenses. Such costs will be paid or reimbursed by the Corporation within thirty (30) days of written receipt of payment thereof.

4.5 The Consultant shall be responsible for all taxes payable as a result of the provision of the Services or which arise out of this Agreement. The Consultant represents and warrants to the Corporation that it is a non-resident of Canada and a resident of the United States of America for Canadian income and goods and services tax purposes

4.6 If the Corporation should ever be required by any governmental authority at any time to pay, on the Consultant's behalf, any assessments such as income tax, employment insurance premiums, Canada Pension Plan contributions, Provincial/State Health Care contributions, or Workers' Compensation contributions, the Consultant will, forthwith upon notice, reimburse the Corporation for such payment, together with interest and any penalties applicable to such assessments. The Consultant's obligations under this subsection 4.6 will survive the termination of this Agreement and remain in effect until the expiry of the period during which a notice of assessment or reassessment in respect of the taxes under dispute may be issued and any further periods during which such assessment or reassessment may be applied.

4.7 The Corporation may also grant the Consultant annual or incentive bonuses in an amount and on such terms and conditions as the Compensation Committee in its sole discretion may determine from time to time, based upon such factors as the Compensation Committee in its sole discretion determines are relevant, which factors may include the Consultant's performance under the terms of this Agreement and the performance of the Corporation.

4.8 Upon termination of this Agreement for any reason, the Consultant shall be entitled to receive any Compensation earned up to the Termination Date, in addition to any other severance or termination payments which are payable under the terms of this Agreement.

ARTICLE V.
TERMINATION BY CORPORATION

5.1 The Corporation shall be entitled to terminate this Agreement at any time, for any reason, upon written Notice to the Consultant, in which case:

(a) subject to Section 6.3, the Corporation shall pay the Consultant an amount equal to the Consultant's compensation for the Severance Period in full and final settlement of any claims by the Consultant against the Corporation or any Related Corporation, arising out of, or in any way connected to, this Agreement with the Corporation or any Related Corporation, or the termination of such Agreement, whether at common law or under the provision of any statute or regulation, or pursuant to any agreement between the Parties.

(b) the Consultant's right to receive the payment under this Section 5.1 shall not be subject to any duty to mitigate, nor affected by any actual mitigation by the Consultant; and

(c) payment under this Section 5.1 shall be subject to the prior execution by the Consultant of a Settlement Agreement and Release, on terms acceptable to the Corporation acting reasonably.

ARTICLE VI.
TERMINATION BY CONSULTANT

6.1 The Consultant may terminate this Agreement by providing 90 days' prior Notice to the Corporation. Upon receipt of such Notice of termination by the Consultant:

(a) the Corporation shall be required to pay the Consultant any Compensation earned up to the Termination Date, and may either require the Consultant to continue to perform his duties until the Termination Date, or dismiss the Consultant at any time after receipt of the Notice, providing Compensation for the Notice Period equal to two months multiplied by the monthly instalment of the Consulting Fee;

(b) If the Consultant has terminated this Agreement with the Corporation for any reason other than the occurrence of a Change of Control of the Corporation then one hundred percent (100%) of both the vested and unvested portion of all stock options held by the Consultant as of the Termination Date shall be cancelled as of the Termination Date.

6.2 Subject to the conditions set out in Section 6.4, the Consultant may terminate this agreement with the Corporation within 60 days following the occurrence of a Change of Control of the Corporation and receive the payment set out in section 6.3.

6.3 In the event that the Consultant's agreement with the Corporation is terminated in strict accordance with Section 6.2, the Corporation shall pay the Consultant the following amounts in full and final settlement of any claims by the Consultant against the Corporation or any Related Corporation, arising out of or in any way connected to the Consultant's agreement with the Corporation or any Related Corporation, or the termination of such agreement, whether at common law or under the provision of any statute or regulation, or pursuant to the terms of any agreement between the Parties:

(a) Compensation calculated for the Severance Period calculated based upon 6 months plus the number of months remaining in the Term multiplied by the Consulting Fee. The maximum compensation not to exceed 12 months of pay;

(b) one hundred percent (100%) of the unvested portion of all stock options held by the Consultant as of the Termination Date shall be deemed vested and the Consultant shall be entitled to exercise such stock options for a period of six (6) months following the Termination Date.

6.4 Payment under Section 6.3 shall be subject to the following conditions:

(a) the prior execution by the Consultant of a Settlement Agreement and Release on terms acceptable to the Corporation acting reasonably;

(b) the Consultant's full co-operation and assistance, in connection with any Change of Control, to transfer the Consultant's duties and responsibilities to a replacement at the request of the Corporation and for a period requested by the Corporation not to exceed 30 days, and the tendering by the Consultant of his resignation from any position he may hold as an officer or a director of the Corporation and any Related Corporations, at such time as the Corporation may request;

(c) the Consultant's right to receive the payment under Section 7.2 shall not be subject to any duty to mitigate, nor affected by any actual mitigation by the Consultant; and

(d) payment under Section 6.2 shall be in place of, and not in addition to, any other statutory and common law severance or termination payment in lieu of reasonable notice which may be made to the Consultant pursuant to any other term or provision of this Agreement.

ARTICLE VII.
TERMINATION UPON DEATH

7.1 This Agreement shall automatically terminate upon the death of the Dedicated Personnel.

ARTICLE VIII.
PROPERTY RIGHTS

8.1 The Consultant acknowledges and confirms that the Corporation shall be entitled to own and control all proprietary technology, patentable inventions, discoveries, and improvements, trade secrets, all works subject to copyright, and financial, operating, and training ideas, processes, and materials, including works of expression and all copyrights in such works, that are developed for the Corporation, created for the Corporation, or conceived for the Corporation by the Consultant during the course of this Agreement (collectively referred to as "Contract Developments"), to the extent that such Contract Developments relate to the Corporation's Business or if such Contract Developments were in any part undertaken with Corporation supplied software or equipment or on the premises of the Corporation. Accordingly, the Consultant hereby agrees to disclose, deliver, and assign to the Corporation all such Contract Developments, and further agrees to execute all documents, patent applications, and arrangements necessary to further document such ownership and/or assignment and to take whatever other steps may be needed to give the Corporation the full benefit of them.

8.2 The Consultant agrees that all copyrightable materials generated or developed for the Corporation under this Agreement, including computer programs and documentation, shall be considered works made for hire under the copyright laws of Canada and the United States and shall, upon creation, be owned exclusively by the Corporation. To the extent that any such materials, under applicable law, may not be considered works made for hire, the Consultant hereby assigns to the Corporation the ownership of all copyrights in such materials, without the necessity of any further consideration, and the Corporation shall be entitled to register and hold in its own name all copyrights in respect of such materials.

ARTICLE IX.
CONFIDENTIAL INFORMATION, NON-SOLICITATION AND NON-COMPETITION

9.1 The Consultant agrees that, so long as this Agreement is in force, it shall not engage in any business that competes with the Business of the Corporation without informing the Board of Directors of the Corporation. Notwithstanding the foregoing, the Dedicated Personnel shall remain at liberty to carry out his duties with Aingeal Therapeutics and AJK Biopharmaceutical.

9.2 The Consultant further acknowledges and agrees that in performing the duties and responsibilities pursuant to this Agreement, he will become knowledgeable with respect to a wide variety of Confidential Information which is the exclusive property of the Corporation, the disclosure of which would cause irreparable harm to the Corporation. The Consultant therefore agrees that during the Term and following the termination of this Agreement for any reason, he shall treat confidentially all Confidential Information belonging to the Corporation and shall not disclose the Confidential Information to any unauthorized persons, except with the express consent of the Board of Directors, or otherwise as required by law.

9.3 The Consultant further agrees that:

(a) the Consultant will not, for a period of two (2) years from the date of termination of this Agreement, directly or indirectly, through any other party or entity, approach, solicit, entice or attempt to approach, solicit or entice any of the other shareholders, employees or consultants of the Corporation, or anyone who was a shareholder, employee or consultant of the Corporation during the one (1) year prior to termination of this Agreement, to leave the Corporation;

(b) the Consultant acknowledges and agrees that the foregoing time limits are reasonable and properly required for the adequate protection of the business of the Corporation, and in the event that any time limitation is deemed to be unreasonable or unenforceable by a Court of competent jurisdiction, the Consultant agrees and submits to the reduction of the time limitation to such period as the Court shall deem to be reasonable and enforceable;

(c) the Consultant agrees that the restrictions and covenants contained in this Section 9.3 shall be construed independent of any other provision of this Agreement, and the existence of any claim or cause of action by the Consultant against the Corporation, whether predicated on this Agreement or otherwise, shall not constitute a defence to the enforcement by the Corporation of the covenants or restrictions contained herein, provided however that if any provision hereof shall be held to be illegal, invalid or unenforceable in any jurisdiction by a Court of competent jurisdiction, such decision shall not effect any other covenants or provisions of this Agreement or the application of any other covenant or provision;

(d) the Consultant agrees that all restrictions contained in this Section 9.3 are reasonable and valid in the circumstances and all defences to the strict enforcement thereof by the Corporation are hereby waived by the Consultant.

9.4 In the event that this Agreement is terminated in accordance with Sections 5.1 or 6.2, the Consultant acknowledges and agrees that for a further period equal to three (3) months, it shall not for any reason, either directly or indirectly through any Person, agent, employee, Affiliate or representative:

(a) purchase, offer or agree to purchase, directly or indirectly, more than 5% of the outstanding securities of the Corporation or a Related Corporation (other than through the exercise of currently outstanding options);

(b) make, or in any way participate in, either directly or indirectly, any non-management solicitation of any proxy to vote or any consent with respect to any Shares;

(c) form, join or in any way participate in a group in connection with any of the foregoing; or

(d) otherwise act, alone or in concert with others, to seek to control or influence the management or the Board of Directors or policies of the Corporation.

9.5 The Consultant further acknowledges and agrees that pursuant to the terms of this Agreement, that to the extent he acquires Corporate Property of the Corporation, it shall remain the exclusive property of the Corporation. Upon termination of this Consultant Consulting Agreement for any reason, the Consultant shall return to the Corporation all Corporate Property, together with any copies or reproductions thereof; which may have come into the Consultant’s possession during the course of or pursuant to this Agreement, and shall delete or destroy all computer files on his personal computer which may contain any Confidential Information belonging to the Corporation.

ARTICLE X.
INDEMNIFICATION AND INSURANCE

10.1 Subject to the requirements of the Act, the Corporation shall indemnify and save harmless the Consultant from and against any personal liability which he incurs as a direct result of performing his duties on behalf of the Corporation, with the exception of any liability which the Corporation is prohibited by law from assuming.

10.2 The Corporation agrees to maintain directors and officers liability insurance for the benefit of the Dedicated Personnel while the Dedicated Personnel remains an officer of the Corporation and shall, at the Consultant's option or direction, provide such insurance for the Dedicated Personnel on a run-off basis upon termination of this Agreement pursuant to Section 5.1 and Articles XI and XII only, for a period of three (3) years from the Termination Date, on commercially reasonable terms.

10.3 The provisions of this Article XIII shall remain in full force and effect notwithstanding the termination of this Agreement for any reason.

ARTICLE XI.
NOTICES

11.1 Any Notice required to be given hereunder may be provided by personal delivery, by registered mail or by facsimile to the Parties hereto at the following addresses:

To the Corporation:

c/o TingleMerrett LLP
1250, 639 — 5th Street, S.W.
Calgary, Alberta T2P 0M9
sreeves@tinglemerrett.com

Attention: Scott Reeves, Corporate Secretary

To the Consultant:

Address:	26421 Paseo Infinita San Juan Capistrano, CA 92675
Attention:	Dr. Assad Kazeminy
Email:	assadkazeminy@gmail.com

Any Notice, direction or other instrument shall, if delivered, be deemed to have been given and received on the business day on which it was so delivered, and if not a business day, then on the business day next following the day of delivery, and, if mailed, shall be deemed to have been given and received on the fifth day following the day on which it was so mailed, and, if sent by facsimile transmission, shall be deemed to have been given and received on the next business day following the day it was sent.

11.2 Either Party may change its address for Notice in the aforesaid manner.

ARTICLE XII.
GENERAL

12.1 Time shall be of the essence in this Agreement,

12.2 This Agreement shall be construed and enforced in accordance with the laws of the Province of British Columbia, and the Parties hereby attorn to the non-exclusive jurisdiction of British Columbia Courts. Should provisions in this Agreement fail to comply with the applicable legislation, the Agreement shall be interpreted in accordance with those statutory requirements.

12.3 This Agreement and any other agreements expressly incorporated by reference herein, constitute the entire agreement between the Parties with respect to the subject matter hereof, and supercede and replace any and all prior agreements, undertakings, representations or negotiations pertaining to the subject matter of this Agreement. The Parties agree that they have not relied upon any verbal statements, representations, warranties or undertakings in order to enter into this Agreement. In the event of a conflict between this Agreement and any other agreement expressly incorporated by reference herein, the terms of this Agreement shall prevail.

12.4 This Agreement may not be amended or modified in any way except by written instrument signed by the Parties hereto.

12.5 This Agreement shall enure to the benefit of and be binding upon the Parties hereto, together with their personal representatives, successors and permitted assigns.

12.6 This Agreement may not be assigned by either Party without the prior consent of the other Party.

12.7 The waiver by either Party of any breach of the provisions of this Agreement shall not operate or be construed as a waiver by that Party of any other breach of the same or any other provision of this Agreement.

12.8 The Parties agree to execute and deliver such further and other documents, and perform or cause to be performed such further and other acts and things as may be necessary or desirable in order to give full force and effect to this Agreement.

12.9 The Consultant agrees that following the termination of this Agreement with the Corporation for any reason, the Consultant shall tender his resignation from any position he may hold as an officer or director of the Corporation or any Related Corporation.

12.10 Should any provision in this Agreement be found to be invalid, illegal or unenforceable, the validity, legality or enforceability of the remaining provisions of the Agreement shall not be affected or impaired thereby in any way.

IN WITNESS WHEREOF the Parties hereto acknowledge and agree that they have read and understand the terms of this Agreement, and that they have had an opportunity to seek independent legal advice prior to entering into this Agreement, and that they have executed this Agreement with full force and effect from the date first written above.

HOLLYWEED NORTH CANNABIS INC.

AJK BIOPHARMACEUTICAL LLC CANADIAN CONSULTING SERIES

Per **/s/ Assad Kazeminy**
Dr. Assad Kazeminy, President

Per: **/s/ Authorized signatory**

Per: _____

SCHEDULE A
DESCRIPTION OF SERVICES

Exhibit 10.9

Consulting Agreement

THIS CONSULTING AGREEMENT (the "Agreement") is dated this 16th day of December, 2020

Client (the "Client")

Hollyweed North Cannabis Inc.

3974 Lexington Ave, Victoria, BC V8N 3Z6

Consultant (the "Consultant")

Livio Susin

103-2197 west 2nd Ave

Vancouver, BC V6K 1H7

BACKGROUND

A. The Client is of the opinion that the Consultant has the necessary qualifications, experience and abilities to provide consulting services to the Client.

B. The Consultant is agreeable to providing such consulting services to the Client on the terms and conditions set out in this Agreement.

IN CONSIDERATION OF the matters described above and of the mutual benefits and obligations set forth in this Agreement, the receipt and sufficiency of which consideration is hereby acknowledged, the Client and the Consultant (individually the "Party" and collectively the "Parties" to this Agreement) agree as follows:

SERVICES PROVIDED

1. The Client hereby agrees to engage the Consultant to provide the Client with the following consulting services (the "Services"):

    - Executive Administration Advisory and Consulting Services for HollyWeed North Cannabis Inc. and its subsidiaries HollyWeed Manufacturing & Extracts Inc. and TerraCube International Inc.

2. The Services will also include any other consulting tasks which the Parties may agree on. The Consultant hereby agrees to provide such Services to the Client.

TERM OF AGREEMENT

3. The term of this Agreement (the "Term") will begin on Dec 16, 2020 and will remain in full force and effect with the Client until terminated as provided in this Agreement.

4. In the event that either Party wishes to terminate this Agreement, that Party will be required to provide 10 days' written notice to the other Party.

5. In the event that either Party breaches a material provision under this Agreement, the non-defaulting Party may terminate this Agreement immediately and require the defaulting Party to indemnify the non-defaulting Party against all reasonable damages.

6. This Agreement may be terminated at any time by mutual agreement of the Parties.

7. Except as otherwise provided in this Agreement, the obligations of the Consultant will end upon the termination of this Agreement.

PERFORMANCE

8. The Parties agree to do everything necessary to ensure that the terms of this Agreement take effect.

CURRENCY

9. Except as otherwise provided in this Agreement, all monetary amounts referred to in this Agreement are in CAD (Canadian Dollars).

COMPENSATION

10. The Consultant will charge the Client for the Services at the rate of $12 500 per month (the "Compensation").

11. The Client will be invoiced at the end of every month.

12. Invoices submitted by the Consultant to the Client are due upon receipt.

13. The Compensation as stated in this Agreement does not include sales tax, or other applicable duties as may be required by law. Any sales tax and duties required by law will be charged to the Client in addition to the Compensation.

REIMBURSEMENT OF EXPENSES

14. The Consultant will be reimbursed from time to time for reasonable and necessary expenses incurred by the Consultant in connection with providing the Services.

15. All expenses must be pre-approved by the Client.

CONFIDENTIALITY

16. Confidential information (the "Confidential Information") refers to any data or information relating to the business of the Client which would reasonably be considered to be proprietary to the Client including, but not limited to, accounting records, business processes, and client records and that is not generally known in the industry of the Client and where the release of that Confidential Information could reasonably be expected to cause harm to the Client.

17. The Consultant agrees that they will not disclose, divulge, reveal, report or use, for any purpose, any Confidential Information which the Consultant has obtained, except as authorized by the Client or as required by law. The obligations of confidentiality will apply during the Term and will survive 5 years upon termination of this Agreement.

18. All written and oral information and material disclosed or provided by the Client to the Consultant under this Agreement is Confidential Information regardless of whether it was provided before or after the date of this Agreement or how it was provided to the Consultant.

OWNERSHIP OF INTELLECTUAL PROPERTY

19. All intellectual property and related material, including any trade secrets, moral rights, goodwill, relevant registrations or applications for registration, and rights in any patent, copyright, trademark, trade dress, industrial design and trade name (the "Intellectual Property") that is developed or produced under this Agreement, will be the sole property of the Client. The use of the Intellectual Property by the Client will not be restricted in any manner.

20. The Consultant may not use the Intellectual Property for any purpose other than that contracted for in this Agreement except with the written consent of the Client. The Consultant will be responsible for any and all damages resulting from the unauthorized use of the Intellectual Property.

RETURN OF PROPERTY

21. Upon the expiry or termination of this Agreement, the Consultant will return to the Client any property, documentation, records, or Confidential Information which is the property of the Client.

CAPACITY/INDEPENDENT CONTRACTOR

22. In providing the Services under this Agreement it is expressly agreed that the Consultant is acting as an independent contractor and not as an employee. The Consultant and the Client acknowledge that this Agreement does not create a partnership or joint venture between them, and is exclusively a contract for service.

RIGHT OF SUBSTITUTION

23. Except as otherwise provided in this Agreement, the Consultant may, at the Consultant's absolute discretion, engage a third party sub-contractor to perform some or all of the obligations of the Consultant under this Agreement and the Client will not hire or engage any third parties to assist with the provision of the Services.

24. In the event that the Consultant hires a sub-contractor:

- the Consultant will pay the sub-contractor for its services and the Compensation will remain payable by the Client to the Consultant.

- for the purposes of the indemnification clause of this Agreement, the sub-contractor is an agent of the Consultant.

AUTONOMY

25. Except as otherwise provided in this Agreement, the Consultant will have full control over working time, methods, and decision making in relation to provision of the Services in accordance with the Agreement. The Consultant will work autonomously and not at the direction of the Client. However, the Consultant will be responsive to the reasonable needs and concerns of the Client.

EQUIPMENT

26. Except as otherwise provided in this Agreement, the Consultant will provide at the Consultant's own expense, any and all equipment, software, materials and any other supplies necessary to deliver the Services in accordance with the Agreement.

NO EXCLUSIVITY

27. The Parties acknowledge that this Agreement is non-exclusive and that either Party will be free, during and after the Term, to engage or contract with third parties for the provision of services similar to the Services.

NOTICE

28. All notices, requests, demands or other communications required or permitted by the terms of this Agreement will be given in writing and delivered to the Parties at the following addresses:

- HollyWeed North Cannabis Inc.

  3974 Lexington Ave, Victoria, BC V8N 3Z6

- Livio Susin

  103-2197 w 2nd Ave. Vancouver, BC V6K 1H7

or to such other address as either Party may from time to time notify the other.

INDEMNIFICATION

29. Except to the extent paid in settlement from any applicable insurance policies, and to the extent permitted by applicable law, each Party agrees to indemnify and hold harmless the other Party, and its respective directors, shareholders, affiliates, officers, agents, employees, and permitted successors and assigns against any and all claims, losses, damages, liabilities, penalties, punitive damages, expenses, reasonable legal fees and costs of any kind or amount whatsoever, which result from or arise out of any act or omission of the indemnifying party, its respective directors, shareholders, affiliates, officers, agents, employees, and permitted successors and assigns that occurs in connection with this Agreement. This indemnification will survive the termination of this Agreement.

ADDITIONAL CLAUSES

30. Monthly time commitment is 40 hours/week.

31. Payment is due in 50% cash on a monthly basis with the remaining 50% on an earned and accrued basis or where funds are not available, 100% on an earned and accrued basis to be paid in full, upon termination of this agreement or financing/sale, whichever comes first.

32. 5% GST will be added to the monthly invoice amount once the accrued service amount exceeds $30,000.

MODIFICATION OF AGREEMENT

33. Any amendment or modification of this Agreement or additional obligation assumed by either Party in connection with this Agreement will only be binding if evidenced in writing signed by each Party or an authorized representative of each Party.

TIME OF THE ESSENCE

34. Time is of the essence in this Agreement. No extension or variation of this Agreement will operate as a waiver of this provision.

ASSIGNMENT

35. The Consultant will not voluntarily, or by operation of law, assign or otherwise transfer its obligation sunder this Agreement without the prior written consent of the Client.

ENTIRE AGREEMENT

36. It is agreed that there is no representation, warranty, collateral agreement or condition affecting this Agreement except as expressly provided in this Agreement.

ENUREMENT

37. This Agreement will enure to the benefit of and be binding on the Parties and their respective heirs, executors, administrators and permitted successors and assigns.

TITLES/HEADINGS

38. Headings are inserted for the convenience of the Parties only and are not to be considered when interpreting this Agreement.

GENDER

39. Words in the singular mean and include the plural and vice versa. Words in the masculine mean and include the feminine and vice versa.

GOVERNING LAW

40. This Agreement will be governed by and construed in accordance with the laws of the Province of British Columbia.

SEVERABILITY

41. In the event that any of the provisions of this Agreement are held to be invalid or unenforceable in whole or in part, all other provisions will nevertheless continue to be valid and enforceable with the invalid or unenforceable parts severed from the remainder of this Agreement.

WAIVER

42. The waiver by either Party of a breach, default, delay or omission of any of the provisions of this Agreement by the other Party will not be construed as a waiver of any subsequent breach of the same or other provisions

IN WITNESS WHEREOF the Parties have duly affixed their signatures under hand and seal on this 16th day of December , 2020

HollyWeed North Cannabis Inc.

Per: /s/ Authorized Signatory (Seal)

Livio Susin

Per: /s/ Livio Susin (Seal)

Exhibit 10.10

Consulting Agreement

THIS CONSULTING AGREEMENT (the "Agreement") is dated this 1st day of October , 2020

Client (the "**Client**")

Hollyweed North Cannabis Inc.

777 Fort Street, Victoria, BC, V8W 1H2

Consultant (the "Consultant")

Renee Gagnon 3974 Lexington Ave, Victoria, BC V8N 3Z6

BACKGROUND

A. The Client is of the opinion that the Consultant has the necessary qualifications, experience and abilities to provide consulting services to the Client.

B. The Consultant is agreeable to providing such consulting services to the Client on the terms and conditions set out in this Agreement.

IN CONSIDERATION OF the matters described above and of the mutual benefits and obligations set forth in this Agreement, the receipt and sufficiency of which consideration is hereby acknowledged, the Client and the Consultant (individually the "Party" and collectively the "Parties" to this Agreement) agree as follows:

SERVICES PROVIDED

1. The Client hereby agrees to engage the Consultant to provide the Client with the following consulting services (the "Services"):

    - Executive Chairman (Vision, Strategy, Public Voice, Innovation) Advisory and Consulting Services for HollyWeed North Cannabis Inc. and it's subsidiaries HollyWeed Manufacturing & Extracts Inc. and TerraCube International Inc.

2. The Services will also include any other consulting tasks which the Parties may agree on. The Consultant hereby agrees to provide such Services to the Client.

TERM OF AGREEMENT

3. The term of this Agreement (the "Term") will begin on Oct. 1, 2020 and will remain in full force and effect until replaced by an employment agreement with the Client or terminated as provided in this Agreement.

4. In the event that either Party wishes to terminate this Agreement, that Party will be required to provide 10 days' written notice to the other Party.

5. In the event that either Party breaches a material provision under this Agreement, the non-defaulting Party may terminate this Agreement immediately and require the defaulting Party to indemnify the non-defaulting Party against all reasonable damages.

6. This Agreement may be terminated at any time by mutual agreement of the Parties.

7. Except as otherwise provided in this Agreement, the obligations of the Consultant will end upon the termination of this Agreement.

PERFORMANCE

8. The Parties agree to do everything necessary to ensure that the terms of this Agreement take effect.

CURRENCY

9. Except as otherwise provided in this Agreement, all monetary amounts referred to in this Agreement are in CAD (Canadian Dollars).

COMPENSATION

10. The Consultant will charge the Client for the Services at the rate of $12 500 per month (the "Compensation").

11. The Client will be invoiced at the end of every month.

12. Invoices submitted by the Consultant to the Client are due upon receipt.

13. The Compensation as stated in this Agreement does not include sales tax, or other applicable duties as may be required by law. Any sales tax and duties required by law will be charged to the Client in addition to the Compensation.

REIMBURSEMENT OF EXPENSES

14. The Consultant will be reimbursed from time to time for reasonable and necessary expenses incurred by the Consultant in connection with providing the Services.

15. All expenses must be pre-approved by the Client.

CONFIDENTIALITY

16. Confidential information (the "Confidential Information") refers to any data or information relating to the business of the Client which would reasonably be considered to be proprietary to the Client including, but not limited to, accounting records, business processes, and client records and that is not generally known in the industry of the Client and where the release of that Confidential Information could reasonably be expected to cause harm to the Client.

17. The Consultant agrees that they will not disclose, divulge, reveal, report or use, for any purpose, any Confidential Information which the Consultant has obtained, except as authorized by the Client or as required by law. The obligations of confidentiality will apply during the Term and will survive 5 years upon termination of this Agreement.

18. All written and oral information and material disclosed or provided by the Client to the Consultant under this Agreement is Confidential Information regardless of whether it was provided before or after the date of this Agreement or how it was provided to the Consultant.

OWNERSHIP OF INTELLECTUAL PROPERTY

19. All intellectual property and related material, including any trade secrets, moral rights, goodwill, relevant registrations or applications for registration, and rights in any patent, copyright, trademark, trade dress, industrial design and trade name (the "Intellectual Property") that is developed or produced under this Agreement, will be the sole property of the Client. The use of the Intellectual Property by the Client will not be restricted in any manner.

20. The Consultant may not use the Intellectual Property for any purpose other than that contracted for in this Agreement except with the written consent of the Client. The Consultant will be responsible for any and all damages resulting from the unauthorized use of the Intellectual Property.

RETURN OF PROPERTY

21. Upon the expiry or termination of this Agreement, the Consultant will return to the Client any property, documentation, records, or Confidential Information which is the property of the Client.

CAPACITY/INDEPENDENT CONTRACTOR

22. In providing the Services under this Agreement it is expressly agreed that the Consultant is acting as an independent contractor and not as an employee. The Consultant and the Client acknowledge that this Agreement does not create a partnership or joint venture between them, and is exclusively a contract for service.

RIGHT OF SUBSTITUTION

23. Except as otherwise provided in this Agreement, the Consultant may, at the Consultant's absolute discretion, engage a third party sub-contractor to perform some or all of the obligations of the Consultant under this Agreement and the Client will not hire or engage any third parties to assist with the provision of the Services.

24. In the event that the Consultant hires a sub-contractor:

- the Consultant will pay the sub-contractor for its services and the Compensation will remain payable by the Client to the Consultant.

- for the purposes of the indemnification clause of this Agreement, the sub-contractor is an agent of the Consultant.

AUTONOMY

25. Except as otherwise provided in this Agreement, the Consultant will have full control over working time, methods, and decision making in relation to provision of the Services in accordance with the Agreement. The Consultant will work autonomously and not at the direction of the Client. However, the Consultant will be responsive to the reasonable needs and concerns of the Client.

EQUIPMENT

26. Except as otherwise provided in this Agreement the Consultant will provide at the Consultants own expense, any and all equipment, software, materials and any other supplies necessary to deliver the Services in accordance with the Agreement.

NO EXCLUSIVITY

27. The Parties acknowledge that this Agreement is non-exclusive and that either Party will be free, during and after the Term, to engage or contract with third parties for the provision of services similar to the Services.

NOTICE

28. All notices, requests, demands or other communications required or permitted by the terms of this Agreement will be given in writing and delivered to the Parties at the following addresses:

- HollyWeed North Cannabis Inc.

  777 Fort Street, Victoria, BC V8W 1H2

- Renee Gagnon

  3974 Lexington Ave, Victoria, BC V8N 3Z6

or to such other address as either Party may from time to time notify the other.

INDEMNIFICATION

29. Except to the extent paid in settlement from any applicable insurance policies, and to the extent permitted by applicable law, each Party agrees to indemnify and hold harmless the other Party, and its respective directors, shareholders, affiliates, officers, agents, employees, and permitted successors and assigns against any and all claims, losses, damages, liabilities, penalties, punitive damages, expenses, reasonable legal fees and costs of any kind or amount whatsoever, which result from or arise out of any act or omission of the indemnifying party, its respective directors, shareholders, affiliates, officers, agents, employees, and permitted successors and assigns that occurs in connection with this Agreement. This indemnification will survive the termination of this Agreement.

ADDITIONAL CLAUSES

30. Monthly time commitment is 40 hours/week.

31. Payment is due in 50% cash on a monthly basis with the remaining 50% on an earned and accrued basis or where funds are not available, 100% on an earned and accrued basis to be paid in full, upon termination of this agreement or financing/sale, whichever comes first.

32. 5% GST will be added to the monthly invoice amount once the accrued service amount exceeds $30,000.

MODIFICATION OF AGREEMENT

33. Any amendment or modification of this Agreement or additional obligation assumed by either Party in connection with this Agreement will only be binding if evidenced in writing signed by each Party or an authorized representative of each Party.

TIME OF THE ESSENCE

34. Time is of the essence in this Agreement. No extension or variation of this Agreement will operate as a waiver of this provision.

ASSIGNMENT

35. The Consultant will not voluntarily, or by operation of law, assign or otherwise transfer its obligation sunder this Agreement without the prior written consent of the Client.

ENTIRE AGREEMENT

36. It is agreed that there is no representation, warranty, collateral agreement or condition affecting this Agreement except as expressly provided in this Agreement.

ENUREMENT

37. This Agreement will enure to the benefit of and be binding on the Parties and their respective heirs, executors, administrators and permitted successors and assigns.

TITLES/HEADINGS

38. Headings are inserted for the convenience of the Parties only and are not to be considered when interpreting this Agreement.

GENDER

39. Words in the singular mean and include the plural and vice versa. Words in the masculine mean and include the feminine and vice versa.

GOVERNING LAW

40. This Agreement will be governed by and construed in accordance with the laws of the Province of Ontario.

SEVERABILITY

41. In the event that any of the provisions of this Agreement are held to be invalid or unenforceable in whole or in part, all other provisions will nevertheless continue to be valid and enforceable with the invalid or unenforceable parts severed from the remainder of this Agreement.

WAIVER

42. The waiver by either Party of a breach, default, delay or omission of any of the provisions of this Agreement by the other Party will not be construed as a waiver of any subsequent breach of the same or other provisions

IN WITNESS WHEREOF the Parties have duly affixed their signatures under hand and seal on this September 30, 2020

HollyWeed North Cannabis Inc.

Per: /s/ Auhtorized Signatory (Seal)

Renee Gagnon

Per: /s/ Renee Gagnon (Seal)

Amendment 1

Consulting Agreement

AMENDMENT 1 TO CONSULTING AGREEMENT dated 1st day of October, 2020.

Client (the "Client")

Hollyweed North Cannabis Inc.

777 Fort Street, Victoria, BC, V8W 1H2

Consultant (the "Consultant")

Renee Gagnon

3974 Lexington Ave, Victoria, BC V8N 3Z6

AMENDMENT DETAILS

1. **Consultant (the "Consultant"):** The Consultant name is being changed from Renee Gagnon to 1118737 BC Ltd.

IN WITNESS WHEREOF the Parties have duly affixed their signatures under hand and seal on this 21st day of December, 2020

HollyWeed North Cannabis Inc.

Per: /s/ Livio Susin December 21, 2020] 2:10 PM PST

(Seal)

Renee Gagnon

Per: /s/ Renee Gagnon December 21, 2020 | 2:39 PM PST

(Seal)

Exhibit 10.11

BETWEEN:

MARY STIPANCIC

(hereinafter “Stipancic”)

and

HOLLYWEED NORTH CANNABIS INC.

(hereinafter “Holly Weed”)

and

RENEE GAGNON

(hereinafter “Gagnon”)

and

LIVIO SUSIN

(hereinafter “Susie)

and

HEATHER JENNINGS

(hereinafter “Jennings”)

MINUTES OF SETTLEMENT

WHEREAS Stipancic was formerly employed by HollyWeed;

AND WHEREAS the employment relationship between HollyWeed and Stipancic is governed by an Employment Agreement dated February 17, 2018.

AND WHEREAS Stipancic’s entitlement to compensation under the Employment Agreement included, but was not limited to, an annual salary of $250,000.00, bonus compensation, employee benefits, 20 days paid vacation per annum, Class B Common Non-Voting shares in the company, reimbursement for all home and office and travel expenses, reimbursement for a cellular phone and reimbursement for 50 per cent of her home internet expense;

AND WHEREAS during December 2018, Stipancic was informed by Gagnon, Hollyweed’s Chief Executive Officer, that there had been a major funding shortfall and there was no pay available to Stipancic on December 30, 2018;

AND WHEREAS Stipancic agreed to temporarily defer her entitlement to wages payable on December 30, 2018;

AND WHEREAS during January 2019 Gagnon requested and Stipancic agreed to temporarily defer her entitlement to wages in order that other staff members and expenses of the company could be paid;

AND WHEREAS the funds to pay Stipancic's accrued wages and expenses were not paid to Stipancic despite the fact that Stipancic continued to provide service to HollyWeed;

AND WHEREAS HollyWeed's prolonged failure to provide Stipancic with her salary and reimbursement for expenses resulted in Stipancic's constructive dismissal;

AND WHEREAS Christopher Ore (hereinafter "Ore") commenced an Action against HollyWeed and the Directors of HollyWeed (Court File No. VLC-S-S-195551) for unpaid wages. And whereas Stipancic has been served with a Third Party Claim through which Gagnon, Susin and Jennings seek contribution and indemnity, among other things, from Stipancic for amounts that a court may find owing to Ore;

AND WHEREAS the parties have agreed to settle all matters as between them on the following terms:

1. HollyWeed will provide Stipancic with a lump sum payment in the amount of $233,821.94 (the "Base Amount") less applicable statutory deductions and withholdings, broken down as follows:

    (a) Outstanding annual base salary from December 30, 2018 to October 19, 2019, in the amount of $190,384.60;

    (b) Outstanding vacation pay in the amount of $5,738.83;

    (c) Unpaid expenses in the amount of $12,698.51.

2. HollyWeed shall pay the Base Amount to Stipancic within 72 hours of the earlier of:

    (a) the closing of the sale of HollyWeed's assets (including securities of other entities), or the assets of its associates or affiliates, in whole or in part, or the sale or other transfer of shares in HollyWeed by its shareholders to a third party (each separately and collectively referred to as a "Sale"), for an aggregate purchase price equal to or greater than five million dollars CDN ($5,000,000.00);

    (b) HollyWeed or its associates or affiliates securing an amount equal to or greater than five million dollars CDN ($5,000,000.00) in debt financing from a third party, person, or company;

    (c) the issuance of additional shares in the capital of HollyWeed or its associates or affiliates for an aggregate subscription price of five million dollars CDN ($5,000,000.00).

    If none of the events listed above have occurred on or prior to the semi-anniversary (6 months) of the date these Minutes of Settlement are signed (the "Semi-Anniversary"), HollyWeed shall pay the Base Amount to Stipancic on the Semi-Anniversary. For the purposes hereof, the terms "associates" and "affiliates" have the definitions ascribed thereto under the Ontario Business Corporations Act.

3. Gagnon herby personally guarantees the performance by HollyWeed of all of its obligations herein, including the payment of the Base Amount in accordance with paragraph 2, and shall sign and deliver the guarantee in favour of Stipancic attached hereto and marked as Schedule "A" upon the signing of these Minutes of Settlement.

4. On the condition that HollyWeed or Gagnon have either individually or jointly paid the Base Amount in accordance with paragraph 2, Stipancic will agree to forgo any claim that she was induced to resign from secure employment to join HollyWeed.

5. In consideration of the above referenced terms Stipancic agrees to forgo her entitlement to and any claim she has or may have, whether known of unknown, for benefits and/or reimbursement for benefits from or through HollyWeed.

6. Whereas the parties acknowledge that there remains due and owing $40,000.00 (in addition to the Base Amount) in unpaid wages that accrued during Stipancic's first six (6) months of employment. In lieu of this $40,000.00 that remains due and owing, Stipancic agrees to accept and HollyWeed agrees to issue to Stipancic, that number of Class B Non-Voting shares of HollyWeed that have an aggregate subscription price of $40,000.00, calculated at the lesser of (a) HollyWeed's then current share value as posted on the BC Securities Commission website at the time of issuance and (b) $0.50 per share, and subject to normal statutory deductions and withholdings for employment income. Such shares will be issued to Stipancic at the time that the Base Amount becomes due to be paid in accordance with paragraph 2.

7. At the time that the Base Amount is due to be paid in accordance with paragraph 2. HollyWeed will provide Stipancic the sum of $2,034.00 as a contribution toward outplacement services without deduction. These funds will be paid directly to Stipancic.

8. At the time that the Base Amount is due to be paid in accordance with paragraph 2. HollyWeed shall contribute the sum of $6,000.00 plus HST toward the legal fees that have been incurred by Stipancic in connection with this matter. These funds shall be paid directly to Stipancic upon receipt of a copy of confirmation from Feltmate Delibato Heagle LLP that all such legal fees have been paid. If no such confirmation is received, Stipancic hereby directs that the whole or any part of such $6,000 plus HST that remains outstanding shall be paid directly to Feltmate Delibato Heagle LLP, subject to Feltmate Delibato Heagle LLP delivering an invoice made out to HollyWeed for such outstanding amount.

9. HollyWeed agrees to waive the non-competition covenant contained in Stipancic's Employment Agreement dated February 17, 2018. The covenant shall be waived retroactively to the date of Stipancic's forced resignation from HollyWeed (September 23, 2019). The remainder of the Employment Agreement, including the confidentiality provision, and the Non-Disclosure Agreement shall remain in force.

10. HollyWeed agrees that subject to the occurrence of a Sale or obtaining debt or equity financing as referenced in paragraph 2, above, and subject to paragraph 11, below, it shall; a) pay to Stipancic the sum of $150,000.00 to be paid in equal bi-monthly instalments (on the 15th and 30th of each month) payable over the course of 12 months; b) issue to Stipancic a further one hundred thousand dollars ($100,000.00) in Class B Common Non-Voting shares of the company within seventy two (72) hours of the closing of the Sale or receipt of the debt or equity financing as referenced in paragraph 2, above. The shares shall be issued at the share price which is the lesser of (a) the share value then in effect as of the closing date of the Sale or the date the financing funds are received by HollyWeed or its counsel/agent, as posted on the BC Securities Commission website, and (b) $0.50 per share.

11. If a Sale or debt or equity financing occurs as referenced in paragraph 2, but the aggregate proceeds of same are less than five million dollars CDN ($5,000,000.00), the parties agree to negotiate in good faith to determine a reasonable reduction to the amount that would otherwise be paid and/or the length of the payout period, and/or a reduction to the number of shares that would otherwise be issued to Stipancic, pursuant to paragraph 10.

12. HollyWeed agrees to ensure that Stipancic is informed of all discussions and communications relating to its attempts to obtain financing and any attempts to sell its assets.

13. HollyWeed and its Directors agrees to make immediately arrangements to obtain an Order dismissing the Third Party Claim in action #VLC-s-s-195551 with prejudice. HollyWeed and its Directors agree to indemnify and save Stipancic harmless against those claims as referenced in the claim brought by Christopher Ore in action #VLC-s-s-195551.

14. In exchange for the forgoing consideration the parties agree to sign and exchange the Mutual Full and Final Release attached hereto and marked as Schedule “B”.

15. The parties agree that the terms of these Minutes of Settlement are confidential and private between the parties and shall not be disclosed to any other person or corporation with the exception of each party’s financial and legal advisors, and except as may be required by law.

16. In executing these Minutes of Settlement, the parties hereby declare that they have had the opportunity to obtain legal advice with respect to the terms of settlement as well as this document.

17. In executing these Minutes of Settlement, the parties hereby declare that they have read the Minutes of Settlement and the terms of settlement are fully understood.

18. These Minutes may be executed electronically and in several counterparts and such counterparts together constitute but one and the same instrument.

*** Signature page to follow ***

DATED AT, this 20th day of April, 2020

/s/ Mary Stipancic

DATED AT, this 20th day of April, 2020

HOLLYWEED NORTH CANNABIS INC.

Per: /s/ Renee Gagnon
(I have authority to bind the corporation)

DATED AT, this 19th day of April, 2020

/s/ Renee Gagnon

DATED AT, this 20th day of April, 2020

/s/ Livio Susin

DATED AT, this 19th day of April, 2020

/s/ Heather Jennings

SCHEDULE "A"

GUARANTEE AGREEMENT

To: Mary Stipancic (the "**Creditor**")

2057 Country Club Drive

Burlington, ON L7M 3Z2

Email: marystipancic@gmail.com

WHEREAS RENEE GAGNON (the "**Guarantor**") has agreed to guarantee payment by HOLLYWEED NORTH CANNABIS INC. (the "**Debtor**") of all its present and future indebtedness, liabilities and obligations to the Creditor pursuant to the terms of the Minutes of Settlement (defined below), on the terms and subject to the conditions hereinafter set forth;

The Guarantor hereby covenants to and for the benefit of the Creditor as follows:

ARTICLE 1- INTERPRETATION

1.01 DEFINED TERMS

In this agreement or any amendment to this agreement, unless the context clearly indicates to the contrary:

"Banking Day" means any day other than a Saturday or a Sunday on which banks generally arc open for business in Toronto, Ontario.

"Minutes of Settlement" means those minutes of settlement dated _____, 2020

between the Creditor, the Debtor, the Guarantor, Livio Susin and Heather Jennings.

"Obligations" means all debts, obligations and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Debtor to the Creditor or remaining unpaid by the Debtor to the Creditor pursuant to the Minutes of Settlement.

"Person" means any natural person, corporation, firm, partnership, joint venture, joint stock company, incorporated or unincorporated association, government, governmental agency or any other entity, whether acting in an individual, fiduciary or other capacity.

1.02 OTHER USAGES

References to "this agreement", "the agreement", "hereof', "herein", "hereto" and like references refer to this Guarantee Agreement, as amended, modified, supplemented or replaced from time to time, and not to any particular Article, Section or other subdivision of this agreement.

1.03 NUMBER AND GENDER

Where the context so requires, words importing the singular number shall include the plural and vice versa; words importing gender include all genders.

1.04 HEADINGS

The division of this agreement into Articles and Sections and the insertion of headings in this agreement are for convenience of reference only and shall not affect the construction or interpretation of this agreement.

1.05 APPLICABLE LAW

This agreement shall be governed by and construed in accordance with the laws of the Province of Ontario.

1.06 TIME OF THE ESSENCE

Time shall in all respects be of the essence of this agreement, and no extension or variation of this agreement or any obligation hereunder shall operate as a waiver of this provision.

ARTICLE 2 - GUARANTEE

2.01 GUARANTEE

The Guarantor hereby unconditionally, absolutely and irrevocably guarantees the full and punctual payment to the Creditor as and when due, whether at stated maturity, by required prepayment, declaration, acceleration, demand or otherwise of all of the Obligations, whether for principal, interest, fees, expenses, indemnities or otherwise.

2.02 ACCELERATION OF GUARANTEE.

The Guarantor agrees that, in the event of the insolvency of the Guarantor, or the inability or failure (after any applicable grace periods) of the Guarantor to pay debts as they become due, or an assignment by the Guarantor for the benefit of creditors, or the commencement of any proceeding in respect of the Guarantor under any bankruptcy, insolvency or similar laws, and if such event shall occur at a time when any of the Obligations may not then be due and payable, the Guarantor will pay to the Creditor forthwith the full amount which would be payable hereunder by the Guarantor if all such Obligations were then due and payable.

2.03 NATURE OF GUARANTEE

Subject to Section 2.02, the Guarantee shall in all respects be a continuing, absolute, unconditional and irrevocable guarantee of payment when due and not of collection, and shall remain in full force and effect until all Obligations have been paid in full, all obligations of the Guarantor hereunder have been paid in full and any and all commitments of the Creditor to the Debtor have been permanently terminated. The Guarantor guarantees that the Obligations will be paid strictly in accordance with the terms of the Minutes of Settlement, regardless of any law, regulation or order now or hereafter in effect in any jurisdiction affecting any of such terms or the rights of the Creditor with respect thereto. The liability of the Guarantor under this agreement shall be absolute, unconditional and irrevocable irrespective of, and without being lessened or limited by:

(A) ANY LACK OF VALIDITY, LEGALITY, EFFECTIVENESS OR ENFORCEABILITY OF THE MINUTES OF SETTLEMENT;

(B) THE FAILURE OF THE CREDITOR:

(I) TO ASSERT ANY CLAIM OR DEMAND OR TO ENFORCE ANY RIGHT OR REMEDY AGAINST THE DEBTOR OR ANY OTHER PERSON (INCLUDING ANY OTHER GUARANTOR) UNDER THE PROVISIONS OF THE MINUTES OF SETTLEMENT, OR OTHERWISE, OR

(II) TO EXERCISE ANY RIGHT OR REMEDY AGAINST ANY OTHER GUARANTOR OF, OR COLLATERAL SECURING, ANY OF THE OBLIGATIONS;

(C) ANY CHANGE IN THE TIME, MANNER OR PLACE OF PAYMENT OF, OR IN ANY OTHER TERM OF, ALL OR ANY OF THE OBLIGATIONS, OR ANY OTHER EXTENSION, COMPROMISE, INDULGENCE OR RENEWAL OF ANY OBLIGATION;

(D) ANY REDUCTION, LIMITATION, VARIATION, IMPAIRMENT, DISCONTINUANCE OR TERMINATION OF THE OBLIGATIONS FOR ANY REASON (OTHER THAN BY REASON OF ANY PAYMENT WHICH IS NOT REQUIRED TO BE RESCINDED), INCLUDING ANY CLAIM OF WAIVER, RELEASE, DISCHARGE, SURRENDER, ALTERATION OR COMPROMISE, AND SHALL NOT BE SUBJECT TO (AND THE GUARANTOR HEREBY WAIVES ANY RIGHT TO OR CLAIM OF) ANY DEFENCE OR SETOFF, COUNTERCLAIM, RECOUPMENT OR TERMINATION WHATSOEVER BY REASON OF THE INVALIDITY, ILLEGALITY, NONGENUINENESS, IRREGULARITY, COMPROMISE, UNENFORCEABILITY OF, OR ANY OTHER EVENT OR OCCURRENCE AFFECTING, THE OBLIGATIONS OR OTHERWISE (OTHER THAN BY REASON OF ANY PAYMENT WHICH IS NOT REQUIRED TO BE RESCINDED);

(E) ANY AMENDMENT TO, RESCISSION, WAIVER OR OTHER MODIFICATION OF, OR ANY CONSENT TO ANY DEPARTURE FROM, ANY OF THE TERMS OF THE MINUTES OF SETTLEMENT OR ANY OTHER GUARANTEES OR SECURITY;

(F) ANY ADDITION, EXCHANGE, RELEASE, DISCHARGE, RENEWAL, REALIZATION OR NON-PERFECTION OF ANY COLLATERAL SECURITY FOR THE OBLIGATIONS OR ANY AMENDMENT TO, OR WAIVER OR RELEASE OR ADDITION OF, OR CONSENT TO DEPARTURE FROM, ANY OTHER GUARANTEE HELD BY THE CREDITOR AS SECURITY FOR ANY OF THE OBLIGATIONS;

(G) THE LOSS OF OR IN RESPECT OF OR THE UNENFORCEABILITY OF ANY OTHER GUARANTEE OR OTHER SECURITY WHICH THE CREDITOR MAY NOW OR HEREAFTER HOLD IN RESPECT OF THE OBLIGATIONS, WHETHER OCCASIONED BY THE FAULT OF THE CREDITOR OR OTHERWISE;

(H) ANY CHANGE IN THE NAME OF THE DEBTOR OR CAPACITY OF THE DEBTOR, OR THE BANKRUPTCY OR INSOLVENCY OF THE DEBTOR;

(I) ANY OTHER CIRCUMSTANCE (OTHER THAN FINAL PAYMENT IN FULL OF ALL OBLIGATIONS) WHICH MIGHT OTHERWISE CONSTITUTE A DEFENCE AVAILABLE TO, OR A LEGAL OR EQUITABLE DISCHARGE OF, THE DEBTOR, ANY SURETY OR ANY GUARANTOR.

2.04 RIGHT TO IMMEDIATE PAYMENT

THE CREDITOR SHALL NOT BE BOUND TO SEEK OR EXHAUST ITS RECOURSE AGAINST THE DEBTOR OR ANY OTHER PERSON OR TO REALIZE ON ANY SECURITIES IT MAY HOLD IN RESPECT OF THE OBLIGATIONS BEFORE BEING ENTITLED TO PAYMENT FROM THE GUARANTOR UNDER THIS AGREEMENT AND THE GUARANTOR RENOUNCES ALL BENEFITS OF DISCUSSION AND DIVISION.

2.05 COSTS AND EXPENSES

THE GUARANTOR AGREES TO PAY THE CREDITOR, UPON DEMAND, ALL OUT-OF-POCKET COSTS AND EXPENSES (INCLUDING, WITHOUT LIMITATION, LEGAL FEES ON A SOLICITOR AND CLIENT BASIS) INCURRED BY OR ON BEHALF OF THE CREDITOR IN CONNECTION WITH ENFORCING ANY OF ITS RIGHTS AGAINST THE DEBTOR IN RESPECT OF THE GUARANTEED OBLIGATIONS OR AGAINST THE GUARANTOR.

2.06 STATEMENT OF ACCOUNTS

ANY ACCOUNT SETTLED OR STATED BY OR BETWEEN THE CREDITOR AND THE DEBTOR, OR IF ANY SUCH ACCOUNT HAS NOT BEEN SO STATED OR SETTLED PRIOR TO ANY DEMAND FOR PAYMENT, ANY ACCOUNT STATED BY THE CREDITOR SHALL, IN THE ABSENCE OF MANIFEST ERROR, BE ACCEPTED BY THE GUARANTOR AS CONCLUSIVE EVIDENCE THAT THE AMOUNT OF THE GUARANTEED OBLIGATIONS SO SETTLED OR STATED IS DUE AND PAYABLE BY THE DEBTOR TO THE CREDITOR.

2.07 GUARANTEE IN ADDITION TO OTHER SECURITY

This agreement shall be in addition to and not in substitution for any other guarantee or other security which the Creditor may now or hereafter hold in respect of the Obligations, and the Creditor shall be under no obligation to marshal in favour of the Guarantor any other guarantee or other security or any moneys or other assets which the Creditor may be entitled to receive or may have a claim upon.

2.08 REINSTATEMENT

This agreement and all other terms of this agreement shall continue to be effective or shall be reinstated, as the case may be, if at any time any payment (in whole or in part) of any of the Obligations is rescinded or must otherwise be returned or restored by the Creditor by reason of the insolvency, bankruptcy or reorganization of the Debtor or for any other reason not involving the wilful misconduct of the Creditor, all as though such payment had not been made.

2.09 WAIVER OF NOTICE, ETC.

The Guarantor hereby waives promptness, diligence, notice of acceptance and any other notice with respect to any of the Obligations and this agreement.

ARTICLE 3 — ASSIGNMENT, POSTPONEMENT AND SUBROGATION

3.01 POSTPONEMENT AND ASSIGNMENT OF CLAIMS

ALL PRESENT AND FUTURE DEBTS, LIABILITIES AND OBLIGATIONS (COLLECTIVELY THE "ASSIGNED OBLIGATIONS") OF THE DEBTOR TO THE GUARANTOR ARE POSTPONED TO THE PAYMENT OF THE GUARANTEED OBLIGATIONS AND ARE ASSIGNED BY THE GUARANTOR TO THE CREDITOR AS CONTINUING SECURITY FOR THE PAYMENT OF THE LIABILITY OF THE GUARANTOR. ANY MONEYS OR OTHER PROPERTY RECEIVED BY THE GUARANTOR IN RESPECT OF ANY ASSIGNED OBLIGATIONS SHALL BE RECEIVED IN TRUST FOR, AND IMMEDIATELY PAID OVER TO, THE CREDITOR WITH ALL NECESSARY ENDORSEMENTS AND ASSIGNMENTS AND PENDING SUCH PAYMENT SHALL BE HELD SEPARATE AND APART FROM ALL OTHER PROPERTY HELD BY THE GUARANTOR. ANY MONEYS RECEIVED BY THE CREDITOR PURSUANT TO THIS SECTION, INCLUDING MONEYS DERIVED FROM INSTRUMENTS AND ANY OTHER PROPERTY, MAY BE APPLIED AGAINST ANY OBLIGATIONS OR HELD BY THE CREDITOR AS CONTINUING SECURITY FOR THE LIABILITY OF THE GUARANTOR OR RELEASED TO THE GUARANTOR, ALL AS THE CREDITOR MAY SEE FIT AND WITHOUT PREJUDICING OR IN ANY WAY DISCHARGING OR DIMINISHING THE LIABILITY OF THE GUARANTOR. IN THE EVENT THAT THE FURTHER LIABILITY OF THE GUARANTOR IS TERMINATED, THE PROVISIONS OF THIS AGREEMENT RELATING TO THE POSTPONEMENT AND ASSIGNMENT OF THE ASSIGNED OBLIGATIONS SHALL CONTINUE IN FULL FORCE AND EFFECT UNTIL THE OBLIGATIONS HAVE BEEN PAID IN FULL AND THE CREDITOR IS UNDER NO OBLIGATION TO MAKE ANY FURTHER ADVANCES OR EXTEND ANY OTHER FINANCIAL ACCOMMODATION TO OR FOR THE BENEFIT OF THE DEBTOR.

3.02 WAIVER OF SUBROGATION RIGHTS

IN THE EVENT THAT THE CREDITOR RECEIVES ANY PAYMENTS ON ACCOUNT OF THE LIABILITY OF THE GUARANTOR, THE GUARANTOR SHALL NOT HAVE, AND WAIVES TO THE EXTENT REQUIRED, ALL RIGHTS TO CLAIM REPAYMENT FROM OR AGAINST THE DEBTOR AND ANY OTHER GUARANTORS AND ALL RIGHTS TO BE SUBROGATED TO ANY RIGHTS OF THE CREDITOR, UNTIL THE OBLIGATIONS HAVE BEEN PAID IN FULL.

3.03 PRIORITY UPON INSOLVENCY AND LIQUIDATION

IN THE EVENT OF ANY LIQUIDATION, WINDING UP OR BANKRUPTCY OF THE DEBTOR (WHETHER VOLUNTARY OR COMPULSORY) OR IN THE EVENT THAT THE DEBTOR SHALL MAKE A BULK SALE OF ANY OF ITS ASSETS WITHIN THE BULK TRANSFER PROVISIONS OF ANY APPLICABLE LEGISLATION OR ANY COMPOSITION WITH CREDITORS OR SCHEME OF ARRANGEMENT, THE CREDITOR SHALL HAVE THE RIGHT TO RANK IN PRIORITY TO THE GUARANTOR FOR ITS CLAIM IN RESPECT OF THE OBLIGATIONS AND TO RECEIVE ALL DIVIDENDS OR OTHER PAYMENTS IN RESPECT THEREOF UNTIL ITS CLAIM HAS BEEN PAID IN FULL, ALL WITHOUT PREJUDICE TO ITS CLAIM AGAINST THE GUARANTOR WHO SHALL CONTINUE TO BE LIABLE FOR ANY REMAINING UNPAID BALANCE OF THE OBLIGATIONS. IN THE EVENT OF ANY VALUATION OR RETENTION BY THE CREDITOR OF ANY SECURITIES, SUCH VALUATION OR RETENTION SHALL NOT, AS BETWEEN THE CREDITOR AND THE GUARANTOR, BE CONSIDERED PAYMENT, SATISFACTION OR REDUCTION OF ANY OBLIGATIONS.

ARTICLE 4 - REPRESENTATIONS AND WARRANTIES

4.01 REPRESENTATIONS AND WARRANTIES.

To induce the Creditor to extend credit to the Debtor, the Guarantor hereby represents and warrants to the Creditor as follows and acknowledges and confirms that the Creditor is relying upon such representations and warranties in extending credit to the Debtor:

(A) **POWER**. THE GUARANTOR HAS ALL REQUISITE CAPACITY, POWER AND AUTHORITY TO ENTER INTO, AND CARRY OUT THE TRANSACTIONS CONTEMPLATED BY, THIS AGREEMENT.

(B) **ENFORCEMENT OF DOCUMENTS**. THE GUARANTOR HAS DULY EXECUTED AND DELIVERED THIS AGREEMENT. THIS AGREEMENT IS A LEGAL, VALID AND BINDING OBLIGATION OF THE GUARANTOR, ENFORCEABLE AGAINST THE GUARANTOR BY THE CREDITOR IN ACCORDANCE WITH ITS TERMS, EXCEPT TO THE EXTENT THAT THE ENFORCEABILITY THEREOF MAY BE LIMITED BY APPLICABLE BANKRUPTCY, INSOLVENCY, MORATORIUM, REORGANIZATION AND OTHER SIMILAR LAWS LIMITING THE ENFORCEMENT OF CREDITORS' RIGHTS GENERALLY AND THE FACT THAT THE COURTS MAY DENY THE GRANTING OR ENFORCEMENT OF EQUITABLE REMEDIES.

(C) **SOLVENCY**. THE GUARANTOR HAS NOT:

(I) ADMITTED HIS INABILITY TO PAY HIS DEBTS GENERALLY AS THEY BECOME DUE OR FAILED TO PAY HIS DEBTS GENERALLY AS THEY BECOME DUE;

(II) FILED AN ASSIGNMENT OR PETITION IN BANKRUPTCY OR A PETITION TO TAKE ADVANTAGE OF ANY INSOLVENCY STATUTE;

(III) MADE AN ASSIGNMENT FOR THE BENEFIT OF HIS CREDITORS;

(IV) CONSENTED TO THE APPOINTMENT OF A RECEIVER OF THE WHOLE OR ANY SUBSTANTIAL PART OF HIS ASSETS;

(V) FILED A PETITION, ANSWER OR PROPOSAL, OR A NOTICE OF INTENTION TO FILE A PETITION, ANSWER OR PROPOSAL SEEKING A REORGANIZATION, ARRANGEMENT, ADJUSTMENT OR COMPOSITION UNDER APPLICABLE BANKRUPTCY LAWS OR ANY OTHER APPLICABLE LAW OR STATUTE; OR

(VI) BEEN ADJUDGED BY A COURT HAVING JURISDICTION A BANKRUPT OR INSOLVENT, NOR HAS A DECREE OR ORDER OF A COURT HAVING JURISDICTION BEEN ENTERED FOR THE APPOINTMENT OF A RECEIVER, LIQUIDATOR, TRUSTEE OR ASSIGNEE IN BANKRUPTCY WITH SUCH DECREE OR ORDER HAVING REMAINED IN FORCE AND UNDISCHARGED OR UNSTAYED FOR A PERIOD OF THIRTY DAYS.

4.02 SURVIVAL OF REPRESENTATIONS AND WARRANTIES

All of the representations and warranties of the Guarantor contained in Section 4.01 shall survive the execution and delivery of this agreement notwithstanding any investigation made at any time by or on behalf of the Creditor.

ARTICLE 5 - GENERAL CONTRACT PROVISIONS

5.01 NOTICES

All notices, requests, demands, directions and other communications provided for herein shall be in writing and shall be personally delivered or sent by email at or to, in the case of the Creditor, the address or email address of the Creditor set forth on the first page hereof and, in the case of the Guarantor, the address or email address set opposite his name on the signature page hereof, or to such other address or addresses or email address or numbers as either party hereto may from time to time designate to the other party in such manner. Any communication which is personally delivered as aforesaid shall be deemed to have been validly and effectively given on the date of such delivery if such date is a Banking Day and such delivery was made during normal business hours of the recipient; otherwise, it shall be deemed to have been validly and effectively given on the Banking Day next following such date of delivery. Any communication which is transmitted by fax as aforesaid shall be deemed to have been validly and effectively given on the date of transmission if such date is a Banking Day and such transmission was made during normal business hours of the recipient; otherwise, it shall be deemed to have been validly and effectively given on the Banking Day next following such date of transmission.

5.02 FURTHER ASSURANCES

The Guarantor shall do, execute and deliver or shall cause to be done, executed and delivered all such further acts, documents and things as the Creditor may reasonably request for the purpose of giving effect to this agreement.

5.03 SEVERABILITY

Wherever possible, each provision of this agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this agreement shall be prohibited by or invalid under such law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this agreement.

5.04 SUCCESSORS AND ASSIGNS

This agreement shall enure to the benefit of the Creditor and its successors and assigns and shall be binding upon the Guarantor and his successors and assigns.

5.05 AMENDMENTS AND WAIVERS

No amendment to or waiver of any provision of this agreement, nor consent to any departure by the Guarantor herefrom, shall in any event be effective unless the same shall be in writing and signed by the Creditor, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

5.06 ENTIRE AGREEMENT

This agreement and the agreements referred to herein constitute the entire agreement between the parties hereto and supersede any prior agreements, undertakings, declarations, representations and understandings, both written and verbal, in respect of the subject matter hereof.

5.07 SET-OFF

In addition to any rights now or hereafter granted under applicable law, and not by way of limitation of any such rights, the Creditor is authorized upon any amounts being payable by the Guarantor to the Creditor hereunder, without notice to the Guarantor or to any other Person, any such notice being expressly waived by the Guarantor, to setoff, appropriate and apply any and all deposits, matured or unmatured, general or special, and any other indebtedness at any time held by or owing by the Creditor to or for the credit of or the account of the Guarantor against and on account of the obligations and liabilities of the Guarantor which are due and payable to the Creditor under this agreement.

5.08 NO WAIVER; REMEDIES; NO DUTY

In addition to, and not in limitation of, Section 2.03 and Section 2.07, no failure on the part of the Creditor to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law. The Creditor has no duty or responsibility to provide the Guarantor with any credit or other information concerning the Debtor’s affairs, financial condition or business which may come into the Creditor’s possession.

5.09 LIMITATION PERIOD

THE LIMITATION PERIOD ON THIS AGREEMENT SHALL NOT BEGIN TO RUN UNTIL DEMAND IS MADE HEREUNDER.

5.10 INDEPENDENT LEGAL ADVICE

BY SIGNING THIS AGREEMENT, THE GUARANTOR ACKNOWLEDGES THAT HE HAS EITHER OBTAINED INDEPENDENT LEGAL ADVICE WITH RESPECT TO THE TERMS OF THIS AGREEMENT OR THAT HE HAS, DESPITE HAVING BEEN GIVEN THE OPPORTUNITY TO DO SO AND BEING ENCOURAGED TO DO SO, DECLINED TO SEEK INDEPENDENT LEGAL ADVICE WITH RESPECT TO THE TERMS OF THIS AGREEMENT, AND UNDERSTANDS THE TERMS OF, AND HIS RIGHTS AND OBLIGATIONS UNDER, THIS AGREEMENT.

IN WITNESS WHEREOF THE GUARANTOR HAS EXECUTED THIS AGREEMENT THE 19th DAY OF APRIL, 2020.

SIGNED SEALED & DELIVERED,
in the presence of:

/s/ Heather Jennings

WITNESS

/s/ Renee Gagnon

RENEE GAGNON

Address:

3974 Lexington Avenue, Ontario, British Columbia

Email:

reneemgagnon@gmail.com

Schedule “B”

MUTUAL FULL AND FINAL RELEASE

IN CONSIDERATION of the terms set out in the Minutes of Settlement made April 20, 2020 (the “Agreement”), the undersigned parties (collectively, the “Parties” and individually, the “Party”) hereto do hereby mutually release, remise, and forever discharge each other, together with their respective legal predecessors, successors, administrators, assigns, subsidiaries, affiliates, parent companies, shareholders, directors, officers, representatives, employees and agents (as the case may be) from any and all manners of actions, causes of actions, suits, debts, dues, accounts, bonds, covenants, contracts, claims and demands, damages, loss or injury, howsoever arising, which heretofore may hereafter be sustained by the parties, including anything not now known or anticipated, but which may arise in the future relating to all matters or issues raised or that could have been raised as between the Parties in connection with the employment and termination or resignation of employment of Mary Stipancic by or with the Parties (as the case may be), the Minutes of Settlement.

AND FURTHERMORE, for the aforesaid consideration, the Parties hereby agree that the terms of this Full and Final Mutual Release are confidential and private between the Parties and shall not be disclosed to any other person or corporation with the exception of each Party’s financial, tax, legal or other professional advisors and except as may be required by law.

AND FURTHERMORE, for the aforesaid consideration, the Parties further agree not to make any claim or take or continue any proceedings, including, but not limited to civil actions and complaints to boards and tribunals, against any other person, firm, corporation, partnership or other legal entity who might claim contribution or indemnity or other relief over against any of the Parties, whether pursuant to legislation or at common law or equity, with respect to any of the matters which are the subject of this Full and Final Mutual Release.

IT IS AGREED AND UNDERSTOOD that this Full and Final Mutual Release shall operate conclusively as an estoppel in the event of any claim, action, complaint or proceeding which might be brought in the future by the Parties with respect to the subject matters covered by this Full and Final Mutual Release. This Full and Final Mutual Release may be pleaded in the event any such claim, action, complaint or proceeding is brought, as a complete defence and reply, and may be relied upon in any proceeding to dismiss the claim, action, complaint or proceeding on a summary basis and no objection will be raised by the Parties in any subsequent action that the other Parties in the subsequent action were not privy to formation of this Full and Final Mutual Release.

THE PARTIES REPRESENT AND WARRANT that they have not assigned to any person, firm or corporation any of the actions, causes of action, claims, debts, suits or demands of any nature or kind which they have released by this Full and Final Mutual Release.

THE PARTIES FURTHER AGREE that the execution of this Full and Final Mutual Release is not an admission of any liability to the other and such liability is specifically denied.

AND THE PARTIES HEREBY AGREE that neither party shall make any disparaging or derogatory statements to anyone about or concerning the other party.

THE PARTIES ACKNOWLEDGE that they have read this Full and Final Mutual Release and have been afforded sufficient opportunity to obtain independent legal advice with respect to this Full and Final Mutual Release and confirm that they are executing this Full and Final Mutual Release freely, voluntarily and without duress, for the purpose of making full and final compromise, adjustment and settlement.

AND THAT THE SAID TERMS and consideration for this Release arc accepted voluntarily for the purpose of making full and final compromise, adjustment and settlement of all claims of rights, benefits, or employment standards, losses or damages resulting or to result from a claim made and inclusive of any claims that may arise pursuant to any legislation or rights or law or equity; including but not limited to any rights arising pursuant to the Employment Standards Act, 2000, the Labour Relations Act, the Ontario Human Rights Code, the Canadian Human Rights Code, the Pay Equity Act, the Workplace Safety Insurance Act and the Occupational Health and Safety Act.

THIS FULL AND FINAL RELEASE SHALL inure to the benefit of and be binding upon the undersigned and the employer and their respective heirs, executors, administrators, legal personal representatives, officers, directors, shareholders, employees, accountants, advisors, solicitors or agents, successors and assigns.

THIS FULL AND FINAL MUTUAL RELEASE SHALL be deemed to have been made in and shall be construed in accordance with the laws of the Province of Ontario.

THIS FULL AND FINAL MUTUAL RELEASE may be executed in counterparts, each of which shall be deemed to be an original as against any Party whose signature or whose representative's signature appears thereon and all such counterparts together shall constitute one and the same instrument. Any email or fax of this Full and Final Mutual Release with all signatures reproduced on one or more sets of signature pages shall be considered, for all purposes, to be an executed counterpart of this Full and Final Mutual Release.

THIS FULL AND FINAL MUTUAL RELEASE will only be effective after both of the Parties have fully complied with their respective terms of the Agreement.

[BALANCE OF THIS PAGE IS INTENTIONALLY LEST BLANK.
SIGNATURE PAGE FOLLOWS.]

IN WITNESS WHEREOF the Parties have executed this Full and Final Mutual Release.

DATED AT, this 20th day of April, 2020

/s/ Mary Stipancic

DATED AT, this 20th day of April, 2020

HollyWeed North Cannabis Inc.

Per: /s/ Renee Gagnon
(*I have authority to bind the corporation*)

DATED AT, this 19th day of April, 2020

/s/ Renee Gagnon

DATED AT, this 20th day of April, 2020

/s/ Livio Susin

DATED AT, this 20th day of April, 2020

/s/ Heather Jennings

Exhibit 10.12

FIRST AMENDMENT TO THE MINUTES OF SETTLEMENT

THIS FIRST AMENDMENT TO THE MINUTES OF SETTLEMENT is dated as of the 23rd day of October, 2020 (the "Effective Date"),

BETWEEN:

HOLLYWEED NORTH CANNABIS INC., a company incorporated under the *Business Corporations Act* (British Columbia) and having its registered office at 201-2377 Bevan Avenue, Sidney, British Columbia V8L 4M9 **("Hollyweed")**

AND:

MARY STIPANCIC, an individual having an address at 2057 Country Club Drive, Burlington, Ontario L7M 3Z2 **("Stipancic")**

AND:

RENEE GAGNON, an individual having an address at 3974 Lexington Avenue, Victoria, British Columbia, V8N 3Z6 **("Gagnon")**

AND:

LIVIO SUSIN, an individual having an address at 103 - **2197** West 2nd Avenue, Vancouver, British Columbia, V6K 1H7 **("Susin")**

AND:

HEATHER JENNINGS, an individual having an address at 3974 Lexington Avenue, Victoria, British Columbia, V8N 3Z6 ("Jennings")

(collectively, the "**Parties**" and each, a "**Party**").

WHEREAS:

A. The Parties entered into minutes of settlement dated April 20, 2020 (the "Original Agreement");

B. The Parties have agreed to extend the Semi-Anniversary date (as defined in the Original Agreement) (the "Extension");

C. The Parties have agreed to amend the Original Agreement to reflect the Extension; and

D. The Parties wish to set out in writing the terms and conditions of such amendment of the Original Agreement.

NOW THEREFORE in consideration of the mutual covenants and promises herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. **Definitions.** Capitalized terms used in this Agreement and not otherwise defined herein have the meanings given to such terms in the Original Agreement.

2. **Amendments the Original Agreement**. The following amendments shall be made to the Original Agreement:

a. The last paragraph under subparagraph 2 on page 3 of the of the Original Agreement shall be amended in its entirety to read as follows:

"If none of the events listed in this 'subparagraph 2 have occurred on or prior to April 20, 2021 (the **"Deadline Date")**. HollyWeed shall pay the Base Amount to Stipancic on the Deadline Date. For the purposes hereof, the terms "associates" and "affiliates" have the definitions ascribed thereto under the Ontario *Business Corporations Act.* Furthermore, if none of the events listed in this subparagraph 2 have occurred on or prior to October 20, 2020, HollyWeed shall pay the Base Amount to Stipancic in increments of a minimum of CDN$20,000 upon receiving each subsequent CDN$l million from financing or sales of HollyWeed shares or assets until the Base Amount is paid in full on or prior to the Deadline Date."

3. **No Other Changes**. Except as set forth in this Agreement, the Original Agreement shall remain in full force and effect without any further changes or modifications.

4. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario, and the federal laws of Canada applicable therein, and each party irrevocably attorns to the courts of the Province of Ontario, which jurisdiction shall be the sole and exclusive jurisdiction for any disputes or claims in relation to this Agreement and all matters related hereto.

[remainder of page intentionally blank]

5. **Counterparts**. This Agreement may be executed in any number of counterparts. each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument. Delivery of an executed counterpart of this Agreement by electronic means shall be equally effective as delivery of a manually executed counterpart thereof.

IN WITNESS WHEREOF the parties have duly executed this Agreement as of the date first written above.

HOLLYWEED NORTH CANNABIS, INC.

By: /s/ Renee Gagnon
Name: Renee Gagnon
Title: President and Director

/s/ Witness	/s/ Renee Gagnon
Witness	RENEE GAGNON
/s/ Witness	/s/ Livio Susin
Witness	LIVIO SUSIN
/s/ Witness	/s/ Heather Jennings
Witness	HEATHER JENNINGS
/s/ Witness	/s/ Mary Stipancic
Witness	MARY STIPANCIC

Exhibit 10.13

SECOND AMENDMENT TO THE MINUTES OF SETTLEMENT

THIS SECOND AMENDMENT TO THE MINUTES OF SETTLEMENT is dated as of the 12 day of May, 2021 (the "Effective Date"),

BETWEEN:

HOLLYWEED NORTH CANNABIS INC., a company incorporated under the Business Corporations Act (British Columbia) and having its registered office at 201-2377 Bevan Avenue, Sidney, British Columbia V8L 4M9 (“**Hollyweed**")

AND:

MARY STIPANCIC, an individual having an address at 2057 Country Club Drive, Burlington, Ontario L7M 3Z2 ("**Stipancic**")

AND:

RENEE GAGNON, an individual having an address at 3974 Lexington Avenue, Victoria, British Columbia, V8N 3Z6 ("**Gagnon**")

AND:

LIVIO SUSIN, an individual having an address at 103 - 2197 West 2nd Avenue, Vancouver, British Columbia, V6K 1H7 ("**Susin**")

(collectively, the "**Parties**" and each, a "Party").

WHEREAS:

A. The Parties entered into minutes of settlement dated April 20, 2020 (the "**Original Agreement**");

B. The Parties have agreed to extend the Semi-Anniversary date (as defined in the Original Agreement) (the "**Extension**");

C. The Parties have agreed to amend the Original Agreement to reflect the Extension; and

D. The Parties wish to set out in writing the terms and conditions of such amendment of the Original Agreement

NOW THEREFORE in consideration of the mutual covenants and promises herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. **Definitions.** Capitalized terms used in this Agreement and not otherwise defined herein have the meanings given to such terms in the Original Agreement.

2. **Amendments to the Original Agreement.** The following amendments shall be made to the Original Agreement:

    a. The last paragraph under subparagraph 2 on page 3 of the of the Original Agreement shall be amended in its entirety to read as follows:

    "If none of the events listed in this subparagraph 2 have occurred on or prior to May 31, 2021 (the "**Deadline Date**"), HollyWeed shall pay the Base Amount to Stipancic on the Deadline Date. For the purposes hereof; the terms "associates" and "affiliates" have the definitions ascribed thereto under the *Ontario Business Corporations Act*. Furthermore, if none of the events listed in this subparagraph 2 have occurred on or prior to October 20, 2020, HollyWeed shall pay the Base Amount to Stipancic in increments of a minimum of CDN$20,000 upon receiving each subsequent CDN$1 million from financing or sales of Hollyweed shares or assets until the Base Amount is paid in full on or prior to the Deadline Date."

3. **No Other Changes.** Except as set forth in this Agreement, the Original Agreement shall remain in full force and effect without any further changes or modifications.

4. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario, and the federal laws of Canada applicable therein, and each party irrevocably attorns to the courts of the Province of Ontario, which jurisdiction shall be the sole and exclusive jurisdiction for any disputes or claims in relation to this Agreement and all matters related hereto.

[remainder of page intentionally blank]

5. **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument Delivery of an executed counterpart of this Agreement by electronic means shall be equally effective as delivery of a manually executed counterpart thereof.

IN WITNESS WHEREOF the parties have duly executed this Agreement as of the date first written above.

HOLLYWEED NORTH CANNABIS INC.

By: /s/ Renee Gagnon
Name: Renee Gagnon
Title: Director

/s/ Heather Jennings	/s/ Renee Gagnon
Witness	**RENEE GAGNON**
/s/ Julie Bernard	/s/ Livio Susin
Witness	**LIVIO SUSIN**
/s/ Witness	/s/ Mary Stipancic
Witness	**MARY STIPANCIC**

Exhibit 10.14

690 ARK ROAD

CVRD, BC

(BUILDING)

OFFER TO LEASE

BETWEEN

ARK HOLDINGS LTD.

(LANDLORD)

AND

HOLLYWEED NORTH CANNABIS INC.

(TENANT)

Colliers Macaulay NicolIs Inc.,
Victoria, BC (Brokerage)
Ty Whittaker (250) 414-8395

OFFER TO LEASE
BUILDING NAME OR ADDRESS
CITY, BC
(“BUILDING”)

TO: ARK HOLDINGS LTD. **hereinafter called the**

(“Landlord”)

WE**:** HOLLYWEEDNORTHCANNABIS INC. **hereinafter called the**

(“Tenant”)

The Tenant hereby offers to lease from the Landlord, through Colliers Macaulay Nicolls Inc., (“Brokerage”), in consideration of the rents, covenants and agreements contained in this offer to lease (the “Offer”), the Leased Premises (hereinafter defined) upon the following terms and conditions:

1. LEASED PREMISES

The premises (the “Leased Premises”) shall be those premises in the Building situated at 690 Ark Road, and having a legal address of Lot 3, District Lot 132, Malahat District, Plan V1P9211. The Premises have a Rentable Area of approximately 26,518 SF, subject to BOMA measurement.

The Basic Rent and the Operating Costs and Property Taxes shall be subject to adjustment based on the actual Rentable Area of the Leased Premises as determined by the Landlord’s architect in accordance with the Lease delivered withir, thirty (30) days of the Commencement Date.

2. TERM

The term (the “Term”) of the Lease shall be Five (5) years commencing on theist day of **August, 2017** (the “Commencement Date”) and expiring on **July 31st,** 2022 (the “Expiration Date”), subject to the terms of the Lease. The Term of the Lease shall end on the Expiry Date.

3. RENEWAL TERMS

If the Tenant has not been in default of any of the terms or conditions of the Lease, then the Tenant shall, upon giving written notice to the Landlord not less than One Hundred and Eighty (180) days prior to the expiry of this Lease, be granted a Two Five (5) year options to renew this Lease on the same terms and conditions, except as to this renewal and any inducements. Basic Rent shall be determined by agreement between the parties and failing such agreement shall be determined by commercial arbitration based on fair market value of similar premises at the time of renewal.

4. BASIC RENT

For the Term of the Lease, the Basic **Rent, plus GST,** shall be payable monthly in advance without deduction by the Tenant on the first day of each month during the Term to the Landlord. The Basic Rent shall be based on 26,518 square feet Rentable, and payable **as follows:**

Year	$/Sq.Ft.	Annual Basic Net Rental	Monthly Basic Net Rental
1st	$ 8.50	$ 225,403.00	$ 18,783.58
2nd	**$ 8.50**	$ 225,403.00	$ 18,783.58
3rd	**$ 9.00**	**$ 238,662.00**	**$ 19,688.50**
4th	**$ 9.00**	**$ 238,662.00**	**$ 19,888.50**
5th	**$ 9.50**	**$ 251,921.00**	**$ 20,993.41**

The first basic net rental payment will commence **August 1st, 2017 and thereafter on the** first day of each month for the remainder of the Term.

The Tenant shall also lease the residential unit at $700.00 plus GST with all utilities being paid for by the Tenant.

5. ADDITIONAL RENT

In addition to Basic Rent, the parties understand and agree that the Lease shall be on a completely net basis In favour of the Landlord whereby the Tenant shall be responsible for its proportionate share of all actual and reasonable costs incurred by the Landlord for property **taxes, all** operating expenses, utilities and management costs ("Additional Rent") in operating, servicing, maintaining, insuring, repairing and managing the Building. The Additional Rent is estimated at Three Dollars ($3.00) per square foot of Rentable Area for the 2017 fiscal year of the Building.

6. UTILITIES

In addition to the Basic Rent and the Additional Rent, the Tenant shall be responsible for its own telephone and Internet charges, electricity consumption and any other utilities not included in the Additional Rent. It is understood that the Premises are separately metered for hydro.

7. DEPOSIT

Within Five (5) business days of acceptance of this Offer to Lease, the Tenant shall pay to the Agent, in trust, the sum of Fifty Thousand Dollars ($50,000.00), to be applied to the last two months' total rent (basic and additional rent plus Goods and Services Tax) as it becomes due under this Agreement if accepted to be applied as follows:

- $ 50,000.00 being the last month's total rent plus a security deposit to be held by the Landlord, without interest as a security deposit for the term of the Lease and any renewal thereof.

This deposit will not bear interest and will be returned to the Tenant forthwith if the Conditions contained herein are not removed by the date agreed. In the event the Tenant defaults under the terms hereof, the Landlord, at its option, may terminate this agreement and retain the Deposit as a contribution to liquidated damages and not as a penalty and without prejudice to any other remedy.

8. EARLY OCCUPANCY

Notwithstanding the aforementioned, it is understood and agreed that once the Lease has been executed by the Tenant, the Tenant shall be permitted to enter the Premises as at May 1°, 2017 for the purpose of installation of its fixtures and equipment and to make the Premises ready for Its occupancy (“Fixturing **Period”).**

During the aforementioned Fixturing Period, the Tenant shall perform its work and cause its employees and contractors to do their work so as not to interfere with the Landlord’s employees or the other Tenants in the building and the Tenant shall be bound by the provisions of the Lease saving those requiring payment of Basic and Addition Rent.

Ali of the Tenant’s work shall be subject to the Landlord’s approval after review of all plans and working drawings, said approval not to be unreasonably withheld.

The Tenant shall have gross free rent for the months of **May**-**July** 2017 with utilities being to their account.

9. LEASE FORM [AND TENANT’S CONDITION]

Within five (5) business days of acceptance of this Offer, the Landlord shall deliver a copy of the Landlord’s standard form of Lease (the “Lease”) to the Tenant, with the terms of the agreed Offer completed therein. From the date of receipt of the Lease, the Tenant shall have five (5) business days to review and submit its requested Lease amendments to the Landlord.

The Tenant and the Landlord, both acting reasonably, shall have a further five (5) business days to settle the Tenant’s requested lease amendments. If the Tenant’s requested lease changes are not agree to by both parties within such period, either party may terminate this Offer to Lease and this offer shall be null and void, and neither party shall have any further legal obligations to the other thereafter.

10. USE

The Leased Premises shall be used only for the purpose of medical marijuana grow operation and any other use permitted under the applicable zoning by-laws and federal, provincial and municipal regulations. It is the sole responsibility of the Tenant to ensure the Leased Premises are approved for the use by the appropriate municipal or provincial government authorities

11. TENANT'S CONDITIONS

This Offer is conditional upon the following:

(1) Review and approval of the Landlord's standard form of lease to their sole satisfaction.

(2) Issuance of a Business License from the CVRD to their sole satisfaction.

(3) Confirmation that the Landlord will allow and endorse a zoning amendment required by the CVRD for the Tenant's applicable use.

The Conditions as stated above are for the sole benefit of the Tenant and must be removed in writing by the Tenant not later than March 28, 2017. Ten Dollars ($10.00) of the Deposit is hereby designated as consideration payable to the Landlord for agreeing not to revoke or withdraw this Offer prior to the time for removal of the Tenant's Conditions,

Waiver of Conditions: The Conditions set out above are for the exclusive benefit of the Tenant and fulfilment thereof in whole or In part may *be* waived by the Tenant at any time or times. In the event the Tenant does not waive or otherwise fulfil the above Conditions on or before the above date then this Offer shall become null and void, and neither party shall have any further legal obligations to the other thereafter under this Agreement and any Deposit then paid shall be forthwith repaid to the Tenant.

12. LANDLORD'S CONDITIONS

This Offer is conditional upon the following:

(1) Review and approval of the Tenant's financial covenant to their sole satisfaction.

(2) Subject to formal approval of the Tenant's use by the Landlord's lender.

The Conditions as stated above are for the sole benefit of the Landlord and must be removed in writing by the Landlord not later than March 28, 2017.

Waiver of Conditions: The Conditions set out above are for the exclusive benefit of the Landlord and fulfilment thereof in whole or in part may be waived by the Landlord at any time or times. In the event the Landlord does not waive or otherwise fulfil the above Conditions on or before the above date then this Offer shall become null and void, and neither party shall have any further legal obligations to the other thereafter under this Agreement and any Deposit then paid shall be forthwith repaid to the Tenant

13. CONDITION OF THE LEASED PREMISES

The Leased Premises shall be accepted by the Tenant on an “as is” basis with the exception of the installation of crash doors in the concrete sheer wall at the cost of the Landlord.

14. SPECIAL PROVISIONS

A. LEASEHOLD IMPROVEMENT

The Landlord allow security upgrades to the building at the cost of the Tenant including but not limited to, security camera, barbed wire on perimeter of roof, baring windows, doors, ducts and ventilation. In addition the Tenant will install a concrete block wall to fill in the grade level loading door at their cost. All specific Tenant Improvements will be removed at the end of the term upon the Tenant vacating at their cost

B. Right of First Refusal

During the initial term of the Lease, the Tenant shall have a Right of First Refusal to purchase the Property. In the event that the owner receives an Offer to Purchase from an independent third party which is acceptable to the Landlord, the Tenant shall have Three (3) business days to agree to the terms of the Offer to Purchase. In the event that terms are not agreed upon, the Right of First Refusal shall become null and void with no further obligation to either party existing save and except the existing Lease.

C. Early Termination

The Tenant shall have a onetime Right of Termination by providing sixty days notice prior to the expiration of the **Thirty Six (36)** month of the initial term of the Lease in the event that the Tenant has not received federal government licensing to their sole satisfaction. In the event that notice is provided to the Landlord, the Tenant shall pay in full all rent to the end of the **Thirty Six (36)** month of the lease.

D. Rules and Regulations

(1) The Tenants operation will not affect air quality. The Tenant at their cost to provide a purification system/purification if required.

(2) Disposal of hazardous material/soil to be disposed of at a legal disposal applied for and maintained.

(3) Over taxing of current well to adversely affect other tenants Is not allowed.

(4) Removal of all contaminants from warehouse are at the tenants sole cost.

(5) All permits and licensing both municipal, provincial and federal shall be in place during the term of the Lease.

15. SOLE AGREEMENT

There are no agreements, covenants, representations, warranties or conditions in any way relating to the subject matter of this agreement expressed or implied, collateral or otherwise, except as expressly set forth herein.

16. FINANCIAL INFORMATION

The Tenant hereby authorize Colliers Macaulay Nicolls Inc. to obtain credit reports on the Tenant, and further to supply financial information as required by the Landlord.

17. ENTIRE AGREEMENT

It is understood and agreed between the parties hereto that there are no terms, conditions, covenants, or provisos relating to the subject matter of this Offer to Lease or the agreement, which will subsist between the parties upon acceptance, except as expressly set forth In this Offer to Lease.

This Offer to Lease shall be governed by and construed in accordance with the Laws of the Province of British Columbia.

18. GST

Amounts referred to in this Offer that are quoted without the Goods and Services Tax and such tax shall be in addition to such amounts.

19. TIME OF THE ESSENCE

Time is of the essence of this agreement with respect to the covenants contained herein.

20. OFFER PROVISIONS

All provisions of this Offer shall survive the completion of this transaction. Prior to the execution of the Lease, in the event of any conflict between the terms of this Offer and the terms of the Lease, the terms of this Offer shall prevail. After execution of the Lease and commencement of the Term, the terms of the Lease shall prevail.

This Offer may be executed in one or more counterparts, and by the different parties hereto in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same Offer. The parties hereto agree that signed copies of this Offer sent by facsimile or email shall be deemed to be originals.

21. DISCLOSURE

The Landlord and the Tenant acknowledge having received, read, understood and signed the brochure published by British Colombia Reai Estate Association entitled *Working With a Realtor (Designated Agency)* acknowledge and confirm as follows:

[Limited Dual Agency]

The Landlord and the Tenant acknowledge and agree that:

(a) Colliers Macaulay Nicolls Inc. (the "Brokerage") represented by Ty Whittaker (the "Designated Agent") have disclosed that they are representing the Landlord and the Tenant in the transaction described in this Agreement;

(b) the Agent, in order to accommodate the transaction described in this Agreement, was and Is entitled to pass any relevant information it receives from either party or from any other source to either of the parties as the Designated Agent sees fit, without being in conflict of its duties to either party; and

(c) the Brokerage commission, shall be payable by the Landlord, and is to be deducted from the Rent Deposit, if any, when due, and the excess Rent Deposit remitted to the Landlord, or any balance due to the Brokerage, remitted by the Landlord.

21. ACCEPTANCE

This Offer shall be irrevocable and open for acceptance until 5:00 pm on the 23rd day of February, 2017, after which time if not accepted this Offer shall be null and void and any Deposit shall be returned to the Tenant in full. This Offer may be accepted by signing and returning one duplicate copy or facsimile of this Offer.

DATED this 21st day of March , 2017.

HOLLYWEED NORTH CANNABIS INC.
TENANT

PER /s/ Authorized Signatory
(Authorized Signatory)

The Landlord hereby accepts the above Offer this 22nd day of March, 2017.

ARK HOLDINGS, LTD. LANDLORD

Per: /s/ Authorized Signatory
(Authorized Signatory)

Attachments

1. Schedule *"A":* Working With a Realtor (Designated Agency)

SCHEDULE “A”

WORKING WITH A REALTOR

(Omitted)

Exhibit 10.15

Execution Copy

LINE OF CREDIT AGREEMENT

by and among

Origo BC Holdings Ltd. and
Its Participating Lenders

and

HollyWeed North Cannabis Inc.
and Subsidiaries

as Borrowers

As of November 5, 2020

LINE OF CREDIT AGREEMENT

THIS LINE OF CREDIT AGREEMENT ("Agreement") is made and entered into effective as of the 5th day of November 2020 (the "Effective Date") by and between **ORIGO BC HOLDINGS LTD.,** a British Columbia corporation ("Origo"), and its participating lenders (together with Origo, collectively, the "Line of Credit Lender"), and **HOLLYWEED NORTH CANNABIS INC.,** a corporation organized under the laws of British Columbia, Canada ("HollyWeed") and the Subsidiaries of HollyWeed who have executed this Agreement on the signature pages (the "Subsidiaries").

RECITALS:

A. The Borrower wishes to obtain from the Line of Credit Lender a line of credit facility in an aggregate principal amount of up to Six Million Six Hundred and Seventy Five Thousand ($6,675,000) Dollars for the purposes hereinafter described; and

B. Origo shall be a Line of Credit Lender and shall act as representative for any other Line of Credit Lender sourced and introduced by Origo; and

C. As of the Effective Date, HollyWeed has issued to Origo or its designees, a five year warrant to purchase 70,311,755 Class B voting common shares of HollyWeed representing 44% of the 89,487,688 outstanding common voting shares and stock options of HollyWeed as at the Effective Date; and

D. In full reliance on the representations made by the parties to this Agreement and the Line of Credit Documents (as defined in this Agreement), the Line of Credit Lender is willing to extend such financing to the Borrower upon the terms, covenants and conditions contained in this Agreement and in the Line of Credit Documents.

NOW, THEREFORE, in consideration of the mutual promises, covenants and agreements contained in this Agreement, the Borrower and Line of Credit Lender mutually agree as follows:

ARTICLE I.
DEFINITIONS

Unless the context clearly indicates otherwise, certain terms used in this Agreement shall have the meanings set forth below:

"Advance" and "Advances" shall have the meanings set forth in Section 2.3 of this Agreement.

"Advance Request" shall have the meaning set forth in Section 2.3(a) of this Agreement.

"Affiliate" shall mean: (a) with respect to a limited liability company, (1) any officer or director thereof and any Person which is, directly or indirectly, the beneficial owner of more than 10% of any class of shares or other equity security, or (2) any Person which, directly or indirectly, controls or is controlled by or is under common control with such limited liability company; and (b) with respect to a partnership, venture or limited liability company, any (1) general partner or member, (2) general partner of a general partner or member, (3) partnership with a common general partner or member, or (4) co-venturer thereof, and if any general partner, member or co-venturer is a limited liability company, any Person which is an Affiliate of such limited liability company. For purposes hereof, "controls" (which includes the correlative meanings of "controlled by" and "under common control with") means effective power, directly or indirectly, to direct or cause the direction of the management and policies of such Person.

"Applicable Law" means: (a) any domestic or foreign statute, law (including common and civil law), treaty, code, ordinance, rule, regulation, restriction of by-law (zoning or otherwise); (b) any judgment, order, writ, injunction, decision, ruling, decree or award; (c) any regulatory policy, practice, request, guideline or directive; or (d) any franchise, licence, qualification, authorization, consent, exemption, waiver, right, permit or other approval of any Governmental Authority, binding on or affecting the Person referred to in the context in which the term is used or binding on or affecting the property of that Person, in each case whether or not having the force of law.

"Applicable Securities Laws" means, with respect to any Person, any and all applicable securities laws of the United States and the province of British Columbia and the respective rules and regulations under such laws together with applicable published instruments, notices and orders of the British Columbia Securities Commission, and the applicable rules and policies of each Approved Securities Market.

"Approved Securities Market" shall mean any one or more of the New York Stock Exchange, NYSE: American Exchange, NASDAQ Stock Market (including the Nasdaq Capital Market), the Toronto Stock Exchange, TSX Venture Exchange, Canadian Securities Exchange or the OTCQX platform of the OTC Markets.

"Bankruptcy Code" shall mean the *Bankruptcy and Insolvency Act* (Canada) in as amended, modified, succeeded or replaced from time to time.

"Borrower" shall mean the individual and collective reference to (a) HollyWeed, (b) each Subsidiary of HollyWeed who has executed this Agreement on the signature page(s) hereof, and (c) each direct and indirect Subsidiary of HollyWeed that may hereafter be acquired or formed by such Borrower who agrees with the Line of Credit Lender and the other Borrowers to be bound by this Agreement on such terms and the Line of Credit Lender may require, or any successor-in-interest to such Person.

"Business" means the business currently conducted by HollyWeed and the other Borrowers, including, without limitation (a) the production, extraction, manufacturing and sale of large scale psychedelic antidepressant drugs, including synthetic and scalable pharmaceutical-grade psilocybin, mescaline and DMT, and (b) the ownership and operation of cannabis production facilities and retail dispensaries in the United States and Canada.

"Business Day" shall mean any day of the week other than Saturday, Sunday or other day that is recognized as a holiday in the British Columbia, Canada.

"Calendar Quarter" means each consecutive three (3) Month period prior to the Maturity Date, commencing January 1, 2021.

"Change of Control" shall mean the sale or transfer, in any one or more transactions, of a majority of the Share Capital of HollyWeed or any Subsidiary, or the sale of all or substantially all of the assets and properties of HollyWeed or any Subsidiary, whether through sale of assets, equity, merger, consolidation or like combination, to any Person or Persons, other than to the existing HollyWeed Shareholders, or members of their immediate families, or other than as contemplated under this Agreement.

"Closing Date" shall mean the Effective Date of execution and delivery of this Agreement and the other Line of Credit Documents by the Line of Credit Lender and the Borrower.

"Collateral" shall mean all of the Borrowers' present and after acquired personal property, including any property defined as "Collateral" in the Security Agreement.

"Commitment Period" shall mean the period that shall commence on the Closing Date and which shall expire and terminate on the Maturity Date.

"Default" shall mean the occurrence of any event which, with the passage of time or the giving of notice, or both, or any other condition, would constitute an Event of Default.

"Default Interest" shall have the meaning set forth in Section 2.2.

"Disclosure Schedule" shall mean **Schedule 1** attached hereto.

"Dollars" or "$" shall mean, unless the context clearly means otherwise, Canadian dollars.

"Event of Default" shall mean any of the events specified in Section 6.1 of this Agreement; provided, however, that any requirement for the giving of notice or the lapse of time, or both, or any other condition, has been satisfied.

"Fiscal Year" shall mean the twelve months ending June 30.

"GAAP" shall mean generally accepted accounting principles which are in effect from time to time in Canada, applied in a consistent manner from period to period, including the accounting recommendations published in the *CPA Canada Handbook*.

"Governmental Authority" shall mean the government of Canada or of any other nation, or of any political subdivision thereof, whether state, provincial, territorial or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government, including any supra-national bodies such as the European Union or the European Central Bank and including a Minister of the Crown, Superintendent of Financial Institutions or other comparable authority or agency.

"HollyWeed Common Shares" shall mean the Class B voting common shares of HollyWeed without par value.

"HollyWeed IPO" shall mean an initial public offering of HollyWeed Common Shares pursuant to a Form F-1 registration statement with the SEC, and the listing of such shares on an Approved Securities Market; it being the intent of HollyWeed and Origo that the market capitalization of HollyWeed shall be not less than Fifty Million U.S. Dollars (US$50,000,000) or such other valuation as HollyWeed may agree upon.

"HollyWeed Shareholders" shall mean the record and beneficial owners of 100% of the HollyWeed Common Shares.

"Indebtedness" shall mean, with respect to any Person, without duplication, (a) all obligations of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, Line of Credit Note or similar instruments, or upon which interest payments are customarily made, (c) all obligations of such Person under conditional sale or other title retention agreements relating to property purchased by such Person (other than customary reservations or retentions of title under agreements with suppliers entered into in the ordinary course of business), (d) all obligations (including, without limitation, earn-out obligations) of such Person incurred, issued or assumed as the deferred purchase price of property or services purchased by such Person (other than trade debt and accrued expenses incurred in the ordinary course of business and due within one year of the incurrence thereof) which would appear as liabilities on a balance sheet of such Person, (e) all Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on, or payable out of the proceeds of production from, property owned or acquired by such Person, whether or not the obligations secured thereby have been assumed, (f) maximum amount of all letters of credit issued or bankers' acceptances facilities created for the account of such Person and, without duplication, all drafts drawn thereunder (to the extent unreimbursed), (g) all preferred Share Capital issued by such Person and which by the terms thereof are (at the request of the holders thereof or otherwise) subject to mandatory sinking fund payments, redemption or other acceleration at any time prior to the date which is six months after the Maturity Date, (h) the principal balance outstanding under any synthetic lease, tax retention operating lease, off-balance sheet loan or similar off-balance sheet financing product plus any accrued interest thereon, (i) all obligations of any partnership or unincorporated joint venture in which such Person is a general partner or a joint venturer and (j) obligations of such Person under non-compete agreements to the extent such obligations are quantifiable contingent obligations of such Person under GAAP principles.

"Intellectual Property" shall mean with respect to the Business (a) all inventions (whether patentable or unpatentable and whether or not reduced to practice), all improvements thereto, and all patents, patent applications, and patent disclosures, together with all reissuances, continuations, continuations-in-part, revisions, extensions, and re-examinations thereof, (b) all trademarks, service marks, trade dress, logos, trade names, and corporate names, together with all translations, adaptations, derivations, and combinations thereof and including all goodwill associated therewith, and all applications, registrations, and renewals in connection therewith, (c) all copyrightable works, all copyrights, and all applications, registrations, and renewals in connection therewith, (d) all mask works and all applications, registrations, and renewals in connection therewith, (e) all trade secrets and confidential business information (including ideas, research and development, know-how, formulas, compositions, manufacturing and production processes and techniques, technical data, designs, drawings, specifications, customer and supplier lists, pricing and cost information, and business and marketing plans and proposals), (f) all computer software (including data and related documentation), (g) all other proprietary rights, and (h) all copies and tangible embodiments thereof (in whatever form or medium).

"Interest" shall have the meaning set forth in Section 2.2 of this Agreement.

"Interest Commencement Date" shall have the meaning set forth in Section 2.2 of this Agreement.

"Lien" shall mean any lien, mortgage, security interest, collateral assignment, pledge, assignment, charge, title retention agreement, or encumbrance of any kind, and any other right of or arrangement with any creditor (whether based on common law, constitutional provision, statute or contract) to have its claim satisfied out of any property or assets, or their proceeds, before the claims of general creditors of the owner of the property or assets.

"Line of Credit" shall mean the financing provided by Line of Credit Lender under the terms of this Agreement in the maximum aggregate amount not to exceed Six Million Six Hundred and Seventy Five Thousand ($6,675,000) Dollars.

"Line of Credit Documents" shall mean this Agreement, the Line of Credit Note and the Security Agreement.

"Line of Credit Lender Representative" shall mean Israel Maxx Abramowitz, in his capacity as the member of Origo.

"Line of Credit Note" shall mean a senior secured convertible promissory note to be entered into by the Borrower, with the Line of Credit Lender, all in the form of **Exhibit 1** annexed hereto and made a part hereof.

"Material Adverse Effect" shall mean a material adverse effect on (a) the business, operations, property, assets, financial condition or prospects of the Borrower, (b) the ability of the Borrower to perform its Obligations, when such Obligations are required to be performed, under this Agreement, any of the Line of Credit Note or any other Line of Credit Document or (c) the validity or enforceability of this Agreement, any of the Line of Credit Note or any of the other Line of Credit Documents.

"Maturity Date" shall mean the last Business Day of the thirty sixth (36^{th}) Month following the Closing Date;

"Month" shall mean a calendar month.

"Obligations" shall mean, collectively, all of the obligations, Indebtedness and liabilities, whenever arising, including principal, interest, fees, costs, charges, expenses, professional fees, reimbursements, all sums chargeable to each one or more Borrower or for which any Borrower is liable as an indemnitor and whether or not evidenced by a note or other instrument and indemnification obligations and other amounts (including, but not limited to, any interest accruing after the occurrence of a filing of a petition of bankruptcy under the Bankruptcy Code) under the Line of Credit Documents.

"Optional Prepayment" shall have the meaning set forth in Section 2.6(a).

"Party" shall mean either of the Borrower and the Line of Credit Lender and "Parties" shall refer to all of them.

"Permitted Lien" shall have the meaning set forth in **Schedule 2** of this Agreement.

"Person" shall mean and includes an individual, a partnership, a limited liability company, a limited liability company, a trust, an unincorporated association, a joint venture or any other entity or a government or any agency or political subdivision thereof.

"Prepayment" shall mean any payments made by Borrower on the Line of Credit in advance of the Maturity Date.

"Prepayment Date" shall have the meaning set forth in Section 2.6(a).

"Prepayment Notice" shall have the meaning set forth in Section 2.6(a).

"Proceedings" shall have the meaning set forth in Section 4.4.

"Purchase Money Indebtedness" shall mean Indebtedness incurred by the Borrower to purchase or lease equipment for the Business and secured only by Liens on the specific item of equipment purchased or leased.

"SEC" shall mean United States Securities and Exchange Commission.

"Security Agreement" shall mean the security agreement annexed hereto as **Exhibit 2** pursuant to which the Borrower shall grant to the Line of Credit Lender a first priority lien and security interest in all its present and after acquired personal property, including without limitation all Intellectual Property.

"Share Capital" shall mean collectively, (a) the Class A common voting shares, the Class B common voting shares of HollyWeed and (b) the common voting and non-voting shares of any other Borrower.

"Subsidiary" shall mean, as to any Person, a limited liability company, partnership, limited partnership, limited liability company or other entity of which shares, membership interests or other ownership interests having ordinary voting power (other than stock or such other ownership interests having such power only by reason of the happening of a contingency) to elect a majority of the board of directors of a corporation or the managers of a limited liability company, partnership, limited partnership or other entity are at the time owned, or the management of which is otherwise controlled, directly or indirectly through one or more intermediaries, or both, by such Person. Unless otherwise qualified, all references to a "Subsidiary" or to "Subsidiaries" in this Agreement shall refer to any new Subsidiary or Subsidiaries of a Borrower. Each Borrower, other than HollyWeed, who has executed this Agreement is a direct or indirect Subsidiary of HollyWeed.

"Tax" shall mean all present and future taxes, levies, imposts, withholdings, duties, charges or fees of any nature whatsoever including without limitation any customs, franchise, transfer, sales, use, business, occupation, excise, personal property, real property, stamp, gross income, fuel, leasing, occupational, value added, turnover, excess profits, excise, gross receipts, gross profits, registration, license, limited liability company, capital gains, export, custom, import, net income, taxes (or any other amount corresponding to any of the foregoing) now or hereafter imposed, levied, collected, withheld or assessed by any national, foreign, regional or local taxing or fiscal authority or agency, together with any penalties, additions to tax, fines or interest thereon, and any assessments in respect of any of the foregoing, and "Tax" and "Taxation" shall be construed accordingly.

"Termination Date" shall mean the earliest date upon which a Termination Event shall occur.

"Termination Event" shall mean the first to occur of (a) the Maturity Date or (b) the date on which any Default shall occur, unless such Default shall be timely cured to the satisfaction of the Line of Credit Lender Representative in the exercise of his sole discretion.

"Transaction Documents" shall mean (i) the Line of Credit Documents, and (ii) the Warrant.

"Warrant" shall mean the five year warrant and in the form of **Exhibit 3** annexed hereto entitling Origo or its Affiliates to purchase 70,311,755 Class B Common Shares of HollyWeed representing 44% of the 89,487,688 outstanding Common Shares and stock options of HollyWeed as at the Closing Date (the "Warrant Shares"), at a price of CDN$0.12 per Warrant Share (the "Exercise Price");

1.1 Other Definitional Provisions.

The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The word "will" shall be construed to have the same meaning and effect as the word "shall." Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, restated, supplemented, amended and restated or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person's successors and assigns, (c) the words "herein," "hereof" and "hereunder," and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement, (e) any reference to any law or regulation herein shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time, (f) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights, (g) all terms defined in this Agreement shall have the defined meanings when used in any other Line of Credit Document or any certificate or other document made or delivered pursuant hereto, and (h) the article and section headings contained in this Agreement are for purposes of reference only and shall not limit, expand or otherwise affect the construction of any provisions hereof.

ARTICLE II.
AMOUNT AND TERMS OF LINE OF CREDIT

2.1 Line of Credit. On the Closing Date and until the Termination Date, the Line of Credit Lender shall provide the Borrower with a Line of Credit in such amount that shall represent up to (a) the aggregate principal amount of all of the Advances that may be outstanding at any time, plus (b) all Interest accrued on such outstanding principal amount of Advances, as shall not exceed the maximum aggregate amount to Six Million Six Hundred and Seventy Five Thousand ($6,675,000) Dollars. All Obligations then outstanding under this Agreement shall be immediately due and payable on the Termination Date.

2.2 Interest. All Advances made under this Agreement shall bear interest at the rate of eight percent (8%) per annum (the "Interest"). Such Interest shall be: (i) calculated on the aggregate outstanding principal amount of the Advances commencing upon the Closing Date ("Interest Commencement Date") and accruing daily at the Interest rate (as set forth in the Line of Credit Note) on the aggregate outstanding principal amount of Advances from time to time, computed on the basis of a 360-day year comprised of twelve (12) thirty (30) day Months; and (ii) shall accrue and be payable, together with all outstanding Advances, on the Maturity Date. From and after the occurrence of an Event of Default, all amounts Obligations shall bear interest at a rate of fifteen (15%) per annum ("Default Interest") as set forth in the Line of Credit Note. For the purposes of the *Interest Act* (Canada) and disclosure under such Act, wherever any interest to be paid under this Agreement is to be calculated on the basis of any period of time that is less than a calendar year (a "deemed year"), such rate of interest shall be expressed as a yearly rate by multiplying such rate of interest for the deemed year by the actual number of days in the calendar year in which the rate is to be ascertained and dividing it by the number of days in the deemed year.

2.3 Advances; Use of Proceeds. All funds to be advanced by the Line of Credit Lender to the Borrower under this Agreement (each an "Advance" and collectively, the "Advances") shall be made by Line of Credit Lender to the Borrower under the following conditions:

(a) Advance Requests. Any Advances under this Agreement shall be made by the Line of Credit Lender following receipt of a written request for an Advance provided to the Line of Credit Lender by HollyWeed and which shall set forth the purpose or use of proceeds of such Advance by the applicable Borrower (the "Advance Request"); *provided, however,* that, unless otherwise agreed by the Line of Credit Lender in the exercise of its sole discretion (i) the minimum amount of Advances set forth in any one Advance Request shall be not less than $100,000, (ii) not more than $500,000 of Advances shall be required to be made by the Line of Credit Lenders in any one Calendar Quarter, (iii) no Advances, shall be made prior to January 15, 2021, and (iv) the Line of Credit Lender shall be satisfied, in its sole discretion, with such due diligence information that it may request of the Borrower from time to time.

(b) Use of Proceeds. The Advances under this Agreement shall be for working capital and such other purposes as are set forth in the Advance Request, or as otherwise mutually agreed upon by the Line of Credit Lender.

(c) No Defaults. Unless otherwise agreed by Line of Credit Lender, no Advance shall be made at any time that a Default or Event of Default under this Agreement shall have occurred and is continuing.

(d) Line of Credit Note. Prior to each Advance, the Borrower shall execute and deliver to the Lender a Line of Credit Note in the principal amount of such Advance.

2.4 Documents. On the Closing Date:

(a) the Borrower shall execute and deliver to the Line of Credit Lender this Agreement and Security Agreement;

(b) HollyWeed shall execute and deliver to Origo the Warrant;

(c) the Borrower shall execute and deliver to the Line of Credit Lender a certificate that, as at the date of this Agreement, there shall be no Indebtedness of Borrower and no Liens on any of the assets, securities or properties of any Borrower, other than Permitted Liens.

2.5 Repayment. Subject to the provisions of Section 2.6 below, Advances may be borrowed, repaid and re-borrowed during the Commitment Period. The principal amount of all Advances, together with all accrued and unpaid interest and all other amounts owing hereunder and under the Line of Credit Note, shall be due and payable in full on the Maturity Date or earlier Termination Date. The Borrower covenants and agrees to pay all Advances in accordance with the terms of this Agreement.

2.6 Prepayment.

(a) Optional Prepayment. The Borrower may not prepay the Line of Credit Note until March 31, 2021. Thereafter, the Borrower may prepay all or any portion of the Line of Credit Note upon giving not less than sixty (60) days prior written notice to the Line of Credit Lender (a "Prepayment Notice"); ***provided, that*** the holder of the Line of Credit Note shall have the right at any time on or prior to the date of prepayment set forth in the Prepayment Notice (the "Prepayment Date") to convert all or any portion of the Line of Credit Note into HollyWeed Common Shares pursuant to the terms set out in the Line of Credit Note. Any such prepayment (an "Optional Prepayment") shall be without payment of any premium or penalty. Any permitted Optional Prepayment shall be applied first to accrued and unpaid interest and then to the principal amount of outstanding Advances under this Agreement and the Line of Credit Note.

(b) Mandatory Conversion. Unless otherwise converted into HollyWeed Common Shares, the entire Principal Amount of the Line of Credit Note and all accrued Interest thereon (including any Default Interest) shall be subject to mandatory conversion as set out in the Line of Credit Note. Subject to Applicable Law, each certificate, instrument, or book entry representing (i) the HollyWeed Common Shares or (ii) any other securities issued in lieu of the HollyWeed Common Shares, issued upon conversion as provided in the Line of Credit Note, may be notated with a legend, which shall be the only legend, if any, substantially in the following forms:

> THE SECURITIES REPRESENTED 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 APPLICABLE STATE SECURITIES LAWS. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF THE CORPORATION THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, ONLY (A) TO THE CORPORATION, (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. Securities Act AND IN COMPLIANCE WITH LOCAL LAWS AND REGULATIONS, (C) IN COMPLIANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE U.S. Securities Act PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES OR "BLUE SKY" LAWS, OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS, AND, IN THE CASE OF SUBPARAGRAPH (C) OR (D), THE SELLER FURNISHES TO THE CORPORATION AN OPINION OF COUNSEL OF RECOGNIZED STANDING OR SUCH OTHER EVIDENCE AS THE CORPORATION MAY REQUIRE IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE CORPORATION TO SUCH EFFECT. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.

2.7 Termination of Agreement. Upon the occurrence of any one or more Termination Events, any obligations of the Line of Credit Lender hereunder shall immediately terminate.

2.8 Judgment Currency.

(a) If, for the purpose of obtaining a judgment in any court, it is necessary to convert a sum due to the Line of Credit Lender in any currency (the "Original Currency") into another currency (the "Other Currency"), the Parties agree, to the fullest extent that they may effectively do so, that the rate of exchange used shall be that at which, in accordance with normal banking procedures, the Line of Credit Lender may purchase the Original Currency with the Other Currency on the Business Day preceding the day on which the final judgment is given or, if permitted by Applicable Law, on the day on which the judgment is paid or satisfied.

(b) The obligations of the Borrower in respect of any sum due in the Original Currency from it to the Line of Credit Lender under any of the Line of Credit Documents shall, notwithstanding any judgment in any Other Currency, be discharged only to the extent that on the Business Day following receipt by the Line of Credit Lender of any sum adjudged to be so due in the Other Currency, the Line of Credit Lender may, in accordance with normal banking procedures, purchase the Original Currency with the Other Currency. If the amount of the Original Currency so purchased is less than the sum originally due to the Line of Credit Lender in the Original Currency, the Borrower agrees, as a separate obligation and notwithstanding the judgment, to indemnify the Line of Credit Lender against any loss and, if the amount of the Original Currency so purchased exceeds the sum originally due to the Line of Credit Lender in the Original Currency, the Line of Credit Lender shall remit such excess to the Borrower.

ARTICLE III.
ADDITIONAL AGREEMENTS OF THE PARTIES.

3.1 Conditions Precedent to Disbursement at Closing. Prior to the disbursement of any Advances under the Line of Credit to or for the account of the Borrower on the Closing Date of the Line of Credit, and as a condition precedent to such disbursement, all of the conditions set forth below in this Section 3.1 must be satisfied.

(a) Authority. On the Closing Date, the Borrower shall deliver to Line of Credit Lender an officer's certificate, in form and substance satisfactory to Line of Credit Lender, attaching: (1) a copy of its organizational documents, together with any and all amendments thereto, (2) a current shareholder's register, (3) a certified resolution authorizing it to enter into the Transaction Documents and the transactions contemplated thereby, and (4) such other documents as Line of Credit Lender may reasonably request. The resolutions referred to above shall designate and authorize the individual or individuals executing the Line of Credit Documents on behalf of the Borrower to execute and deliver the same.

(b) Line of Credit Documents. On the Closing Date, the Borrower and shall execute and deliver to the Line of Credit Lender, a counterpart of all Transaction Documents in favor of the Line of Credit Lender.

(c) Opinion of Counsel. The Borrower shall deliver to the Line of Credit Lender an opinion of the Borrowers' counsel in form and substance satisfactory to the Line of Credit Lender.

(d) Miscellaneous Items. The Borrower shall deliver to Line of Credit Lender such other items, documents and evidences pertaining to the Line of Credit Documents as may reasonably be requested by Line of Credit Lender.

ARTICLE IV.
REPRESENTATIONS AND WARRANTIES

Except as set forth on the Disclosure Schedule to the Transaction Documents, each Borrower hereby represents and warrants to the Line of Credit Lender as follows:

4.1 Organization and Qualification. Each Borrower is a corporation duly organized and validly existing in good standing under the laws of its jurisdiction of formation and has the requisite corporate power and authority to own its properties and to carry on its business as now being conducted. Each Borrower is duly qualified to do business and is in good standing in every jurisdiction in which the ownership of its property or the nature of the business conducted by it makes such qualification necessary, except to the extent that the failure to be so qualified or be in good standing would not have a Material Adverse Effect. The Subsidiaries of HollyWeed are set forth on Schedule 4.1 to the Disclosure Schedule. No Borrower has any Subsidiaries as at the Closing Date other than those party to this Agreement on the Closing Date.

4.2 Authorization; Enforcement; Compliance with Other Instruments. Each Borrower has the requisite power and authority to execute the Transaction Documents, to issue the Line of Credit Note pursuant hereto, and to perform its obligations under the Transaction Documents, including HollyWeed issuing the Warrant Shares under the Warrant. The execution and delivery of the Transaction Documents by the Borrower and the issuance of the Line of Credit Note and the reservation of the Warrant Shares for future insurance under the Warrant, have been duly and validly authorized by the Borrower and no further consent or authorization is required by the Borrower, or any other Person in connection therewith. The Transaction Documents have been duly and validly executed and delivered by the Borrower and constitute valid and binding obligations of the Borrower, enforceable against the Borrower in accordance with their respective terms, except as such enforceability may be limited by general principles of equity or applicable bankruptcy, insolvency, reorganization, moratorium, liquidation or similar Applicable Laws relating to, or affecting generally, the enforcement of creditors' rights and remedies.

4.3 No Conflicts. The execution, delivery and performance of the Transaction Documents by the Borrower and the issuance and sale of the Line of Credit Note and the issuance of the Warrant Shares will not (a) conflict with or result in a violation of the Borrower's Notice of Articles, Articles or other constating documents, or (b) conflict with, or constitute a material default (or an event which, with notice or lapse of time or both, would become a material default) under, or give to others any right of termination, amendment, acceleration or cancellation of, any material agreement to which the Borrower is a party. No approval or authorization will be required from any Governmental Authority or agency, regulatory or self-regulatory agency or other third party in connection with this Agreement, the issuance of the Line of Credit Note and Warrant Shares and the other transactions contemplated by this Agreement.

4.4 Litigation and Regulatory Proceedings. There are no material actions, causes of action, suits, claims, proceedings, inquiries or investigations (collectively, "Proceedings") before or by any court, public board, government agency, self-regulatory organization or body pending or, to the knowledge of the executive officers of Borrower, threatened against or affecting the Borrower, the issued and outstanding Share Capital or any Borrower or any Borrower's officers in their capacities as such and, to the knowledge of the Borrower there is no reason to believe that there is any basis for any such Proceeding.

4.5 Compliance with Law; Licenses and Permits. Each Borrower has conducted and is conducting the Business in compliance in all material respects with all Applicable Laws. The applicable Borrower holds all licenses or permits from any Governmental Authority or other Person as licensee or permit holder as are required to operate the Business as presently conducted by such Borrower. All such licenses and permits are in full force and effect and no Borrower has committed any violation or default thereunder. No Borrower has received any oral or written notice from any Governmental Authority that would lead such Borrower to believe that any such license or permit will not be renewed.

4.6 Intellectual Property Rights. On the Closing Date, the Borrower owns or possesses all of the Intellectual Property necessary to conduct the Business as now conducted. None of the Intellectual Property of the Borrower are expected to expire or terminate within five (5) years from the date of this Agreement. The Borrower is not infringing, misappropriating or otherwise violating any Intellectual Property of any other Person. No claim has been asserted, and no Proceeding is pending, against the Borrower alleging that the Borrower is infringing, misappropriating or otherwise violating the Intellectual Property of any other Person, and, to the Borrower's knowledge, no such claim or Proceeding is threatened, and the Borrower is not aware of any facts or circumstances which might give rise to any such claim or Proceeding. The Borrower has taken commercially reasonable security measures to protect the secrecy, confidentiality and value of all of its Intellectual Property.

4.7 Title to Assets. Each Borrower has good and marketable title to all personal property owned by them which is material to the Business, in each case free and clear of all Liens. Any real property and facilities held under lease by the Borrower is held under valid, subsisting and enforceable leases with such exceptions as are not material and do not interfere with the use made and proposed to be made of such property and buildings by the Borrower.

4.8 No Materially Adverse Contracts, Etc. No Borrower is (a) subject to any charter, corporate or other legal restriction, or any judgment, decree or order which in the judgment of the Borrower has or is expected in the future to have a Material Adverse Effect or (b) a party to any contract or agreement which in the judgment of the Borrower's management has or would reasonably be anticipated to have a Material Adverse Effect.

4.9 Financial Statements. The draft consolidated financial statements of HollyWeed for the two Fiscal Years ended June 30, 2018 and June 30, 2019 furnished to Origo in the data room set up by HollyWeed are capable of being audited by an independent Chartered Professional Accountant in accordance with GAAP or International Financial Reporting Standards ("IFRS"). Prior to the consummation of the HollyWeed IPO, HollyWeed shall furnish to Origo and the Line of Credit Lender Representatives the audited consolidated financial statements of HollyWeed and each other Borrower, as required under Applicable Securities Laws, including, as applicable, statements of operations, balance sheet, statement of cash flows and appropriate footnotes, as at June 30, 2018, June 30, 2019 and June 30, 2020, and for the three Fiscal Years then ended.

4.10 Certain Transactions. There are no contracts, transactions, arrangements or understandings between the Borrower, on the one hand, and any HollyWeed Shareholder or any officer or employee of Borrower, on the other hand.

4.11 No Brokers', Finders' or Other Advisory Fees or Commissions. No brokers, finders or other similar advisory fees or commissions will be payable by the Borrower or by any of their respective agents with respect to the issuance of the Line of Credit Note or any of the other transactions contemplated by this Agreement.

4.12 Disclosure. Each Borrower understands and confirms that the Line of Credit Lender will rely on the foregoing representations and covenants in effecting transactions in securities of the Borrower. All disclosure provided to the Line of Credit Lender regarding the Borrower, its business and the transactions contemplated hereby, furnished by or on behalf of the Borrower (including the Borrower's representations and warranties set forth in this Agreement) are true and correct in all material respects and do not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

ARTICLE V.
COVENANTS

For so long as any principal amount and accrued Interest in respect of the Advances under this Agreement remains outstanding, the Borrower covenants and agrees with the Line of Credit Lender as follows:

5.1 HollyWeed IPO. HollyWeed hereby covenants and agrees that it shall use commercially reasonable efforts to (a) by not later than January 31, 2021, direct the auditors approved by Origo to complete an audit of the consolidated financial statements of HollyWeed (inclusive of each Borrower) for the two Fiscal Years ended June 30, 2020, or as required in Section 4.9 above, (b) by not later than January 31, 2021, HollyWeed shall prepare and file with the SEC a Form F-1 registration statement with respect to the HollyWeed IPO, (c) HollyWeed shall promptly respond to all comments received from the SEC, (d) HollyWeed shall seek to have the SEC declare such registration statement effective as soon as practicable thereafter, and (e) HollyWeed shall seek to have the HollyWeed Common Shares to be quoted or listed on an Approved Securities Market. Origo shall use commercially reasonable efforts assist HollyWeed in connection with the HollyWeed IPO, but shall not be deemed to be an underwriter or placement agent or otherwise be held responsible in the event that such HollyWeed IPO is not successfully completed. Upon completion of the HollyWeed IPO, the Obligations shall automatically be convertible into HollyWeed Common Shares as set out in the Line of Credit Note.

5.2 Use of Proceeds. The Borrower shall use the proceeds of the Line of Credit only in a manner approved herein.

5.3 Insurance. The Borrower shall provide and maintain, at all times, insurance coverage of the types and amounts as in effect on the date of this Agreement, unless otherwise approved by the Line of Credit Lender.

5.4 Information. The Borrower shall furnish to Line of Credit Lender with reasonable promptness such data and information, financial and otherwise, concerning the Borrower as from time to time may reasonably be requested by Line of Credit Lender for purposes of administering compliance with the Line of Credit Documents.

5.5 Notice. The Borrower shall promptly notify Line of Credit Lender in writing of any of the following:

(a) The existence or occurrence of any event, which with the passage of time, the giving of notice, or both, would constitute an Event of Default under this Agreement or a default under any of the Line of Credit Documents;

(b) Any events or changes in the financial condition of the Borrower occurring since the date of the last financial statement of Borrower delivered to Line of Credit Lender, which individually or cumulatively when viewed in light of prior financial statements, may result in a Material Adverse Effect on the financial condition of the Borrower; and

(c) Any claim, action or proceeding materially affecting title to the Collateral given by the Borrower to Line of Credit Lender under any of the Line of Credit Documents.

5.6 Financial Information. The Borrower shall furnish to the Line of Credit Lender:

(a) Annual Financial Statements. As soon as available and in any event no later than ninety (90) days after the end of each Fiscal Year of Borrower, or such longer period as required under Applicable Securities Laws (starting with the Fiscal Year ended June 30, 2021), a copy of the balance sheet of Borrower as of the end of such Fiscal Year and the related consolidated statements of income and retained earnings and of cash flows of the Borrower for such year, which shall be reviewed by a firm of independent certified public or chartered accountants reasonably acceptable to the Line of Credit Lender, setting forth in each case in comparative form the figures for the previous year, reported on without qualification indicating that the scope of the audit was inadequate to permit such independent certified public or chartered accountants to certify such financial statements without such qualification; and

(b) Quarterly Financial Statements. As soon as available and in any event no later than forty-five (45) days after the end of each of the first three (3) fiscal quarters of the Borrower or such longer period as required under Applicable Securities Laws, a copy of the unaudited consolidated balance sheet of the Borrower as of the end of such period and related unaudited consolidated statements of income and retained earnings and of cash flows for the Borrower for such quarterly period and for the portion of the Fiscal Year ending with such period, in each case setting forth in comparative form consolidated figures for the corresponding period or periods of the preceding Fiscal Year; all of which unaudited quarterly financial statements shall (i) be prepared in accordance with the Borrower's past practices and shall be subject to the absence of footnotes required by GAAP and normal recurring year end audit adjustments, and (ii) include management discussion and analysis of operating results inclusive of operating metrics in comparative form.

All such financial statements shall be complete and correct in all material respects (subject, in the case of interim unaudited statements, to the absence of footnotes required under GAAP or IFRS, as applicable, and normal recurring year end audit adjustments) and to be prepared in reasonable detail and, in the case of the annual, quarterly and monthly financial statements provided in accordance with subsections (a), (b) and (c) above, (other than with respect to the interim unaudited financial statements) in accordance with GAAP or IFRS, as applicable, applied consistently throughout the periods reflected therein and further accompanied by a description of, and an estimation of the effect on the financial statements on account of, a change, if any, in GAAP or IFRS, as applicable.

Notwithstanding the foregoing, financial statements and reports required to be delivered pursuant to the foregoing provisions of this Section may be delivered electronically and if so, shall be deemed to have been delivered on the date on which the Line of Credit Lender receives such reports from the Borrower through electronic mail; provided that, upon the Line of Credit Lender's request, the Borrower shall provide paper copies of any documents required hereby to the Line of Credit Lender.

5.7 Compliance with Laws. The Borrower shall comply with Applicable Laws, except where non-compliance could not reasonably be expected to constitute a Material Adverse Effect.

5.8 Acquisitions. Without the prior written approval of the Line of Credit Lender Representative, Borrower shall not acquire or invest in any securities issued by any Person or participate in any acquisition of any material set of business assets or unincorporated business operations.

5.9 Indebtedness. The Borrower shall not incur any Indebtedness in excess of $50,000, individually or in the aggregate, without the prior written consent of Line of Credit Lender Representative.

5.10 Additional Negative Covenants. Except as provided in the Transaction Documents, the Borrower shall not, without the prior written consent of Line of Credit Lender Representative, do any of the following:

(a) (i) liquidate, dissolve or wind-up the Business and affairs of the Borrower; (ii) effect any merger or consolidation transaction; (iii) sell, lease, transfer, license or otherwise dispose, in a single transaction or series of related transactions by the Borrower, a Change of Control; or (iv) consent to any of the foregoing;

(b) Purchase or redeem or pay or declare any dividend or make any distribution on, any Share Capital or other equity interests, except that the Borrower may declare and make dividend payments or other distributions payable solely to Origo in the in the form of additional HollyWeed Common Shares pursuant to the Warrant;

(c) Enter into any agreement with respect to a Change of Control;

(d) Enter into any agreement to guaranty any loan or line or credit, except as provided for in the Line of Credit Documents; or

(e) Change the nature of the Business of the Borrower.

5.11 Payment of Taxes and Other Obligations. The Borrower shall pay, discharge or otherwise satisfy at or before maturity or before they become delinquent, as the case may be, subject, where applicable, to specified grace periods, (a) all of its Taxes (Federal, state, provincial, territorial, local and any other taxes), (b) except as noted in the Disclosure Schedule, all of its other obligations and liabilities of whatever nature in accordance with industry practice, and (c) any additional costs that are imposed as a result of any failure to so pay, discharge or otherwise satisfy such Taxes, obligations and liabilities, except when the amount or validity of any such Taxes, obligations and liabilities is currently being contested in good faith by appropriate proceedings and reserves, if applicable, in conformity with GAAP with respect thereto have been provided on the books of the Borrower.

5.12 Maintenance of Property; Insurance. Except as set out in the Disclosure Schedule, the Borrower shall:

(a) keep all material property useful and necessary in its business in good working order and condition (ordinary wear and tear and obsolescence excepted);

(b) maintain with financially sound and reputable insurance companies liability, casualty, property and business interruption insurance (including, without limitation, insurance with respect to its tangible Collateral) in reasonable amounts and against at least such risks as are usually insured against in the same general area by companies engaged in the same or a similar business; and furnish to the Line of Credit Lender, upon the request of the Line of Credit Lender, full information as to the insurance carried. To the extent permitted under Applicable Laws, the Line of Credit Lender shall be named (i) as loss payee, as its interest may appear with respect to any property insurance, and (ii) as additional insured, as its interest may appear, with respect to any such liability insurance, and each provider of any such insurance shall agree, by endorsement upon the policy or policies issued by it or by independent instruments to be furnished to the Line of Credit Lender, that it will give the Line of Credit Lender thirty (30) days prior written notice before any such policy or policies shall be altered or canceled, and such policies shall provide that no act or default of the Borrower or any other Person shall affect the rights of the Line of Credit Lender under such policy or policies.

(c) In case of any material loss, damage to or destruction of any material element of the Collateral of the Borrower or any part thereof, the Borrower shall promptly give written notice thereof to the Line of Credit Lender generally describing the nature and extent of such damage or destruction. In case of any such material loss, damage to or destruction of Collateral of the Borrower or any part thereof, if required by the Line of Credit Lender, the Borrower (whether or not the insurance proceeds, if any, received on account of such damage or destruction shall be sufficient for that purpose), at such Borrower's cost and expense, will promptly repair or replace the Collateral of the Borrower so lost, damaged or destroyed.

5.13 Notices. The Borrower shall give notice in writing to the Line of Credit Lender Representative:

(a) promptly, but in any event within two (2) Business Days, after any Borrower has knowledge of the occurrence of any Default or Event of Default;

(b) promptly, of any default or event of default under any contractual obligation of the Borrower which, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect or involve a monetary claim in excess of $100,000;

(c) promptly, of any litigation, or any investigation or proceeding known or threatened to the Borrower (i) affecting the Borrower which, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect or involve a monetary claim in excess of $100,000 or involving injunctions or requesting injunctive relief by or against the Borrower, (ii) materially affecting this Agreement, any other Line of Credit Document or any security interest or Lien created thereunder, or (iii) by any Governmental Authority relating to the Borrower thereof and alleging fraud, deception or willful misconduct by such Person;

(d) of any labor dispute that has resulted in, or threatens to result in, a strike or other work action against any Borrower which could reasonably be expected to have a Material Adverse Effect;

(e) of any attachment, judgment, Lien, levy or order that may be assessed against or threatened against the Borrower other than Permitted Liens;

(f) promptly, of any notice of any violation received by the Borrower from any Governmental Authority; and

(g) promptly, of any other development or event which could reasonably be expected to have a Material Adverse Effect.

Each notice pursuant to this Section 5.13 shall be accompanied by a statement of an authorized officer setting forth details of the occurrence referred to therein and stating what action the Borrower proposes to take with respect thereto. In the case of any notice of a Default or Event of Default, the Borrower shall specify that such notice is a Default or Event of Default notice on the face thereof. Notwithstanding the foregoing, inadvertent failure to notify the Line of Credit Lender under this Section 5.13 shall not be an Event of Default or otherwise constitute a breach hereof, unless such failure to notify (i) is willful or deliberate, or (ii) shall have a Material Adverse Effect on the Borrower or the Line of Credit Lender.

5.14 Liens. Each Borrower shall cause that none of the tangible and intangible personal property or real property now or hereafter owned or leased by it or any other Borrower shall become subject to any Lien, other than pursuant to Permitted Liens.

5.15 Conference Call. Upon request of the Line of Credit Lender, within five Business Days of the delivery of any financial statements referred to herein and at such times as the Line of Credit Lender may request on three (3) Business Days' notice, the management of the Borrower shall host a conference call for the Line of Credit Lender to discuss such financial statements or current monthly financial results, as applicable. No fewer than three (3) Business Days prior to each conference call, Borrower shall notify the Line of Credit Lender of the time and date of such conference call and shall provide each Line of Credit Lender with access instructions to the conference call.

ARTICLE VI.
EVENTS OF DEFAULT; TERMINATION EVENT; REMEDIES

6.1 Events of Default. The occurrence and continuation of any of the following events shall constitute an Event of Default under this Agreement and the Line of Credit Documents without the requirement of notice from Line of Credit Lender to any of the Borrower:

(a) Nonpayment. The failure of the Borrower to pay, when due or upon a Termination Event, any or all of the principal amount of, or accrued Interest at the applicable interest rate on, all outstanding Advances, whether on the Maturity Date or otherwise, or any other Obligations of the Borrower under this Agreement or any of the Line of Credit Documents.

(b) Breach of Covenants. HollyWeed shall willfully fail or refuse to comply with its covenants in respect of the proposed HollyWeed IPO set forth in Section 5.1 or any Borrower shall breach or violate any of the covenants set forth in Sections 5.6 through 5.12 and in Section 5.13 above.

(c) Breach of Covenant. The failure of the Borrower to perform or observe any other covenant, term, condition or agreement contained in this Agreement or any other Line of Credit Document (other than as provided in Section 6.1(a) or (b)), and such failure continues unremedied for a period of 5 days (or if the failure cannot be cured within such five (5) days but is capable of cure, such greater period up to but not exceeding 30 days as required to cure such failure provided that the Borrower shall have diligently commenced the curing of such default and is diligently pursuing the same to completion) after the earlier of the Borrower becomes aware of such failure or written notice to the Borrower from the Line of Credit Lender.

(d) Assignment. Any Borrower, without the prior written consent of Line of Credit Lender: (1) assigns this Agreement or any disbursement or Advance to be made hereunder, or any interest therein to any Person; (2) voluntarily or involuntarily conveys, transfers, assigns, mortgages pledges or subjects to any Lien any of the assets and properties of Borrower in any manner, other than as provided in this Agreement; or (3) issue, conveys, transfers, pledges, encumbers or assigns to any Person, or consents to any such issuance, conveyance, transfer, pledge, encumbrance or assignment, other than to the Line of Credit Lender, any Share Capital or other equity interests in the capital of the Borrower (other than the issuance of HollyWeed Common Shares pursuant to the exercise of rights or options to acquire HollyWeed Common Shares or securities convertible or exchangeable into HollyWeed Common Shares, in each case that are issued and outstanding on the date hereof or that are issued to directors, officers or employees of the HollyWeed pursuant to the terms of a stock option plan that is in existence as of the date hereof).

(e) Material Adverse Effect. The occurrence and continuation of a Material Adverse Effect with respect to the Borrower which is not cured to the Line of Credit Lender's reasonable satisfaction within ten (10) days after the earlier of the Borrower becomes aware of such occurrence or written notice to the Borrower from the Line of Credit Lender.

(f) Breach of Warranty. The Borrower shall breach any material representation or warranty made under this Agreement.

(g) Bankruptcy or Insolvency. The occurrence and continuance of any voluntary or involuntary bankruptcy event with respect to the Borrower, including: the filing by it of a petition in bankruptcy or for reorganization or for an arrangement under any bankruptcy or insolvency law (including the Bankruptcy Code or the *Companies' Creditors Arrangement Act* (Canada)) or for a receiver or trustee for any of their respective properties; an assignment by it for the benefit of creditors or an admission by any of them, in writing, of an inability to pay its debts as they become due; or the entry of a judgment of insolvency against it by any state, provincial or federal court of competent jurisdiction.

(h) Misrepresentation. Any representation or warranty made by the Borrower in this Agreement or any of the Line of Credit Documents is or proves to have been incorrect when made and such inaccuracy causes a Material Adverse Effect.

(i) Transaction Documents. If any of the Transaction Documents cease for any reason to be enforceable in full force and effect in accordance with its terms at any time, with or without the Line of Credit Lender being notified thereof.

6.2 Election of Remedies. Upon the occurrence of any of the Events of Default set forth in Section 6.1 of this Agreement or the Line of Credit Documents, at the election of Line of Credit Lender, the Line of Credit Lender may exercise such rights and take the following actions to: (i) accelerate all Obligations owed by the Borrower to Line of Credit Lender and declare all outstanding Advances, accrued Interest and other Obligations then owing by the Borrower under the Line of Credit Documents to be immediately due and payable; (ii) exercise any remedy provided for in the Line of Credit Documents; (iii) terminate any obligations under this Agreement or the other Line of Credit Documents to extend additional Advances under this Line of Credit Agreement; or (iv) exercise any other right or remedy available to Line of Credit Lender pursuant to any Line of Credit Document, or as provided at law or in equity.

6.3 No Remedy Exclusive. No remedy conferred upon or reserved to Line of Credit Lender under this Agreement shall be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement, the Transaction Documents and the Line of Credit Documents, or now or hereafter existing at law or in equity or by statute. No delay or failure to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

6.4 Vesting of Warrant. In the event that an Event of Default shall occur by reason of a willful breach or violation by HollyWeed of its covenants in respect of the HollyWeed IPO as set forth in Section 5.1, the Warrant issued to Origo shall automatically vest, shall be immediately exercisable and no longer be subject to redemption by HollyWeed.

ARTICLE VII.
MISCELLANEOUS

7.1 Non-Waiver. No disbursement of the proceeds of the Line of Credit shall constitute a waiver of any covenant or condition to be performed by the Borrower. In the event the Borrower is unable to satisfy any such covenant or condition, Line of Credit Lender shall not be precluded from thereafter declaring such failure to be an Event of Default.

7.2 Derivative Rights. Any obligations of Line of Credit Lender to make disbursements hereunder is imposed solely and exclusively for the benefit of the Borrower and no other Person shall, under any circumstances, be deemed to be a beneficiary of such condition, nor shall any derivative claim or action against Line of Credit Lender.

7.3 Amendments. Neither this Agreement nor any provisions hereof may be changed, waived, discharged or terminated orally and may only be modified or amended by an instrument in writing, signed by each of the Line of Credit Lender and the Borrower.

7.4 Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the Borrower, the Line of Credit Lender and Line of Credit Lender's respective successors and assigns.

7.5 Waivers. The failure by the Line of Credit Lender at any time or times hereafter to require strict performance by the other of any of the undertakings, agreements or covenants contained in this Agreement shall not waive, affect or diminish any right of the Line of Credit Lender hereunder to demand strict compliance and performance therewith. Any waiver by Line of Credit Lender of any Event of Default under this Agreement shall not waive or affect any other Event of Default hereunder, whether such Event of Default is prior or subsequent thereto and whether of the same or a different type. None of the undertakings, agreements or covenants of the Borrower under this Agreement shall be deemed to have been waived unless such waiver is evidenced by an instrument in writing signed by the Line of Credit Lender specifying such waiver.

7.6 Survival. This Agreement shall survive the disbursement of the proceeds of the Line of Credit, and each and every one of the obligations and undertakings of the Borrower contained herein shall be continuing obligations and undertakings and shall not cease and terminate until all amounts which may accrue pursuant to this Agreement or any of the Line of Credit Documents shall have been fully paid and all Obligations and undertakings of the Borrower shall have been fully discharged.

7.7 Assignment and Notices. The Borrower may not assign, in whole or in part, any of its rights or Obligations under this Agreement, the Line of Credit Documents, the Transaction Documents or any other agreement or commitment (in addition to this Agreement and the Line of Credit Documents) in existence between Line of Credit Lender on one hand, and the Borrower, on the other hand, without the prior written consent of the Line of Credit Lender. Except as otherwise provided in this Agreement or in any Line of Credit Documents, whenever Line of Credit Lender or the Borrower desire to give or serve any notice, demand, request or other communication with respect to this Agreement or any other Line of Credit Documents, each such notice shall be in writing and shall be effective only if the notice is delivered by personal service, by nationally-recognized overnight courier, by facsimile or by email to the address set out below:

If to the Line of Credit Lender:

5953 Mabel Rd,
Unit #138,
Las Vegas, NV 89110
United States
Attention: Israel Maxx Abramowitz
Email: maxx@orevacapital.com

With a copy to:

Borden Ladner Gervais LLP
Bay Adelaide Centre, East Tower
22 Adelaide Street West
Suite 3400
Toronto, ON, Canada
M5H 4E3
Attention: Jason Saltzman
Email: JSaltzman@blg.com

If to the Borrower (or any one of them):

3974 Lexington Avenue
Victoria, BC V8N 3Z6

Attention: Renee Gagnon
Email: renee@hollyweednorth.com

With a copy to:

TingleMerrett LLP
1250, 639 - 5 Avenue SW
Calgary, AB T2P 0M9

Attention: Scott Reeves
Email: sreeves@tinglemerrett.com

Any such notice, demand, request or other communication if delivered, shall be deemed to have been given when received, if sent by facsimile before 4:30 p.m. (Vancouver time) on a Business Day, shall be deemed to have been received on that day, and if sent by facsimile after 4:30 p.m. (Vancouver time) on a Business Day, shall be deemed to have been received on the Business Day next following the date of transmission, and if sent by sent by email shall be deemed received upon the sender's receipt of an acknowledgment from the intended recipient (such as by the "return receipt requested" function, as available, return email or other written acknowledgment). Any Party may change its address by giving notice to the other Party of its new address in the manner provided above.

7.8 Severability. If any term or provision of this Agreement shall, to any extent, be determined by a court of competent jurisdiction to be void, voidable or unenforceable, such void, voidable or unenforceable term or provision shall not affect any other term or provision of this Agreement.

7.9 Actions. The Line of Credit Lender shall have the right, but not the obligation, to commence, appear in and defend any action or proceeding which might affect the Line of Credit Lender's security or the Line of Credit Lender's rights, duties or liabilities relating to the Line of Credit, the Collateral, any of the assets of the Borrower or this Agreement.

7.10 Governing Law. This Agreement and all matters relating hereto shall be governed by, construed and interpreted in accordance with the laws of the Province of British Columbia, and the federal laws of Canada applicable therein, without giving effect to principles of conflicts of laws.

7.11 Conflicts. The provisions of this Agreement are not intended to be superseded by the provisions of the Line of Credit Documents executed in conjunction with this Agreement but shall be construed as supplemental thereto. In the event of any inconsistency between the provisions hereof and the Line of Credit Documents, it is intended that this Agreement shall control.

7.12 Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered, shall be deemed an original, but all such counterparts taken together shall constitute only one instrument.

7.13 Attorney Fees. The Borrower agrees that should it default in any of the covenants or agreements contained in this Agreement or the Line of Credit Documents, it shall pay all costs and expenses, including reasonable attorney fees and costs, incurred by the Line of Credit Lender to protect its rights hereunder, regardless of whether an action is commenced or prosecuted to judgment.

7.14 Jurisdiction. Any action or proceeding arising out of or relating to this Agreement, the Line of Credit Documents or the transactions contemplated hereby or thereby may be instituted in the courts of the Province of British Columbia, and each Party irrevocably submits to the non-exclusive jurisdiction of such courts in any such action or proceeding. The Parties irrevocably and unconditionally waive any objection to the venue of any action or proceeding in such courts and irrevocably waive and agree not to plead or claim in any such court that any such action or proceeding brought in any such court has been brought in an inconvenient forum. Nothing herein or in any other Line of Credit Document shall affect any right that the Line of Credit Lender may otherwise have to bring any action or proceeding relating to this Agreement or any other Line of Credit Document against the Borrower or its properties in the courts of any jurisdiction.

7.15 Jury Waiver. THE BORROWER AND LINE OF CREDIT LENDERS HEREBY JOINTLY AND SEVERALLY WAIVE ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING RELATING TO THIS INSTRUMENT AND TO ANY OF THE LINE OF CREDIT DOCUMENTS, THE OBLIGATIONS HEREUNDER OR THEREUNDER, ANY COLLATERAL SECURING THE OBLIGATIONS, OR ANY TRANSACTION ARISING THEREFROM OR CONNECTED THERETO. THE BORROWER AND LINE OF CREDIT LENDERS EACH REPRESENT TO THE OTHER THAT THIS WAIVER IS KNOWINGLY, WILLINGLY AND VOLUNTARILY GIVEN.

7.16 Final Expression. THIS AGREEMENT AND THE LINE OF CREDIT DOCUMENTS ARE THE FINAL EXPRESSION OF THE AGREEMENT AND UNDERSTANDING OF LINE OF CREDIT LENDERS WITH RESPECT TO THE LINE OF CREDIT AND MAY NOT BE CONTRADICTED BY EVIDENCE OF ANY ALLEGED ORAL AGREEMENT.

7.17 Counterparts Signatures. This Agreement and any amendments, waivers, consents or supplements hereto may be executed in counterparts (and by different Parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement shall become effective when it shall have been executed by the Line of Credit Lender and when the Line of Credit Lender has received counterparts hereof that, when taken together, bear the signatures of each of the other Parties hereto. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or by sending a scanned copy by electronic mail shall be effective as delivery of a manually executed counterpart of this Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

LINE OF CREDIT LENDER:
ORIGO BC HOLDINGS LTD.

By: /s/ Israel Maxx Abramowitz
Name: Israel Maxx Abramowitz
Title: President

BORROWER: HOLLYWEED NORTH CANNABIS INC.

By: /s/ Renee Gagnon
Name: Renee Gagnon
Title: President & Director

HOLLYWEED MANUFACTURING & EXTRACTS INC.

By: /s/ Renee Gagnon
Name: Renee Gagnon
Title: Director

TERRACUBE INTERNATIONAL INC.

By: /s/ Renee Gagnon
Name: Renee Gagnon
Title: President & Director

1114474 B.C. LTD.

By: /s/ Renee Gagnon
Name: Renee Gagnon
Title: President & Director

[Signature Page to Line of Credit Agreement]

SCHEDULE 1
DISCLOSURE SCHEDULE

Section 4.1 — The material subsidiaries of HollyWeed are as follows:

- Terracube International Inc. (formerly Crop2Scale International Inc.), a British Columbia corporation
- Hollyweed Manufacturing & Extracts Inc., a British Columbia corporation
- 1114474 BC Ltd., a British Columbia corporation

In addition, HollyWeed has the following subsidiaries that have no assets or operations. The intention is to let the BC companies be struck from the BC registry. The US entity also has no assets or operations and will also likely not be renewed:

- Hollyweed Grow Inc., a British Columbia corporation
- Terracube USA Inc., a Delaware corporation
- Hollyweed Retail Inc. (formerly Hollyweed Lodge Inc.), a British Columbia corporation
- Hollyweed Bakery Inc., a British Columbia corporation Instructions have been provided to bring HollyWeed and the three material subsidiaries into good standing, as applicable.

Section 4.4 — There are no material Proceedings against or affecting the Borrower, except for the following:

- Order to Provide information or Produce Records from the British Columbia Securities Commission dated February 10, 2020, related to the historical issuance of shares by Hollyweed utilizing the “close friends, family and business associates” prospectus exemption pursuant to National Instrument 45-106 ss. 2.5.
- Employment standards complaints filed with the Employment Standards Branch of British Columbia as against Hollyweed North Cannabis Inc. by Christopher Ore, Jo Ann Di Sensi, Kimberley Ellis, Leslie Gerard, Meredith Stratton, David Galvez Alcaraz, Kate Dalgleish and Glenda Meyer (former employees of Hollyweed North Cannabis Inc.). Amounts owing to these employees for unpaid wages are accrued in the balance sheet as accounts payable.

Section 4.5 — The Borrower holds all licenses or permits from any Governmental Authority or other Person as licensee or permit holder as are required to operate the Business as presently conducted by such Borrower, except for:

- The Borrower has applied for but not yet received its Health Canada Controlled Substance Dealer License for the conduct of activities related to psychedelics including Psilocybin, Psilocin, Mescaline and DMT

Section 4.6 — None of the Intellectual Property of the Borrower is expected to expire or terminate within five (5) years from the date of this Agreement, subject to:

- Licenses held by the Borrower are subject to the license term provided therein and are generally renewable, subject to compliance with the provisions for renewal or maintenance set out under the license terms.

Section 4.7 — Each Borrower has good and marketable title to all personal property owned by them which is material to the Business, in each case free and clear of all Liens, except for the Liens that exist due to the following:

- The Loan Agreement between Hollyweed North Cannabis Inc. (as borrower), Hollyweed Manufacturing & Extracts Inc. and Terracube International Inc. (as guarantors), Renee Gagnon (as principal) of Hollyweed North Cannabis Inc. and MNB Enterprises Inc. (as agent), MNB Enterprises Inc. and R. Jay Management Ltd. (as lenders) dated January 14, 2020 as amended February 27, 2020 and April 30, 2020.

- Second Amendment to the Loan Agreement between Hollyweed North Cannabis Inc. (Borrower), Hollyweed Manufacturing & Extracts Inc. and Terracube International Inc (Guarantors). and Renee Gagnon (Principal) and MNB Enterprises Inc. (Agent) and MNB Enterprises Inc. and R. Jay Management Ltd. (Lender) dated February 27, 2020 re: an extension to the Maturity Date (earlier of (i) third party financing and (ii) March 30, 2020) of the Loan Agreement for 1,000,000 Class B Voting Common Shares of HW as consideration.

- Third Amendment to the Loan Agreement between Hollyweed North Cannabis Inc. (Borrower), Hollyweed Manufacturing & Extracts Inc. and Terracube International Inc (Guarantors). and Renee Gagnon (Principal) and MNB Enterprises Inc. (Agent) and MNB Enterprises Inc. and R. Jay Management Ltd. (Lender) dated February 27, 2020 re: an extension to the Maturity Date (earlier of (i) third party financing and (ii) April 30, 2020) of the Loan Agreement for no further consideration.

- Fourth Amendment to the Loan Agreement between Hollyweed North Cannabis Inc. (Borrower), Hollyweed Manufacturing & Extracts Inc. and Terracube International Inc (Guarantors). and Renee Gagnon (Principal) and MNB Enterprises Inc. (Agent) and MNB Enterprises Inc. and R. Jay Management Ltd. (Lender) dated April 30, 2020 re: an extension to the Maturity Date (earlier of (i) third party financing and (ii) June 30, 2020) of the Loan Agreement for no further consideration.

- Fifth Amendment to the Loan Agreement between Hollyweed North Cannabis Inc. (Borrower), Hollyweed Manufacturing & Extracts Inc. and Terracube International Inc (Guarantors). and Renee Gagnon (Principal) and MNB Enterprises Inc. (Agent) and MNB Enterprises Inc. and R. Jay Management Ltd. (Lender) dated June 30, 2020 re: an extension to the Maturity Date (earlier of (i) third party financing and (ii) July 31, 2020) of the Loan Agreement for no further consideration.

- The General Security Agreement between Hollyweed North Cannabis Inc. and MNB Enterprises Inc. dated January 14, 2020

- The General Security Agreement between Hollyweed Manufacturing & Extracts Inc. and MNB Enterprises Inc. dated January 14, 2020

- The General Security Agreement between Terracube International Inc. and MNB Enterprises Inc. dated January 14, 2020.

- Agency Agreement between Hollyweed North Cannabis Inc. (Borrower), Hollyweed Manufacturing & Extracts Inc. and Terracube International Inc. (Guarantors) and Renee Gagnon (Principal) and MNB Enterprises Inc. (Agent) and MNB Enterprises Inc. and R. Jay Management Ltd. (Lender) dated January 14, 2020.

- Pledge Agreement between Hollyweed North Cannabis Inc. (as borrower) and MBN Enterprises Inc. (as agent) dated January 14, 2020

Section 4.10 - There are no contracts, transactions, arrangements or understanding between the Borrower and any Hollyweed Shareholder or any officer or employee of the Borrower, except for the following:

- Options

Option Holder	Date Issued	Vesting Terms	Expiry	Quantity	Exercise Price Per Share
Chris Taylor	September 18, 2017	Fully vested	September 18, 2022	975,780	$ 0,02557
Chris Taylor	October 4, 2017	Fully vested	October 4, 2022	976,780	$ 0.17914
Chris Taylor	May 18, 2018	Fully vested	May 18, 2023	1,280,580	$ 0.00036
Chris Taylor	March 2, 2018	Fully vested	March 2, 2023	113,680	$ 0.21993
Chris Taylor	March 2, 2018	Fully vested	March 2, 2023	909,370	$ 0.02750
Cheryl Evans	July 1, 2019	Fully vested	June 30, 2024	2,000,000	$ 0.35000
Bin Huang	July 1, 2019	Fully vested	June 30, 2024	100,000	$ $0.35000

- Debt Instruments/Promissory Notes

  Livio Susin

  - Promissory Note dated January 1, 2019 whereby HW promises to pay Livio Susin $200,000 on March 31, 2019
    - Principal: $200,000
    - Interest: $10,500
    - Term: March 31, 2019
  - Promissory Note Extension Agreement between HW and Livio Susin dated March 31, 2019
    - Revised Maturity Date: September 30, 2019
    - Interest: $3,500 per month
  - Promissory Note Extension Agreement between HW and Livio Susin dated September 30, 2019
    - Revised Maturity Date: December 31, 2019
    - Interest: $3,500 per month
  - Promissory Note Extension Agreement between HW and Livio Susin dated December 31, 2019
    - Revised Maturity Date: June 30, 2020
    - Interest: $3,500 per month

- Promissory Note Extension Agreement between HW and Livio Susin dated June 30, 2020
    - Revised Principal: $100,000
    - Revised Maturity Date: December 31, 2020
    - Interest: $3,500 per month
- Short Term Loan Agreement between HW and Livio Susin dated February 19, 2019
    - Principal: $330,000 (in installments from February 19, 2019 to April 17, 2019)
    - Interest: 2%
    - Term: Principal shall be due 90 days subsequent to a successful completion of an IPO or RTO (so as to list the shares on a public exchange)

Renee Gagnon

- Short Term Loan Agreement between HW and Renee Gagnon dated October 17, 2019
    - Principal: $50,000
    - Interest: 2%
    - Term: Principal shall be due 90 days subsequent to a successful completion of an IPO or RTO (so as to list the shares on a public exchange)

Bridge Loan

- Loan Agreement between Hollyweed North Cannabis Inc. (Borrower), Hollyweed Manufacturing & Extracts Inc. and Terracube International Inc. (Guarantors) and Renee Gagnon (Principal) and MNB Enterprises Inc. (Agent) and MNB Enterprises Inc. and R. Jay Management Ltd. (Lender)
    - Principal: $150,000
    - Interest: 20% per annum
    - Term: The earlier of (i) a third party financing; and (ii) 30 days after the Closing Date
    - Put Option Shares: 1,041,250 Class B Non-voting Common Shares at a price of $1.00 per shares and 619,53 Class B Non-voting Common Shares at a price of $1.00

Canada Emergency Business Account Loan

- Loan to HW under government program
    - Principal: $40,000
    - Forgivable portion: $10,000 if repaid by due date
    - Interest: 0%
    - Due date: December 31, 2022
- Loan to TC under government program
    - Principal: $40,000
    - Forgivable portion: $10,000 if repaid by due date
    - Interest: 0%
    - Due date: December 31, 2022

Notes Payable Summary

(Omitted)

- Contractual Liabilities

Settlement Agreement between Hollyweed North Cannabis Inc. ("HW") and Renee Gagnon and Livio Susin and Heather Jennings and Mary Stipancic dated April 20, 2020, as amended on October 23, 2020

- HW will provide Mary Stipancic with a lump sum of $233,821.94 *("Base Amount")* and various other amounts totalling approximately $283,000 (cash and securities)

- HW will pay the Base Amount on the earlier of:

  - The closing of the sale of HW's assets for more than $5 million

  - HW or its subsidiaries secures greater than $5 million in debt financing

  - The issuance of HW or its subsidiaries of greater than $5 million equity financing

  - In the event that none of the above happen prior to October 20, 2020, HW shall pay $20,000 of the Base Amount owing for each $1,000,000 received by Hollyweed from financing or sales activities prior to the Deadline Date.

  - In any event, the Base Amount shall be paid on or before April 20, 2021 (the "Deadline Date")

- Renee Gagnon personally guarantees the performance of HW's obligations under this agreement

- If less then $5 million are raised the parties will negotiate in good faith to a "reasonable reduction" to the amounts noted above.

Contractor Agreement between Hollyweed North Cannabis Inc. ("HW") and Renee Gagnon and Livio Susin and Heather Jennings and Cheryl Evans undated *("Contractor Agreement")*

- HW will provide Cheryl Evans with a lump sum of $284,956.71 *("Amount")*, a success fee in the aggregate amount of $25,000 to be paid concurrently with the closing of sale of one or more of Hollyweed's wholly owned subsidiaries, a potential equity financing transaction resulting in a public listing of one or more of Hollyweed's wholly owned subsidiaries, and/or a potential equity financing transaction resulting in a change of control of Hollyweed or one of its wholly owned subsidiaries. On May 10, 2020, the Amount was been reduced to an aggregate $184,956.71.

Section: 5.11 Payment of Taxes and Other Obligations

- HollyWeed has not filed tax returns for the below entities for the noted periods, however, no taxes are currently owing nor will be owing upon filings. Tax losses may be carried forward for a period of 20 years and are available to offset future taxes payable.

Name	Taxation Year	Due date	Return position
HollyWeed North Cannabis Inc.	June 30, 2017	Overdue	Loss, no taxes payable
HollyWeed North Cannabis Inc.	June 30, 2018	Overdue	Loss, no taxes payable
HollyWeed North Cannabis Inc.	June 30, 2019	Overdue	Loss, no taxes payable
HollyWeed North Cannabis Inc.	June 30, 2020	December 31, 2020	Loss, no taxes payable
1114474 BC Ltd.	June 30, 2017	Overdue	Nil return, no taxes payable
1114474 BC Ltd.	June 30, 2018	Overdue	Nil return, no taxes payable
1114474 BC Ltd.	June 30, 2019	Overdue	Nil return, no taxes payable
1114474 BC Ltd.	June 30, 2020	December 31, 2020	Nil return, no taxes payable
HollyWeed Manu & Extracts Inc.	June 30, 2018	Overdue	Loss, no taxes payable
HollyWeed Manu & Extracts Inc.	June 30, 2019	Overdue	Loss, no taxes payable
HollyWeed Manu & Extracts Inc.	June 30, 2020	December 31, 2020	Loss, no taxes payable
HollyWeed Grow Inc.	June 30, 2018	Overdue	Nil return, no taxes payable
HollyWeed Grow Inc.	June 30, 2019	Overdue	Nil return, no taxes payable
HollyWeed Grow Inc.	June 30, 2020	December 31, 2020	Nil return, no taxes payable
Terracube International Inc.	June 30, 2020	December 31, 2020	Loss, no taxes payable
CaliH20 Water and Waste Inc.	June 30, 2018	Overdue	Nil return, no taxes payable
CaliH20 Water and Waste Inc.	June 30, 2019	Overdue	Nil return, no taxes payable
CaliH20 Water and Waste Inc.	June 30, 2020	December 31, 2020	Nil return, no taxes payable
HollyWeed Bakery Inc.	June 30, 2018	Overdue	Nil return, no taxes payable
HollyWeed Bakery Inc.	June 30, 2019	Overdue	Nil return, no taxes payable
HollyWeed Bakery Inc.	June 30, 2020	December 31, 2020	Nil return, no taxes payable
HollyWeed Retail Inc.	June 30, 2018	Overdue	Nil return, no taxes payable
HollyWeed Retail Inc.	June 30, 2019	Overdue	Nil return, no taxes payable
HollyWeed Retail Inc.	June 30, 2020	December 31, 2020	Nil return, no taxes payable

Section: 5.12 Maintenance of Property Insurance.

- HollyWeed did not renew its general commercial liability insurance policy that expired August 21, 2020, and so does not currently hold any company and/or business insurance.

SCHEDULE 2
PERMITTED LIENS

"**Permitted Liens**" means any of the following:

(a) Liens directly securing the Obligations to the Line of Credit Lender evidenced by the Line of Credit Note and the other Line of Credit Documents;

(b) Pledges, deposits or Liens arising or made to secure payment of workers' compensation, unemployment insurance or other forms of governmental insurance or benefits or to participate in any fund in connection with workers' compensation, unemployment insurance, pensions or other social security programs;

(c) Easements, rights-of-way, encumbrances and other restrictions on the use or value of real property or any other property or asset which do not materially impair the use thereof;

(d) Liens for Taxes and Liens imposed by operation of law (including, without limitation, Liens of mechanics, materialmen, warehousemen, carriers and landlords, and similar Liens) provided that (i) except as disclosed on the Disclosure Schedule, the amount secured is not overdue by more than one hundred eighty (180) days and no Lien has been filed, or (ii) the validity or amount thereof is being contested in good faith by lawful proceedings diligently conducted, reserve or other provision required by GAAP has been made, levy and execution thereon have been (and continue to be) stayed, or payment is fully covered by insurance (subject to the customary deductible);

(e) Rights of offset or statutory banker's Liens arising in the ordinary course of business in favor of commercial banks, provided that any such Lien shall only extend to deposits and property in possession of such commercial bank;

(f) liens to secure Purchase Money Indebtedness;

(g) mechanic, workmen's, materialman's and repairman's liens in the ordinary course of business; and

(h) the following agreements:

(i) Loan Agreement between HollyWeed North Cannabis Inc. (as borrower), HollyWeed Manufacturing & Extracts Inc. and Terracube International Inc. (as guarantors), Renee Gagnon (as principal) of HollyWeed North Cannabis Inc. and MNB Enterprises Inc. (as agent), MNB Enterprises Inc. and R. Jay Management Ltd. (as lenders) dated January 14, 2020 as amended February 27, 2020 and April 30, 2020;

(ii) General Security Agreement between HollyWeed North Cannabis Inc. and MNB Enterprises Inc. dated January 14, 2020;

(iii) General Security Agreement between HollyWeed Manufacturing & Extracts Inc. and MNB Enterprises Inc. dated January 14, 2020;

(iv) General Security Agreement between Terracube International Inc. and MNB Enterprises Inc. dated January 14, 2020;

(v) Agency Agreement between HollyWeed North Cannabis Inc. (Borrower), HollyWeed Manufacturing & Extracts Inc. and Terracube International Inc. (Guarantors) and Renee Gagnon (Principal) and MNB Enterprises Inc. (Agent) and MNB Enterprises Inc. and R. Jay Management Ltd. (Lender) dated January 14, 2020;

(vi) Pledge Agreement between HollyWeed North Cannabis Inc. (as borrower) and MBN Enterprises Inc. (as agent) dated January 14, 2020;

(vii) Promissory Note dated January 1, 2019 between HollyWeed North Cannabis Inc. (as borrower) and Livio Susin (as lender) in the original principal amount of $200,000, as amended, bearing interest at 21% per annum and due December 31, 2020;

(viii) Loan agreement dated February 19, 2019 between HollyWeed North Cannabis Inc. (as borrower) and Livio Susin (as lender) in the original principal amount of $330,000, as amended, bearing interest at 2% per annum and due 90 days following an IPO/RTO;

(ix) Loan agreement dated October 17, 2019 between HollyWeed North Cannabis Inc. (as borrower) and Livio Susin (as lender) in the original principal amount of $50,000, as amended, bearing interest at 2% per annum and due 90 days following an IPO/RTO;

(x) Canada Emergency Business Account Loan to HollyWeed North Cannabis Inc. (as borrower) in the principal amount of $40,000, non-interest bearing, forgivable as to $10,000 if paid by December 31, 2022; and

(xi) Canada Emergency Business Account Loan to Terracube International Inc.. (as borrower) in the principal amount of $40,000, non-interest bearing, forgivable as to $10,000 if paid by December 31, 2022.

Notes Payable Summary

Company	Lender	Original date	Due date	Security	Interest rate	Original amount	Interest	Paid	Forgiven	Outstanding
HWN	Promissory Note-Livio Susin (David Anthony)	January 1, 2019	December 31, 2020	Financing statement persuant to Personal Property Security Act may be filed at cost of Lender	21%	200,000.00	61,250.00	-121,000.00	0.00	140,250.00
HWN	Short Term Loan-Livio Susin	February 19, 2019	90 days subsequent to IPO/RTO	Unsecured	2%	330,000.00	8,666.87	-7,500.00	0.00	331,166.87
HWN	Short Term Loan-1118737 BC Ltd (Renee Gagnon)	April 17, 2019	90 days subsequent to IPO/RTO	Unsecured	2%	506,000.00	11,485.69	0.00	-517,485.69	0.00
HWN	Short Term Loan-Renee Gagnon	October 17, 2019	90 days subsequent to IPO/RTO	Unsecured	2%	50,000.00	600.65	-27,579.18	0.00	23,021.47
HWN	Bridge Loan	January 14, 2020	July 31, 2020	General Security Agreements	20%	150,000.00	13,726.03	0.00	0.00	163,726.03
HWN	Canada Emergency Business Account Loan	April 20, 2020	December 31, 2022	Unsecured, 25% forgiven if repaid by due date	interest free	40,000.00	0.00	0.00	-10,000.00	30,000.00
TC	Canada Emergency Business Account Loan	April 20, 2020	December 31, 2022	Unsecured, 25% forgiven if repaid by due date	interest free	40,000.00	0.00	0.00	-10,000.00	30,000.00
						1,316,000.00				**718,164.37**

	Payment schedule	
	November 30, 2020	163,726.03
	December 31, 2020	140,250.00
	90 days subsequent to IPO/RTO	354,188.34
	December 31, 2022	60,000.00
	Total	**718,164.37**

Exhibit 1

Line of Credit Note

Exhibit 1

THIS SECURITY HAS NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS.

CONVERTIBLE SECURED PROMISSORY NOTE

Issuance Date: $_____

FOR VALUE RECEIVED, each of the following corporations **HollyWeed North Cannabis Inc.,** a corporation organized under the laws of British Columbia ("HollyWeed" or the "Company") and the HollyWeed Subsidiaries consisting of **HollyWeed Manufacturing & Extracts Inc.,** a British Columbia corporation, **Terracube International Inc.,** a British Columbia corporation, and **1114474 B.C. Ltd.,** a British Columbia corporation (individually and collectively, the "Borrower"), hereby unconditionally promises to pay to the order of **Origo BC Holdings Ltd.,** a British Columbia corporation ("Origo"), and/or its successors and assigns (collectively, with Origo, the "Holder"), at such place as the Holder may from time to time designate, the principal sum of _____ ($_____) **Dollars.** Also, (the "Principal Indebtedness"), inclusive of interest on the outstanding Principal Indebtedness evidenced by this Note at the Interest Rate or, if applicable, the Default Interest Rate, set forth below.

This Note is the "Line of Credit Note", as that term is defined in the Line of Credit Agreement, dated as of November 4, 2020 (the "Line of Credit Agreement"), among HollyWeed, each other Borrower and Origo. Unless otherwise expressly defined in this Note, all capitalized terms used herein and all references to $ or Dollars shall have the same meaning as assigned to them in the Line of Credit Agreement.

(a) Principal Indebtedness. The entire Principal Indebtedness evidenced by this Note shall be due and payable on a date which shall be November 4, 2023 (i.e., 36 months from the Effective Date referred to in the Line of Credit Agreement) (the "Maturity Date").

(b) Interest. Except as provided in clause (c) below, the Principal Indebtedness outstanding hereunder from time to time shall bear interest at the rate of eight (8%) percent per annum (the "Interest Rate") from the Issuance Date until the entire Principal Indebtedness, all accrued and unpaid interest thereon, and all other amounts and indebtedness payable under this Note, are paid in full, whether at maturity, upon acceleration, by prepayment, or otherwise. All accrued and unpaid interest shall be payable together with all outstanding Principal Indebtedness on the Maturity Date of this Note. All computations of interest shall be made on the basis of the actual number of days elapsed in a year of 360 days. For the purposes of the *Interest Act* (Canada) and disclosure under such Act, wherever any interest to be paid under this Agreement is to be calculated on the basis of any period of time that is less than a calendar year (a "deemed year"), such rate of interest shall be expressed as a yearly rate by multiplying such rate of interest for the deemed year by the actual number of days in the calendar year in which the rate is to be ascertained and dividing it by the number of days in the deemed year.

(c) Default Interest Rate. During any period in which an Event of Default has occurred and is continuing, interest shall accrue on the outstanding Principal Indebtedness at the rate equal to fifteen (15%) percent per annum (the "Default Interest Rate").

(d) Judgment Currency. (i) If, for the purpose of obtaining a judgment in any court, it is necessary to convert a sum due to the Line of Credit Lender in any currency (the "Original Currency") into another currency (the "Other Currency"), the Parties agree, to the fullest extent that they may effectively do so, that the rate of exchange used shall be that at which, in accordance with normal banking procedures, the Line of Credit Lender may purchase the Original Currency with the Other Currency on the Business Day preceding the day on which the final judgment is given or, if permitted by Applicable Law, on the day on which the judgment is paid or satisfied. (ii) The obligations of the Borrower in respect of any sum due in the Original Currency from it to the Line of Credit Lender under any of the Line of Credit Documents shall, notwithstanding any judgment in any Other Currency, be discharged only to the extent that on the Business Day following receipt by the Line of Credit Lender of any sum adjudged to be so due in the Other Currency, the Line of Credit Lender may, in accordance with normal banking procedures, purchase the Original Currency with the Other Currency. If the amount of the Original Currency so purchased is less than the sum originally due to the Line of Credit Lender in the Original Currency, the Borrower agrees, as a separate obligation and notwithstanding the judgment, to indemnify the Line of Credit Lender against any loss and, if the amount of the Original Currency so purchased exceeds the sum originally due to the Line of Credit Lender in the Original Currency, the Line of Credit Lender shall remit such excess to the Borrower.

(e) Conversion. The Holder of this Note shall have the right and option at any time or from time to time to convert all or any portion of the outstanding Principal Amount of this Note and all accrued and unpaid interest hereon into Class B Common Shares of HollyWeed (the "Conversion Shares") at a conversion price of twelve cents ($0.12) per share (the "Conversion Price") and each such conversion is deemed an "Optional Conversion". In addition, upon consummation of a HollyWeed IPO and listing of the HollyWeed Class B Common Shares on an Approved Securities Market, all and not less than all of the outstanding Principal Amount of this Note, together with all interest accrued hereon shall automatically and without any further action on the part of the Holder be converted into Conversion Shares or shares of common stock or common shares of any successor-in-interest to HollyWeed at the Conversion Price then in effect (a "Mandatory Conversion"). The Holder of this Note, shall effect an Optional Conversion upon issuance of a conversion notice in the form of Exhibit A annexed hereto. If the Holder shall timely elect to convert such conversion right, and if, for any reason, the Company shall not timely issue the applicable number of Conversion Shares to the Holder, in addition to any rights and remedies at law, the Holder shall have the absolute right to obtain specific performance of the obligations set forth in this paragraph from any court of competent jurisdiction in the United States or Canada. In the event of any forward or reverse split of the outstanding HollyWeed Common Shares, the Conversion Price then in effect shall be appropriately and equitably adjusted, as provided in Section (n) of this Note.

(f) Events of Default. An Event of Default (as defined in the Line of Credit Agreement) shall, for all purposes, be deemed to be an Event of Default under this Note. Upon the occurrence and during the continuation of any Event of Default, at the Holder's discretion, the Holder may exercise such rights and take the following actions to: (i) accelerate all Obligations owed by the Borrowers and declare all outstanding Obligations then owing by the Borrowers to be immediately due and payable; or (ii) exercise Holder's rights with respect to the Collateral under the Security Agreement. No remedy conferred upon or reserved to the Holder under this Note shall be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Note, the Line of Credit Agreement, any other Transaction Document or now or hereafter existing at law or in equity or by statute or any other provision of law. No delay or failure to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

(g) This Note is intended to be governed by the laws of the Province of British Columbia and subject to such venue or forum selection as set forth in the Line of Credit Agreement.

(h) It is agreed that time is of the essence in the performance of this Note. Upon the occurrence and during the continuation of an Event of Default under this Note that is not cured within the applicable cure period, if any, the Holder shall have the right and option to declare, without notice, all the remaining indebtedness of unpaid principal and interest evidenced by this Note immediately due and payable.

(i) If this Note is placed in the hands of a lawyer or an attorney for collection, by suit or otherwise or to enforce its collection, the Borrower shall pay all reasonable costs of collection including reasonable outside lawyers' and attorneys' fees.

(j) The Borrowers hereby waive diligence, presentment, demand, protest, notice of intent to accelerate, notice of acceleration, and any other notice of any kind. No delay or omission on the part of the Holder in exercising any right hereunder shall operate as a waiver of such right or of any other remedy under this Note. A waiver on any one occasion shall not be construed as a bar to or waiver of any such right or remedy on a future occasion. The Borrowers hereby further waive any rights to designate how payments will be applied, and acknowledge and agree that Holder shall have the right in its sole discretion to determine the order and method of the application of payments on this Note.

(k) The obligation of Borrowers to pay the applicable Obligations under this Note is absolute and unconditional, and there exists no Borrower right of set off, recoupment, counterclaim or defense of any nature whatsoever to payment of this Note.

(l) The obligations of each Borrower under this Note and the Line of Credit Agreement are secured by a Lien on all of the assets of each Borrower pursuant to a Security Agreement between the Line of Credit Lender, as secured party, and each Borrower, as debtors, in the form of an Exhibit to the Line of Credit Agreement (the "Security Agreement").

(m) All agreements between the Holder and the Borrowers are hereby expressly limited so that in no contingency or event whatsoever, whether by reason of acceleration of maturity of the indebtedness evidenced hereby or otherwise, shall the amount paid or agreed to be paid to the Holder for the use, forbearance, loaning or detention of the indebtedness evidenced hereby exceed the maximum amount permissible under applicable law.

(n) Adjustments upon Certain Transactions.

(i) The Conversion Price and the number of Conversion Shares issuable upon conversion of this Note shall be adjusted in the event the Company (i) pays a dividend or makes any other distribution with respect to any of its Common Shares solely in Common Shares, (ii) subdivides its outstanding Common Shares, or (iii) combines its outstanding Common Shares into a smaller number of shares. In such event, the number of Conversion Shares issuable upon conversion of this Note immediately prior to the record date of such dividend or distribution or the effective date of such subdivision or combination shall be adjusted so that the Holder of this Note shall thereafter be entitled to receive the number of Conversion Shares that such Holder would have owned or have been entitled to receive after the happening of any of the events described above, had this Note been converted immediately prior to the happening of such event or any record date with respect hereto.

In addition, upon an adjustment pursuant to this subsection (n), the Conversion Price for each of the Conversion Shares payable upon exercise of this Note shall be adjusted (without rounding) so that it shall equal the product of the Conversion Price immediately prior to such adjustment multiplied by a fraction, the numerator of which shall be the number of Conversion Shares issuable upon the conversion of this Note immediately prior to such adjustment, and the denominator of which shall be the number of Conversion Shares so issuable immediately thereafter. Such adjustment shall become effective immediately after the effective date of such event retroactive to the record date, if any, for such event.

For avoidance of doubt, the adjustment contemplated by this section can be expressed by formula as follows:

Ub = Conversion Shares underlying this Note before the adjustment
Ua = Conversion Shares underlying this Note after the adjustment
Pb = conversion price per share before the adjustment
Pa = conversion price per share after the adjustment
Ob = shares outstanding before the transaction in question
Oa = shares outstanding after the transaction in question
Ua = Ub x Oa / Ob
Pa = Pb x Ob / Oa

(ii) If the Company shall fix a record date for the payment of a dividend or the making of a distribution with respect to any of its Common Shares, (other than one covered by subsection (n)), then the Conversion Price to be in effect after the record date for such dividend or distribution shall be determined (without rounding) by multiplying (x) the Conversion Price in effect immediately prior to such record date by (y) a fraction, the numerator of which shall be the Fair Market Value per share of Common Shares as of the last Business Day (or, if the Common Shares is then traded on a Recognized Securities Market (any one of the Nasdaq, the New York Stock Exchange, the NYSE:American Exchange, the OTC Markets (including the OTCQX platform), the Canadian Securities Exchange, the Toronto Stock Exchange, the TSX Venture Exchange or any other United States or foreign stock exchange that constitutes the principal securities exchange on which the Common Shares is then traded), the last trading day) before the ex-date less the Fair Market Value of the cash, securities (excluding Common Shares that is the same class of securities for which this Note would be exercisable immediately after such distribution or dividend taking into account the adjustments pursuant to this subsection (n)) or other property paid per share in such dividend or distribution, and the denominator of which shall be the Fair Market Value per share of Common Shares as of the last Business Day (or, if the Common Shares is then traded on a Recognized Securities Market, the last trading day) before the ex-date. Upon any adjustment of the Conversion Price pursuant to subsection n(ii), the total number of Common Shares purchasable upon the conversion of this Note shall be such number of shares (calculated to the nearest thousandth) purchasable immediately prior to such adjustment multiplied by a fraction, the numerator of which shall be the Conversion Price in effect immediately before such adjustment and the denominator of which shall be the Conversion Price in effect immediately after such adjustment.

For avoidance of doubt, the adjustment contemplated by subsection (n)(ii) can be expressed by formula as follows:

Ub = Conversion Shares underlying this Note before the adjustment
Ua = Conversion Shares underlying this Note after the adjustment
Pb = conversion price per share before the adjustment
Pa = conversion price per share after the adjustment
M = Fair Market Value per share of Common Shares as of the last Business Day (or, if applicable, trading day) before ex-date
D = Fair Market Value of the dividend or distribution made per share of Common Shares
Ua = Ub x M / (M - D) Pa = Pb x (M - D) / Ms

For the purposes hereof, "Fair Market Value" means (x) in the case of Common Shares means the amount which a willing buyer would pay a willing seller in an arm's-length transaction for one share of such Common Shares, as determined by the Board in good faith, provided that if the Common Shares are then traded on a Recognized Securities Market, it shall mean the closing sale price of such security (or, if no closing sale price is reported, the average of the closing bid and ask prices or, if more than one in either case, the average of the average closing bid and the average closing ask prices) on such date as reported in composite transactions on the Recognized Securities Market on which the Common Shares are then traded; (y) in the case of cash, the amount thereof; and (z) in the case of other property, the amount which a willing buyer would pay a willing seller in an arm's-length transaction for such property, as determined by the Board in good faith.

(iii) If a publicly-announced tender offer or issuer bid made by the Company or any of its subsidiaries for all or any portion of the Common Shares shall expire and tendering holders of Common Shares is paid aggregate consideration having a Fair Market Value when paid which exceeds the aggregate Fair Market Value of the Common Shares acquired in such tender offer as of the last Business Day, or, if applicable, trading day before the date on which such tender offer is first publicly announced (such excess, the "Excess Tender Amount"), then the Conversion Price to be in effect after the tender offer expires shall be determined (without rounding) by multiplying (x) the Conversion Price in effect immediately prior to such adjustment by (y) a fraction, the numerator of which shall be the Fair Market Value per share of the Common Shares as of the last trading day before the date on which such tender offer is first publicly announced less the Premium Per Pro Forma Share, and the denominator of which shall be the Fair Market Value per share of Common Shares as of the last Business Day, or, if applicable, trading day before the date on which such tender offer is first publicly announced. As used herein, "Premium Per Pro Forma Share" means (x) the Excess Tender Amount divided by (y) the number of Common Shares outstanding at expiration of the tender offer after giving pro forma effect to the purchase of shares in the tender offer. Upon any adjustment of the Conversion Price pursuant to this subsection (n)(iii), the total number of Conversion Shares purchasable upon the conversion of this Note shall be such number of Conversion Shares (calculated to the nearest thousandth) purchasable immediately prior to such adjustment multiplied by a fraction, the numerator of which shall be the Conversion Price in effect immediately before such adjustment and the denominator of which shall be the Conversion Price in effect immediately after such adjustment. For avoidance of doubt, the adjustment contemplated by this section can be expressed by formula as follows:

Ub = Conversion Shares underlying this Note before the adjustment
Ua = Conversion Shares underlying this Note after the adjustment
Pb = conversion price per share before the adjustment
Pa = conversion price per share after the adjustment
M = Fair Market Value per share of Common Shares as of the last Business Day (or, if applicable, trading day) before the tender offer is announced
E = Excess Tender Amount (the aggregate premium paid in the tender offer)
Pr = Premium Per Pro Forma Share
Oa = Shares outstanding after giving effect to tender offer
Pr = E / Oa
Ua = Ub x M / (M - Pr) Pa = Pb x (M - Pr) / M

(iv) If any consolidation, merger, amalgamation, arrangement or similar extraordinary transaction of the Company with another entity, or the sale of all or substantially all of its assets, or any recapitalization or reclassification of the Common Shares, shall be effected (a "Reorganization Event"), and in connection with such Reorganization Event, the Conversion Shares shall be converted into or exchanged for or become the right to receive cash, securities or other property, then, as a condition of such Reorganization Event, lawful and adequate provisions shall be made by the Company whereby the Holder of this Note shall thereafter have the right to purchase and receive on conversion of this Note, for an aggregate price equal to the aggregate Conversion Price for all of the Conversion Shares underlying this Note as in effect immediately before such transaction (subject to adjustment thereafter as contemplated by the succeeding sentence), the same kind and amount of cash, securities or other property as it would have had the right to receive if it had converted this Note immediately before such transaction and been entitled to participate therein. In the event of any such Reorganization Event, the Company shall make appropriate provision to ensure that applicable provisions of this Note (including, without limitation, the provisions of this subsection (n)) shall thereafter be binding on the other party to such transaction (or the successor in such transaction) and applicable to any securities thereafter deliverable upon the conversion of this Note. The Company will not effect any such Reorganization Event unless, prior to the consummation thereof, the successor entity (if other than the Company) resulting from such Reorganization Event or the entity purchasing such assets shall assume by written instrument reasonably satisfactory in form and substance to the Holder of this Note, executed and mailed or delivered to the Holder at the last address of such Holder appearing on the books of the Company, the obligation to deliver the cash, securities or property deliverable upon conversion of this Note. The Company shall notify the Holder of this Note of any such proposed Reorganization Event reasonably prior to the consummation thereof so as to provide such Holder with a reasonable opportunity prior to such consummation to conversion of this Note in accordance with the terms and conditions hereof; provided, however, that in the case of a transaction which requires notice to be given to the holders of Common Shares of the Company, the Holder of this Note shall be provided the same notice given to the holders of other Common Shares of the Company.

THE HOLDER AND THE BORROWERS IRREVOCABLY WAIVE ALL RIGHT TO A TRIAL BY JURY IN ANY PROCEEDING HEREAFTER INSTITUTED BY OR AGAINST HOLDER OR BORROWERS IN RESPECT OF THIS NOTE OR ARISING OUT OF ANY DOCUMENT, INSTRUMENT OR AGREEMENT EVIDENCING, GOVERNING OR SECURING THIS NOTE. THE BORROWERS EACH ACKNOWLEDGE THAT THE INDEBTEDNESS EVIDENCED BY THIS NOTE IS PART OF A COMMERCIAL TRANSACTION.

****

IN WITNESS WHEREOF, this Note has been executed by each of the Borrowers as of the day and year first set forth above.

HollyWeed North Cannabis, Inc.

By: _____
Name:
Title:

HollyiWeed Manufacturing & Extracts, Inc.,

By: _____
Name:
Title:

Terracube International Inc.

By: _____
Name:
Title:

1114474 B.C. Ltd.

By: _____
Name:
Title:

Exhibit A

NOTICE OF CONVERSION

To: HOLLYWEED NORTH CANNABIS INC. (the "**Corporation**")

The undersigned holder (the "**Holder**") of the Convertible Secured Promissory Note issued by the Corporation, among others, to the undersigned on November ____, 2020 (the "**Note**") hereby irrevocably elects to convert $_____ of the outstanding principal amount into Class B Common Shares of the Corporation pursuant to the terms of the Note at the Conversion Price and on the other terms specified in the Note. The capitalized terms used but not otherwise defined herein have the meanings given in the Note.

The Holder irrevocably directs that such Class B Common Shares and all the securities comprising such Class B Common Shares be issued in the name of the Holder and be delivered to the Holder at the address set out below:

5953 Mabel Rd,
Unit #138,
Las Vegas, NV 89110
United States
Attention: Israel Maxx Abramowitz

Dated the _____ day of _____, 20____

ORIGO BC HOLDINGS LTD.

By:

_____
Authorized Signing Officer
Name:
Title:

Exhibit 2

Security Agreement

GENERAL SECURITY AGREEMENT

DATED for reference this 5th day of November, 2020

1. HOLLYWEED NORTH CANNABIS INC., HOLLYWEED MANUFACTURING & EXTRACTS INC., TERRACUBE INTERNATIONAL INC. AND 1114474 B.C. LTD. (collectively, the "Debtor"), having a chief executive office at 3974 Lexington Avenue, Victoria, BC V8N 3Z6 as continuing security for the repayment and the performance of each of the Obligations (as defined herein) grants to ORIGO BC HOLDINGS LTD. ("Origo"), and its participating lenders (together with Origo, the "Secured Party") having offices at 5953 Mabel Rd, Unit #138, Las Vegas, NV 89110, United States, a continuing, specific and fixed assignment, transfer, mortgage, charge and security interest in all of the Debtor's present and after-acquired personal property except any consumer goods, but specifically including all of the Debtors' present and after-acquired Accounts, Money, Chattel Paper, Goods (other than consumer goods), Intangibles, Inventory, Documents of Title, Instruments, Securities, Investment Property, Crops and Licences, and all Proceeds therefrom.

2. Floating Charge. As continuing security for the repayment and the performance of each of the Obligations (as defined herein), the Debtor grants a floating charge to the Secured Party on all the Debtor's interest in personal, real, immovable and leasehold property, including without limitation, all fixtures, crops and improvements, both present and future, other than such as are validly and effectively charged under Section 1 or excluded under Section 4.

3. Attachment. The Debtor acknowledges that value has been given. The security interests created hereby are intended to attach, as to all of the Collateral in which the Debtor has an interest, forthwith when the Debtor executes this Security Agreement, and, as to all Collateral in which the Debtor acquires any right or interest after the execution of this Security Agreement, when the Debtor acquires such right or interest.

4. Exceptions - Leases. The last day of any term reserved by any lease, verbal or written, or any agreement therefor, now held or hereafter acquired by the Debtor is hereby excepted out of the security interests created hereby. The Debtor shall assign and dispose of such last day of any term reserved by any such lease in such manner as the Secured Party may from time to time direct in writing. Upon any sale, assignment, sublease or other disposition of such lease or agreement to lease, the Secured Party shall, for the purpose of vesting the aforesaid residue of any such term in any purchaser, assignee, sublessee or such other acquirer of the lease, agreement to lease or any interest therein, be entitled by deed or other written instrument to assign to such other person, the aforesaid residue of any such term in place of the Debtor and to vest the same freed and discharged from any obligation whatsoever respecting the same.

5. Where Consent Required. Nothing herein shall constitute an assignment or attempted assignment of any right, privilege, benefit, contract, permit, policy or other document or instrument which by the provisions thereof or by law is not assignable or which requires the consent of any third party to its assignment unless and until such consent is obtained or is waived by the third party. In each such case the Debtor shall, unless the Secured Party otherwise agrees in writing, forthwith obtain the consent of any necessary third party to its assignment hereby and for its further assignment by the Secured Party to any third party who may acquire same as a result of the Secured Party's exercise of remedies after an Event of Default. Upon such consents being obtained or waived, this Security Agreement shall apply thereto without regard to this Section 5 and without the necessity of any further assurance to effect the assignment thereof.

6. Pending Consent. In any case to which Section 5 applies, unless and until consent to assignment is obtained as therein provided, the Debtor shall, to the extent it may do so by law or pursuant to the provisions of the document or interest therein referred to, hold all benefit to be derived therefrom in trust for the Secured Party as additional security for performance of the Obligations and shall deliver up all such benefit to the Secured Party forthwith upon demand by the Secured Party.

7. Collateral. The property, assets, rights and undertaking charged hereunder, including all of such Accessions, Accounts, Chattel Paper, Documents of Title, Goods, Instruments, Intangibles, Inventory, Money, Proceeds, Investment Property and Securities together with all increases, additions, improvements and accessions thereto, and all substitutions or any replacements thereof are, unless otherwise specified, herein referred to as the "**Collateral**".

8. Defined Terms. Unless the context otherwise requires or unless otherwise specified, all the terms used herein with or without initial capitals which are defined in the *Personal Property Security Act* (British Columbia) or the regulations thereunder, as they may be amended, restated or replaced by successor legislation of comparable effect (collectively, the "**PPSA**"), have the same meaning herein as in the PPSA.

9. Obligations Secured. The Collateral constitutes and will constitute continuing security for all present and future obligations (collectively, the "**Obligations**") of the Debtor to the Secured Party.

10. Change of Name. The Debtor agrees not to change its name or any name under which it carries on business without giving to the Secured Party 20 day's prior written notice of the change.

11. Disclosure. The Debtor agrees to deliver to the Secured Party upon request such information concerning the Collateral, the Debtor and the Debtor's business and affairs as the Secured Party may request.

12. Proceeds in Trust. The Debtor will and shall be deemed to hold all Proceeds in trust, separate and apart from other Money, Instruments or property, for the benefit of the Secured Party until all amounts owing by the Debtor to the Secured Party have been paid in full.

13. Collection of Accounts. After default under this Security Agreement, the Secured Party may notify and direct any party ("**Account Customer**") obligated to pay under any Account, Chattel paper or Instrument constituting Collateral to make all payments whatever to the Secured Party. The Secured Party may hold all amounts acquired from any Account Customers and any Proceeds as part of the Collateral. Any payments received by the Debtor whether before or after notification to Account Customers, shall be held by the Debtor in trust for the Secured Party in the same medium in which received, shall not be commingled with any assets of the Debtor and shall be turned over to the Secured Party not later than the next business day following the day of their receipt.

14. Default. The Debtor shall be in default under this Security Agreement upon the occurrence of any of the following events ("**Events of Default**"):

(a) **Performance of Obligations.** The Debtor defaults in the payment or performance of any of the Obligations;

(b) **Breach of Agreement.** The Debtor breaches any term, provision, warranty, representation or covenant under this Security Agreement, the Line of Credit Agreement of even date between the Debtor and the Secured Party, among others (the "**Line of Credit Agreement**"), the Converitible Secured Promissory Note of even date between the Debtor and the Secured Party, among others (the "**Promissory Note**") or the Warrant as defined in the Line of Credit Note;

(c) **Guarantor or Indemnitor Default.** Any person who from time to time guarantees, assumes or otherwise becomes liable for the Obligations or who covenants and agrees to indemnify the Secured Party for any loss, costs or damages as a result of the Debtor's failure to perform the Obligations (the "**Guarantor/Indemnitor**"), commits a breach of, or fails to observe or perform, any covenant, representation or warranty in favour of the Secured Party;

(d) **Cease to Carry on Business.** The Debtor or Guarantor/Indemnitor ceases or threatens to cease to carry on business;

(e) **Bankruptcy, Insolvency.** The dissolution, termination of existence, insolvency, bankruptcy or business failure of the Debtor or Guarantor/Indemnitor, or upon the appointment of a receiver, receiver-manager or receiver and manager of any part of the property of the Debtor or Guarantor/Indemnitor, or the commencement by or against the Debtor or Guarantor/Indemnitor of any proceeding under any bankruptcy, arrangement, reorganization, dissolution, liquidation, insolvency or similar law for the relief of or otherwise affecting creditors of the Debtor or Guarantor/Indemnitor, or by or against any guarantor or surety for the Debtor or Guarantor/ Indemnitor, or upon the issue of any writ of execution, warrant, attachment, sequestration, levy, third party demand, notice of intention to enforce security or garnishment or similar process against the Debtor, Guarantor/Indemnitor or any part of the Collateral;

(f) **Dissolution, Winding Up.** The institution by or against the Debtor or Guarantor/Indemnitor of any formal or informal proceeding for the dissolution or liquidation of, settlement of claims against or winding up of affairs of the Debtor or Guarantor/Indemnitor;

(g) **Enforcement of Charge Against Collateral.** If any right of distress is levied or is threatened to be levied against the Collateral or if any encumbrance affecting the Collateral becomes enforceable against the Collateral or any part thereof and such distress or encumbrance is not remedied within 14 days;

(h) **Transfer of Collateral.** Any Collateral is transferred or sold without the Secured Party's prior written consent;

(i) **Destruction of Collateral.** Any material portion of the Collateral is damaged or destroyed; and

(j) **Other Default.** Either Debtor or any Guarantor/Indemnitor defaults under any agreement with respect to any indebtedness or other obligation to any person other than the Secured Party, if such default has resulted in, or may result, with notice or lapse of time or both, in, the acceleration of any such indebtedness or obligation or the right of such person to realize upon any Collateral.

15. **Crystallization.** The floating charge created by Section 2 shall become a fixed charge as soon as:

(a) the Secured Party gives notice to that effect to the Debtor;

(b) the Secured Party takes any step to accelerate or demand payment of the Obligations, or gives notice of its intention or takes any steps to enforce its security; or

(c) an Event of Default described in Subsection 14 (e) or (g) occurs in respect of the Debtor.

16. **Secured Party's Remedies on Default.** Upon the occurrence of an Event of Default all of the Obligations shall become immediately due and payable without notice to the Debtor, and the Secured Party may, at its option, proceed to enforce payment of same and to exercise any or all of the rights and remedies contained herein, including, without limitation, the signification and collection of any debts, accounts, claims or monies owed to the Debtor or otherwise afforded by law, in equity or otherwise. The Secured Party shall have the right to enforce one or more remedies successively or concurrently in accordance with applicable law and the Secured Party expressly retains all rights and remedies not inconsistent with the provisions herein including all the rights it may have under the PPSA, and, without restricting the generality of the foregoing, the Secured Party may upon such Event of Default:

(a) **Appointment of Receiver**. Appoint by instrument in writing a receiver, receiver-manager or receiver and manager (herein a "**Receiver**") of the Debtor and of all or any part of the Collateral and remove or replace such Receiver from time to time or may institute proceedings in any court of competent jurisdiction for the appointment of a Receiver. Any Receiver appointed by the Secured Party so far as concerns responsibility for its acts shall be deemed the agent of the Debtor and not of the Secured Party. Where the Secured Party is referred to in this Section the reference includes, where the context permits, any Receiver so appointed and the officers, employees, servants or agents of such Receiver;

(b) **Enter and Repossess**. Immediately and without notice enter the Debtor's premises and repossess, disable or remove the Collateral and the Debtor hereby grants to the Secured Party a licence to occupy any premises of the Debtor for the purpose of storage of the Collateral;

(c) **Retain the Collateral**. Retain and administer the Collateral in the Secured Party's sole and unfettered discretion, which the Debtor hereby acknowledges is commercially reasonable;

(d) **Dispose of the Collateral**. Dispose of any Collateral by public auction, private tender or private contract with or without notice, advertising or any other formality, all of which are hereby waived by the Debtor. The Secured Party may, at its discretion establish the terms of such disposition, including, without limitation, terms and conditions as to credit, upset, reserve bid or price. The Secured Party may also lease the Collateral on such terms as it deems appropriate. The payments for Collateral, whether on a disposition or lease, may be deferred. All payments made pursuant to such dispositions shall be credited against the Obligations only as they are actually received. The Secured Party may buy in, rescind or vary any contract for the disposition of any Collateral and may dispose of any Collateral again without being answerable for any loss occasioned thereby. Any such disposition may take place whether or not the Secured Party has taken possession of the Collateral;

(e) **Foreclose**. Foreclose upon the Collateral in satisfaction of the Obligations. The Secured Party may designate any part of the Obligations to be satisfied by the foreclosure of particular Collateral which the Secured Party considers to have a net realizable value approximating the amount of the designated part of the Obligations, in which case only the designated part of the Obligations shall be deemed to be satisfied by the foreclosure of the particular Collateral;

(f) **Carry on Business**. Carry on or concur in the carrying on of all or any part of the business of the Debtor and may, in any event, to the exclusion of all others, including the Debtor, enter upon, occupy and use all premises of or occupied or used by the Debtor and use any of the personal property (which shall include fixtures) of the Debtor for such time and such purposes as the Secured Party sees fit. The Secured Party shall not be liable to the Debtor for any neglect in so doing or in respect of any rent, costs, charges, depreciation or damages in connection therewith;

(g) **Payment of Encumbrances**. Pay any Encumbrance that may exist or be threatened against the Collateral. In any such case the amounts so paid together with costs, charges and expenses incurred in connection therewith shall be added to the Obligations secured by this Security Agreement;

(h) **Payment of Deficiency**. If the Proceeds of realization are insufficient to pay all monetary Obligations, the Debtor shall forthwith pay or cause to be paid to the Secured Party any deficiency and the Secured Party may sue the Debtor to collect the amount of such deficiency; and

(i) **Dealing with Collateral**. Subject to applicable law seize, collect, realize, borrow money on the security of, release to third parties, sell (by way of public or private sale), lease or otherwise deal with the Collateral in such manner, upon such terms and conditions, at such time or times and place or places and for such consideration as may seem to the Secured Party advisable and without notice to the Debtor. The Secured Party may charge on its own behalf and pay to others sums for expenses incurred and for services rendered (expressly including legal services, consulting, receivers and accounting fees) in or in connection with seizing, collecting, realizing, borrowing on the security of, selling or obtaining payment of the Collateral and may add such sums to the Obligations secured by this Security Agreement.

17. Secured Party Not Liable for Failure to Exercise Remedies. The Secured Party shall not be liable or accountable for any failure to exercise any of its remedies.

18. Allocation of Proceeds. All monies collected or received by the Secured Party in respect of the Collateral may be held by the Secured Party and may be applied on account of such parts of the Obligations at the sole discretion of the Secured Party.

19. Extension of Time. The Secured Party may grant extensions of time and other indulgences, take and give up securities, accept compositions, grant releases and discharges, release the Collateral to third parties and otherwise deal with the Debtor's guarantors or sureties and others and with the Collateral and other securities as the Secured Party may see fit without prejudice to the Obligations, or the Secured Party's rights, remedies and powers under this Security Agreement. No extension of time, forbearance, indulgence or other accommodation now, heretofore or hereafter given by the Secured Party to the Debtor shall operate as a waiver, alteration or amendment of the rights of the Secured Party or otherwise preclude the Secured Party from enforcing such rights.

20. Effect of Appointment of Receiver. As soon as the Secured Party takes possession of any Collateral or appoints a receiver (the "**Receiver**"), all powers, functions, rights and privileges of the directors and officers of the Debtor with respect to that Collateral shall cease, unless specifically continued by the written consent of the Secured Party or the Receiver.

21. Limitation of Liability. The Secured Party shall not be liable by reason of any entry into or taking possession of any of the Collateral hereby charged or intended so to be or any part thereof, to account as mortgagee in possession or for anything except actual receipts or be liable for any loss on realization or any act or omission for which a secured party in possession might be liable.

22. Release by Debtor. The Debtor hereby releases and discharges the Secured Party and the Receiver from every claim of every nature which may arise or be caused to the Debtor or any person claiming through or under the Debtor by reason or as a result of anything done by the Secured Party or any successor or assign claiming through or under the Secured Party or the Receiver under the provisions of this Security Agreement unless such claim be the result of dishonesty or gross neglect.

23. Costs. The Debtor will reimburse the Secured Party on demand for all interest, commissions, costs of realization and other costs and expenses (including the full amount of all legal fees and expenses paid by the Secured Party) incurred by the Secured Party or any Receiver in connection with the perpetual registration of any financing statement registered in connection with the security interests hereby created, the preparation, execution, perfection, protection, enforcement of and advice with respect to this Security Agreement, the realization, disposition of, retention, protection, insuring or collection of any Collateral, the protection or enforcement of the rights, remedies and powers of the Secured Party or any Receiver, any costs incurred in complying with control orders and clean-up orders or liabilities to third parties arising out of the Debtor's activities or while enforcing the Secured Party's security, and the inspection of, and investigation of title to, the Collateral. All amounts for which the Debtor is required hereunder to reimburse the Secured Party or any Receiver shall, from the date of disbursement until the date the Secured Party or the Receiver receives reimbursement, bear interest at the highest rate per annum charged by the Secured Party on any of the Obligations.

24. Security in Addition and not in Substitution, Remedies Cumulative. The rights, remedies and powers conferred by this Security Agreement are in addition to, and not in substitution for, any other rights, remedies or powers the Secured Party may have under this Security Agreement, at law, in equity or by or under the PPSA or any other statute.

25. Statutory Waivers. To the fullest extent permitted by law, the Debtor waives all of the rights, benefits and protection given by the provisions of any existing or future statute which imposes limitations upon the rights, remedies or powers of the Secured Party or upon the methods of realization of security, including any seize or sue or anti-deficiency statute or any similar provisions of any other statute.

26. Further Assurances. The Debtor shall at all times, do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered all such further acts, deeds, transfers, assignments, security agreements and assurances as the Secured Party may reasonably require in order to give effect to the provisions hereof and for the better granting, transferring, assigning, charging, setting over, assuring, confirming or perfecting the security interests hereby created and the priority accorded to them by law or under this Security Agreement.

27. Acknowledgement. The Debtor hereby acknowledges receiving a copy of this Security Agreement.

28. Entire Agreement. This Security Agreement constitute the entire agreement between the Debtor and the Secured Party in respect of the subject matter hereof and supersede any prior agreements, undertakings, declarations, representations and understandings, both written and verbal, in respect of the subject matter hereof. Any amendment of this Security Agreement shall not be binding unless in writing and signed by the Secured Party and the Debtor.

29. Severability. Any provision of this Security Agreement prohibited by law or otherwise ineffective shall be ineffective only to the extent of such prohibition or ineffectiveness and shall be severable without invalidating or otherwise affecting the remaining provisions hereof.

30. Joint and Several Liability. If more than one person executes this Security Agreement, their obligations hereunder shall be joint and several.

31. Included Words. Wherever the singular or the masculine are used herein, the same shall be deemed to include the plural or the feminine or the body politic or corporate where the context or the parties so require.

32. Time is of the Essence. Time shall in all aspects be of the essence in this Security Agreement and no exception or variation of this Security Agreement or any Obligation hereunder shall operate as a waiver of this provision.

33. Governing Law and Attornment. This Security Agreement shall be construed and enforceable under and in accordance with the laws of British Columbia.

34. Successors and Assigns. This Security Agreement shall be binding on the Debtor, and the Debtor's successors and assigns and enure to the benefit of the Secured Party and the successors and assigns of the Secured Party.

35. Consent and Waiver. The Debtor consents to the Secured Party filing such financing statements with respect to this Security Agreement in such jurisdictions as the Secured Party deems appropriate or advisable, and the Debtor waives all rights to receive from Secured Party a copy of any financing statement, financing change statement or verification statement filed at any time in respect of this Security Agreement.

[signature page follows]

IN WITNESS WHEREOF the Debtor has executed this Security Agreement on the 5th day of November, 2020.

HOLLYWEED NORTH CANNABIS INC.
by its authorized signatory:

Name: Renee Gagnon
Title: President & Director

HOLLYWEED MANUFACTURING & EXTRACTS INC.
by its authorized signatory:

Name: Renee Gagnon
Title: Director

TERRACUBE INTERNATIONAL, INC.
by its authorized signatory:

Name: Renee Gagnon
Title: President & Director

1114474 B.C. LTD.
by its authorized signatory:

Name: Renee Gagnon
Title: President & Director

Exhibit 3

Warrant

THE SECURITIES REPRESENTED 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 APPLICABLE STATE SECURITIES LAWS. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF THE CORPORATION THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, ONLY (A) TO THE CORPORATION, (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. Securities Act AND IN COMPLIANCE WITH LOCAL LAWS AND REGULATIONS, (C) IN COMPLIANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES OR "BLUE SKY" LAWS, OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS, AND, IN THE CASE OF SUBPARAGRAPH (C) OR (D), THE SELLER FURNISHES TO THE CORPORATION AN OPINION OF COUNSEL OF RECOGNIZED STANDING OR SUCH OTHER EVIDENCE AS THE CORPORATION MAY REQUIRE IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE CORPORATION TO SUCH EFFECT. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.

WARRANT TO PURCHASE COMMON SHARES
OF HOLLYWEED NORTH CANNABIS INC.

Effective Date: As of November 5, 2020

This certifies that **ORIGO HOLDINGS, INC.**, a Delaware limited liability company ("**Origo**"), or registered assigns, is the registered holder of the Warrant (this "**Warrant**") represented by this Warrant Certificate (this "**Warrant Certificate**"), which entitles Origo or any subsequent holder of this Warrant (each a "**Holder**"), subject to the provisions contained herein, to purchase from **HOLLYWEED NORTH CANNABIS INC.**, a corporation organized under the laws of British Columbia (the "**Company**"), such number of the Class A common shares of the Company (the "**Common Shares**"), as set forth in Section 2.1 herein, subject to adjustment upon the occurrence of certain events specified herein, at the Exercise Price (as defined below), subject to adjustment upon the occurrence of certain events specified herein.

1. DEFINITIONS.

As used in this Warrant, the following terms shall have the following meanings:

BCBCA: the *Business Corporations Act* (British Columbia).

Board: the board of directors of the Company.

Business Day: any day that is not a day on which banking institutions are authorized or required to be closed in the jurisdiction in which the principal office of the Company is located.

Cashless Exercise: the meaning set forth in Clause (1) of Section 2.4.

CDN, Dollars or $: means Canadian dollars.

Common Shares: the voting Class A Common Shares of the Company.

Company: HollyWeed North Cannabis Inc., a corporation organized under the laws of British Columbia, Canada.

Company Formation Documents: the Amended and Restated Articles of Incorporation of the Company, dated May 27, 2019, as filed under the BCBCA, as the same may be amended from time to time.

Effective Exercise Date: the meaning set forth in Section 4.

Effective Issuance Price: the meaning set forth in Section 4.5.

Excess Tender Amount: the meaning set forth in Section 4.3.

Exchange Act: the Securities Exchange Act of 1934, as amended.

ex-date: when used with respect to any issuance or distribution, means the first Business Day after the record date, *provided* that if the Common Shares are then traded on a Recognized Securities Market (for the avoidance of doubt, for purposes of this Warrant and any related agreements, including Nasdaq) it shall mean the first date on which the Common Shares trade regular way on the relevant exchange or in the relevant market from which the Fair Market Value was obtained without the right to receive such issuance or distribution.

Exercise Date: the meaning set forth in Section 2.2.

Exercise Price: subject to the adjustment provisions set forth in this Warrant, shall mean CDN twelve cents (CDN$0.12) per share, subject to the adjustment provisions hereinafter set forth.

Expiration Date: the meaning set forth in Section 2.3.

Fair Market Value:

(i) In the case of Common Shares means the amount which a willing buyer would pay a willing seller in an arm's-length transaction for one share of such Common Shares, as determined by the Board in good faith, provided that if the Common Shares are then traded on a Recognized Securities Market, it shall mean the closing sale price of such security (or, if no closing sale price is reported, the average of the closing bid and ask prices or, if more than one in either case, the average of the average closing bid and the average closing ask prices) on such date as reported in composite transactions on the Recognized Securities Market on which the Common Shares are then traded.

(ii) In the case of cash, the amount thereof.

(iii) In the case of other property, the amount which a willing buyer would pay a willing seller in an arm's-length transaction for such property, as determined by the Board in good faith.

Holder: from time to time, the holder(s) of this Warrant.

Line of Credit Note: the CDN$6,675,000 secured convertible promissory note of the Company and its subsidiaries issued to Origo.

Nasdaq: the Nasdaq Stock Exchange, including the Nasdaq Capital Market.

Person: any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

Premium Per Pro Forma Share: the meaning set forth in Section 4.3.

Recognized Securities Market. any one of the Nasdaq, the New York Stock Exchange, the NYSE:American Exchange, the OTC Markets (including the OTCQX platform), the Canadian Securities Exchange, the Toronto Stock Exchange, the TSX Venture Exchange or any other United States or foreign stock exchange that constitutes the principal securities exchange on which the Common Shares is then traded.

Registration Statement: a registration statement on Form F-1 (or other applicable form for registering securities under the Securities Act) as filed by the Company with the SEC in connection with an initial public offering of the Common Shares in the United States.

Registrable Securities: means the Common Shares issuable under this Warrant as well as any Common Shares issuable upon conversion of the Line of Credit Note. Registrable Securities shall continue to be Registrable Securities (whether they continue to be held by Origo or they are sold to other Persons) until (i) they are sold outside of the United States in accordance with any applicable Canadian securities laws, (ii) pursuant to an effective registration statement under the Securities Act or (iii) they shall have otherwise been transferred (including pursuant to Rule 144 under the Securities Act) and new securities not subject to transfer restrictions under any federal securities laws and not bearing any legend restricting further transfer shall have been delivered by the Company, all applicable holding periods shall have expired, and no other applicable and legally binding restriction on transfer by the holder thereof shall exist.

Reorganization Event: the meaning set forth in Section 4.4.

Rights to Purchase Securities: means options, warrants and rights issued by the Company (whether presently exercisable or not) to purchase Common Shares that are convertible or exchangeable (whether presently convertible or exchangeable or not) into or exercisable (whether presently exercisable or not) for Voting Securities but, for the avoidance of doubt, not including a shareholders rights plan.

Securities Act: the United States Securities Act of 1933, as amended.

Transfer: the meaning set forth in Section 2.5.

Voting Securities: means the Common Shares and any other securities of the Company having power generally to vote in the election of members of the Board.

Warrant Shares: means the Common Shares issuable or issued upon the exercise of this Warrant, consisting of seventy million, three hundred eleven thousand, seven hundred and fifty five (70,311,755) Common Shares, subject to adjustment as provided herein.

2 EXERCISE PRICE; EXERCISE OF WARRANT AND EXPIRATION OF WARRANT.

2.1. Exercise Price. Subject to the terms of this Warrant, including all of the adjustment provisions hereof, the Holder hereof shall be entitled upon exercise of this Warrant to purchase all or any portion of the Warrant Shares upon exercise the Warrant made on or prior to the date of exercise hereof, at the Exercise Price then in effect.

2.2. Exercise of Warrant. This Warrant shall be exercisable in whole or in part from time to time on any Business Day (each, an "Exercise Date") beginning on November 5, 2020 and ending on the Expiration Date (the "Exercise Period"), in the manner provided for herein.

2.3. Expiration of Warrants. This Warrant shall expire and the rights of the Holder of this Warrant to purchase Warrant Shares shall terminate at the close of business on November 5, 2025 (the "Expiration Date").

2.4. Method of Exercise; Payment of Exercise Price. In order to exercise this Warrant, the Holder hereof must surrender this Warrant to the Company, with the form on the reverse of or attached to this Warrant duly executed. With respect to payment of the Exercise Price, the Holder shall have two options:

(1) having the Company withhold, from the total number of Warrant Shares that would otherwise be delivered to the Holder upon such exercise at the Exercise Price, that lower number of Warrant Shares issuable upon exercise of this Warrant with an aggregate Fair Market Value as of the last Business Day prior to such exercise equal to the in-the-money value of such Warrant Shares based upon the Exercise Price then in effect (a "Cashless Exercise"), or

(2) payment in full of the Exercise Price then in effect for the number of Warrant Shares as to which this Warrant is submitted for exercise.

To the Extent that the Holder shall elect to exercise this Warrant through a Cashless Exercise, the Holder shall be entitled to receive a certificate for the number of Warrant Shares equal to the quotient obtained by dividing the product of (A-B) and (X) by (A), where:

(A)= the closing price of the Common Shares on the Trading Day immediately preceding the date on which Holder elects to exercise this Warrant by means of a "cashless exercise," as set forth in the applicable Notice of Exercise;

(B)= the Exercise Price of this Warrant, as adjusted hereunder; and

(X)= the number of Warrant Shares that would be issuable upon exercise of this Warrant in accordance with the terms of this Warrant if such exercise were by means of a cash exercise rather than a cashless exercise.

To the extent there is a difference in the currency of the closing price of the Common Shares and the Exercise Price, herein, the closing price of the Common Shares shall be converted into CDN using the Daily Exchange Rate of the Bank of Canada on the day prior to the applicable Trading Day.

Any such payment of the Exercise Price pursuant to clause (2) above shall be payable in cash or other same-day funds. Upon the surrender of this Warrant following one or more partial exercises, unless this Warrant has expired, a new Warrant of the same tenor representing the number of shares of Warrant Shares, if any, with respect to which this Warrant shall not then have been exercised, shall promptly be issued and delivered to the Holder.

Upon surrender of this Warrant in conformity with the foregoing provisions, the Company shall instruct its transfer agent to transfer to the Holder of such Warrant appropriate evidence of ownership of any shares of Warrant Shares or other securities or property (including any money) to which the Holder is entitled, registered or otherwise placed in, or payable to the order of, such name or names as may be directed in writing by the Holder, and shall deliver such evidence of ownership and any other securities or property (including any money) to the Person or Persons entitled to receive the same, together with an amount in cash in lieu of any fraction of a share as provided in Section 4.7. Upon payment of the Exercise Price therefor, a Holder shall be deemed to own and have all of the rights associated with any Warrant Shares or other securities or property (including money) to which it is entitled pursuant to this Warrant upon the surrender of this Warrant in accordance herewith. If the Holder shall direct that such securities be registered in a name other than that of the Holder, such direction shall be tendered in conjunction with a signature guarantee from an eligible guarantor institution participating in a signature guarantee program approved by the Securities Transfer Association, and any other reasonable evidence of authority that may be required by the Company.

2.5. Compliance with the Securities Laws.

(a) This Warrant may not be exercised (and the Company shall be under no obligation to process any exercise), and no Warrant Shares may be sold, transferred pledged, hypothecated, or otherwise disposed of (any such sale, transfer or other disposition, a "Transfer"), except in compliance with this Section 2.5.

(b) A Holder may exercise this Warrant and may Transfer this Warrant or any and all of his or its Warrant Shares to either (i) a transferee that is an "accredited investor" or a "qualified institutional buyer," as such terms are defined in applicable Canadian securities laws, Regulation D and Rule 144A under the Securities Act, respectively, or (ii) any transferee, if the Warrant Shares have been registered for resale under the Securities Act and qualified or exempt for sale under applicable Canadian securities laws.

(c) In addition to the foregoing, a Holder may exercise this Warrant and may Transfer this Warrant or his or its Warrant Shares in accordance with Regulation S under the Securities Act or in any transaction that is registered under the Securities Act.

3. LEGENDS, REGISTRATION AND BOARD RIGHTS.

3.1. Legends. Subject to Section 3.2, each certificate, instrument, or book entry representing (i) the Class A Common Shares, (ii) the Registrable Securities, and (iii) any other securities issued in respect of the securities referenced in clauses (i) and (ii), upon any share split, share dividend, recapitalization, merger, consolidation, or similar event, shall (unless otherwise permitted by the provisions of Section 4) be notated with a legend, and no other legend, substantially in the following form:

> THE SECURITIES REPRESENTED 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 APPLICABLE STATE SECURITIES LAWS. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF THE CORPORATION THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, ONLY (A) TO THE CORPORATION, (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. Securities Act AND IN COMPLIANCE WITH LOCAL LAWS AND REGULATIONS, (C) IN COMPLIANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE U.S. Securities Act PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES OR "BLUE SKY" LAWS, OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. Securities Act OR ANY APPLICABLE STATE SECURITIES LAWS, AND, IN THE CASE OF SUBPARAGRAPH (C) OR (D), THE SELLER FURNISHES TO THE CORPORATION AN OPINION OF COUNSEL OF RECOGNIZED STANDING OR SUCH OTHER EVIDENCE AS THE CORPORATION MAY REQUIRE IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE CORPORATION TO SUCH EFFECT. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.

3.2. Registration. If at any time the Company registers or intends to register under the Securities Act, or qualify for distribution in Canada under applicable Canadian securities laws, any Common Shares, Rights to Purchase Securities or any other securities convertible, exchangeable or exercisable for Common Shares or other Voting Securities on a registration statement under the Securities Act or a prospectus under applicable Canadian securities laws, or grants any demand or piggyback registration rights to any other holder of Common Shares, Rights to Purchase Securities or any other securities convertible, exchangeable or exercisable for Common Shares or shares of Voting Securities, the Company shall offer to the Holder of this Warrant to register the Warrant Shares of such Holder on no less favorable terms and conditions and/or enter into an agreement on customary terms and conditions with the Holder of this Warrant granting to such Holder *pari passu* registration rights with respect to the Registrable Securities of such Holder, as applicable. Notwithstanding the foregoing, the provisions of this Section 3.1 shall not apply to an initial public offering of Common Shares or other securities of the Company, unless that Company shall also register for resale in such initial public offering Common Shares owned by other shareholders.

3.3. Board Rights. For so long as any of the Warrants are outstanding or that Origo or any other initial Holder of Warrants owns ten percent (10%) or more of the outstanding Common Shares, Origo shall have the right to appoint 40% of the members of the board of directors of the Company.

4. ADJUSTMENTS.

4.1. Adjustments upon Certain Transactions.

(a) The Exercise Price and the number of Warrant Shares issuable upon exercise of this Warrant shall be adjusted in the event the Company (i) pays a dividend or makes any other distribution with respect to any of its Common Shares solely in Common Shares, (ii) subdivides its outstanding Common Shares, or (iii) combines its outstanding Common Shares into a smaller number of shares. In such event, the number of Warrant Shares issuable upon exercise of this Warrant immediately prior to the record date of such dividend or distribution or the effective date of such subdivision or combination (the "Effective Exercise Date") shall be adjusted so that the Holder of this Warrant shall thereafter be entitled to receive the number of Warrant Shares that such Holder would have owned or have been entitled to receive after the happening of any of the events described above, had the Warrant been exercised immediately prior to the happening of such event or any record date with respect hereto.

In addition, upon an adjustment pursuant to this Section 4.1, the Exercise Price for each of the Warrant Shares payable upon exercise of this Warrant shall be adjusted (without rounding) so that it shall equal the product of the Exercise Price immediately prior to such adjustment multiplied by a fraction, the numerator of which shall be the number of Warrant Shares issuable upon the exercise of this Warrant immediately prior to such adjustment, and the denominator of which shall be the number of Warrant Shares so issuable immediately thereafter. Such adjustment shall become effective immediately after the Effective Exercise Date of such event retroactive to the record date, if any, for such event.

(b) For avoidance of doubt, the adjustment contemplated by this section can be expressed by formula as follows:

Ub = Warrant Shares underlying this Warrant before the adjustment
Ua = Warrant Shares underlying this Warrant after the adjustment
Pb = exercise price per share before the adjustment
Pa = exercise price per share after the adjustment
Ob = shares outstanding before the transaction in question
Oa = shares outstanding after the transaction in question
Ua = Ub x Oa / Ob
Pa = Pb x Ob / Oa

4.2. Dividends and Distributions.

(a) If the Company shall fix a record date for the payment of a dividend or the making of a distribution with respect to any of its Common Shares, (other than one covered by Section 4.1), then the Exercise Price to be in effect after the record date for such dividend or distribution shall be determined (without rounding) by multiplying (x) the Exercise Price in effect immediately prior to such record date by (y) a fraction, the numerator of which shall be the Fair Market Value per share of Common Shares as of the last Business Day (or, if the Common Shares is then traded on a Recognized Securities Market, the last trading day) before the ex-date less the Fair Market Value of the cash, securities (excluding Common Shares that is the same class of securities for which this Warrant would be exercisable immediately after such distribution or dividend taking into account the adjustments pursuant to this Article 4) or other property paid per share in such dividend or distribution, and the denominator of which shall be the Fair Market Value per share of Common Shares as of the last Business Day (or, if the Common Shares is then traded on a Recognized Securities Market, the last trading day) before the ex-date. Upon any adjustment of the Exercise Price pursuant to Section 4.2(a), the total number of Common Shares purchasable upon the exercise of this Warrant shall be such number of shares (calculated to the nearest thousandth) purchasable immediately prior to such adjustment multiplied by a fraction, the numerator of which shall be the Exercise Price in effect immediately before such adjustment and the denominator of which shall be the Exercise Price in effect immediately after such adjustment.

(b) For avoidance of doubt, the adjustment contemplated by Section 4.2(a)(2) can be expressed by formula as follows:

Ub = Warrant Shares underlying this Warrant before the adjustment
Ua = Warrant Shares underlying this Warrant after the adjustment
Pb = exercise price per share before the adjustment
Pa = exercise price per share after the adjustment
M = Fair Market Value per share of Common Shares as of the last Business Day (or, if applicable, trading day) before ex-date
D = Fair Market Value of the dividend or distribution made per share of Common Shares
Ua = Ub x M / (M - D) Pa = Pb x (M - D) / M

4.3. Tender Offers. If a publicly-announced tender offer or issuer bid made by the Company or any of its subsidiaries for all or any portion of the Common Shares shall expire and tendering holders of Common Shares are paid aggregate consideration having a Fair Market Value when paid which exceeds the aggregate Fair Market Value of the Common Shares acquired in such tender offer as of the last Business Day, or, if applicable, trading day before the date on which such tender offer is first publicly announced (such excess, the "Excess Tender Amount"), then the Exercise Price to be in effect after the tender offer expires shall be determined (without rounding) by multiplying (x) the Exercise Price in effect immediately prior to such adjustment by (y) a fraction, the numerator of which shall be the Fair Market Value per share of the Common Shares as of the last trading day before the date on which such tender offer is first publicly announced less the Premium Per Pro Forma Share, and the denominator of which shall be the Fair Market Value per share of Common Shares as of the last Business Day, or, if applicable, trading day before the date on which such tender offer is first publicly announced. As used herein, "Premium Per Pro Forma Share" means (x) the Excess Tender Amount divided by (y) the number of Common Shares outstanding at expiration of the tender offer after giving pro forma effect to the purchase of shares in the tender offer. Upon any adjustment of the Exercise Price pursuant to this Section 4.3, the total number of Warrant Shares purchasable upon the exercise of this Warrant shall be such number of Warrant Shares (calculated to the nearest thousandth) purchasable immediately prior to such adjustment multiplied by a fraction, the numerator of which shall be the Exercise Price in effect immediately before such adjustment and the denominator of which shall be the Exercise Price in effect immediately after such adjustment. For avoidance of doubt, the adjustment contemplated by this section can be expressed by formula as follows:

Ub = Warrant Shares underlying this Warrant before the adjustment
Ua = Warrant Shares underlying this Warrant after the adjustment
Pb = exercise price per share before the adjustment
Pa = exercise price per share after the adjustment
M = Fair Market Value per share of Common Shares as of the last Business Day (or, if applicable, trading day) before the tender offer is announced
E = Excess Tender Amount (the aggregate premium paid in the tender offer)
Pr = Premium Per Pro Forma Share Oa = Shares outstanding after giving effect to tender offer
Pr = E / Oa
Ua = Ub x M / (M - Pr) Pa = Pb x (M - Pr) / M

4.4. Consolidation, Merger or Sale. If any consolidation, merger, amalgamation, arrangement or similar extraordinary transaction of the Company with another entity, or the sale of all or substantially all of its assets, or any recapitalization or reclassification of the Common Shares, shall be effected (a "Reorganization Event"), and in connection with such Reorganization Event, the Warrant Shares shall be converted into or exchanged for or become the right to receive cash, securities or other property, then, as a condition of such Reorganization Event, lawful and adequate provisions shall be made by the Company whereby the Holder of this Warrant shall thereafter have the right to purchase and receive on exercise of this Warrant, for an aggregate price equal to the aggregate Exercise Price for all of the Warrant Shares underlying this Warrant as in effect immediately before such transaction (subject to adjustment thereafter as contemplated by the succeeding sentence), the same kind and amount of cash, securities or other property as it would have had the right to receive if it had exercised this Warrant immediately before such transaction and been entitled to participate therein. In the event of any such Reorganization Event, the Company shall make appropriate provision to ensure that applicable provisions of this Warrant (including, without limitation, the provisions of this Article 4) shall thereafter be binding on the other party to such transaction (or the successor in such transaction) and applicable to any securities thereafter deliverable upon the exercise of this Warrant. The Company will not effect any such Reorganization Event unless, prior to the consummation thereof, the successor entity (if other than the Company) resulting from such Reorganization Event or the entity purchasing such assets shall assume by written instrument reasonably satisfactory in form and substance to the Holder of this Warrant, executed and mailed or delivered to the Holder at the last address of such Holder appearing on the books of the Company, the obligation to deliver the cash, securities or property deliverable upon exercise of this Warrant. The Company shall notify the Holder of this Warrant of any such proposed Reorganization Event reasonably prior to the consummation thereof so as to provide such Holder with a reasonable opportunity prior to such consummation to exercise this Warrant in accordance with the terms and conditions hereof; provided, however, that in the case of a transaction which requires notice to be given to the holders of Common Shares of the Company, the Holder of this Warrant shall be provided the same notice given to the holders of other Common Shares of the Company.

4.5. Full-Ratchet Adjustment for Lower Revaluations. In the case of (a) any issuance of Common Shares, rights or options to acquire Common Shares or securities convertible or exchangeable into, or exercisable for Common Shares (other than Common Shares underlying rights or options to acquire Common Shares or securities convertible or exchangeable into Common Shares, in each case that are issued and outstanding on the date hereof or that are issued to directors, officers or employees of the Company pursuant to the terms of a stock option plan that is in existence as of the date hereof), or (b) the amendment to or change in the exercise, conversion or exchange price of such securities, in each case for an Effective Issuance Price that is lower than the Exercise Price (in each case, other than issuances, amendments or changes covered by Section 4.1, 4.2, 4.3 or 4.4), the Exercise Price for this Warrant shall be further reduced to an amount equal to the Effective Issuance Price.

As used herein, the "Effective Issuance Price" shall be:

(i) with respect to Common Shares issued for cash the per share amount of the net cash proceeds received by the Company for such Common Shares;

(ii) with respect to Common Shares issued for other consideration, the Fair Market Value of the net consideration calculated on a per share basis;

(iii) with respect to any option, warrant or other right to acquire Common Shares, whether direct or indirect and whether or not conditional or contingent, the sum of (a) the Fair Market Value of the aggregate consideration, if any, received by the Company for the issuance of such option, warrant or right divided by the number of Common Shares into which such option, warrant or right is exercisable at time of issuance, plus (b) the per share amount of the exercise price to the extent paid in cash and per share Fair Market Value of the exercise price if paid in other consideration; and

(iv) with respect to securities convertible or exchangeable into Common Shares, the net consideration per security paid for such securities (to the extent paid in cash) or the net Fair Market Value of the consideration per security paid for such securities if the price for such securities is paid in other consideration, as of the date of their issuance divided by the number of Common Shares for which such securities are convertible or exchangeable.

For the avoidance of doubt, the Exercise Price of this Warrant shall in no event be increased pursuant to this Section 4.5.

4.6. Fractional Shares. No fractional shares shall be issued upon exercise of this Warrant. Instead, the Company shall pay to the Holder, in lieu of issuing any fractional share, a sum in cash equal to such fraction multiplied by the Fair Market Value of a share of Common Shares, as determined by the Company's Chief Executive Officer, Chief Financial Officer or Board, on the Business Day or, if applicable, trading day immediately prior to the date of exercise.

4.7. Notice of Adjustment. Prior to the consummation of any transaction, action or other event that would trigger an adjustment (or right to adjustment) under this Section 4, the Company shall mail to the Holder by first class mail, postage prepaid, no later than ten (10) Business Days prior to such consummation notice of such transaction, action or other event, along with reasonable details with respect thereto. Whenever the number of Common Shares or other stock or property issuable upon the exercise of this Warrant or the Exercise Price is adjusted, as herein provided, the Company shall promptly mail by first class mail, postage prepaid, to the Holder notice of such adjustment or adjustments and shall deliver a certificate of a firm of independent public accountants selected by the Board (who may be the regular accountants employed by the Company) setting forth the number of Common Shares or other stock or property issuable upon the exercise of this Warrant and the Exercise Price after such adjustment, setting forth a brief statement of the facts requiring such adjustment and setting forth the computation by which such adjustment was made.

5. WARRANT TRANSFER BOOKS.

The Company shall cause to be kept at its principal office a register in which, subject to such reasonable regulations as it may prescribe, the Company shall provide for the registration of this Warrant Certificate and of transfers or exchanges of this Warrant Certificate as herein provided.

At the option of the Holder, this Warrant Certificate may be exchanged at such office, and upon payment of the charges hereinafter provided. Whenever this Warrant Certificate is so surrendered for exchange, the Company shall execute and deliver the Warrant Certificates that the Holder making the exchange is entitled to receive.

All Warrant Certificates issued upon any registration of transfer or exchange of this Warrant Certificate shall be the valid obligations of the Company, evidencing the same obligations, and entitled to the same benefits, as the Warrant Certificate surrendered for such registration of transfer or exchange.

If this Warrant Certificate is surrendered for registration of transfer or exchange it shall (if so required by the Company) be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the Company, duly executed by the Holder hereof or his attorney duly authorized in writing.

No service charge shall be made to the Holder for any registration of transfer or exchange of this Warrant Certificate. The Company may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any registration of transfer or exchange of this Warrant Certificate.

The Warrant Certificate when duly endorsed in blank shall be deemed negotiable and when this Warrant Certificate shall have been so endorsed, the Holder hereof may be treated by the Company and all other persons dealing therewith as the absolute owner hereof for any purpose and as the Person entitled to exercise the rights represented hereby, or to the transfer hereof on the register of the Company, any notice to the contrary notwithstanding; but until such transfer on such register, the Company shall treat the registered Holder hereof as the owner for all purposes. No such transfer shall be registered until the Company has been supplied with the aforementioned instruments of transfer and any other such documentation as the Company may reasonably require.

6. WARRANT HOLDER.

6.1. Right of Action. All rights of action in respect of this Warrant are vested in the Holder hereof, and the Holder, without the consent of the Company, may, on such Holder's own behalf and for such Holder's own benefit, enforce, and may institute and maintain any suit, action or proceeding against the Company suitable to enforce, or otherwise in respect of, such Holder's right to exercise or exchange this Warrant in the manner provided herein or any other obligation of the Company under this Warrant.

7. REPRESENTATIONS AND COVENANTS.

7.1. Reservation of Common Shares for Issuance on Exercise of Warrant. The Company covenants that it will at all times reserve and keep available, free from pre-emptive rights, out of its authorized but unissued Common Shares, solely for the purpose of issue upon exercise of this Warrant as herein provided, such number of Common Shares as shall then be issuable upon the exercise of all Warrant Shares issuable hereunder plus such number of Common Shares as shall then be issuable upon the exercise of other outstanding warrants, options and rights (whether or not vested), the settlement of any forward sale, swap or other derivative contract, and the conversion of all outstanding convertible securities or other instruments convertible into Common Shares or rights to acquire Common Shares. The Company covenants that all Warrant Shares and other Common Shares which shall be issuable shall, upon such issue, be duly and validly issued and fully paid and non-assessable.

7.2. Notice of Dividends. At any time when the Company declares any dividend on its Common Shares, it shall give notice to the Holder of this Warrant of any such declaration not less than 15 days prior to the related record date for payment of the dividend so declared.

7.3. Capitalization. The Company represents and warrants to the Holder that as of the date hereof, the Company has 83,130,498 Common Shares outstanding and on a fully diluted basis, before giving effect to this Warrant or the Common Shares issuable on conversion of the Line of Credit Note, the Company has 89,787,688 Common Shares on a fully diluted basis. To the extent that this representation is not true as of the date hereof and there are more Common Shares outstanding then set out above (actual or on a diluted basis), the number of Warrant Shares shall be increased such that the Warrant would exercise into 44% of the Common Shares on a diluted as were then outstanding as of the date hereof. For greater certainty, should there be fewer Common Shares outstanding than as set out in this representation, no adjustment shall be made to the number of Warrant Shares issuable on exercise of the Warrant.

8. MISCELLANEOUS.

8.1. Payment of Taxes. The Company shall pay all transfer, stamp and other similar taxes that may be imposed in respect of the issuance or delivery of this Warrant or in respect of the issuance or delivery by the Company of any securities upon exercise of this Warrant with respect thereto. The Company shall not be required, however, to pay any tax or other charge imposed in connection with any transfer involved in the issue of any certificate for Common Shares or other securities underlying this Warrant or payment of cash to any Person other than the Holder of this Warrant Certificate surrendered upon the exercise or purchase of this Warrant, and in case of such transfer or payment, the Company shall not be required to issue any stock certificate to pay any cash until such tax or charge has been paid or it has been established to the Company's satisfaction that no such tax or other charge is due. The Company and the Holder agree that the issuance and exercise of this Warrant is a capital transaction and not a compensatory transaction, and any Holder who is not a U.S. person for U.S. federal income tax purposes hereby represents that the Warrant Shares would, if owned by such Holder, be capital assets in its hands for U.S. Federal income tax purposes.

8.2. Surrender of Certificates. Any Warrant Certificate surrendered for exercise or purchase shall, if surrendered to the Company, be promptly cancelled and destroyed and shall not be reissued by the Company.

8.3. Mutilated, Destroyed, Lost and Stolen Warrant Certificates. If (a) a mutilated Warrant Certificate is surrendered to the Company or (b) the Company receives evidence to its satisfaction of the destruction, loss or theft of the Warrant Certificate, and there is delivered to the Company such appropriate affidavit of loss, applicable processing fee and a corporate bond of indemnity as may be required by it to save it harmless, then, in the absence of notice to the Company that the Warrant Certificate has been acquired by a bona fide purchaser, the Company shall execute and deliver, in exchange for such mutilated Warrant Certificate or in lieu of such destroyed, lost or stolen Warrant Certificate, a new Warrant Certificate of like tenor and for a like aggregate number of shares of Warrant Shares, if any, with respect to which this Warrant shall not then have been exercised.

Upon the issuance of any new Warrant Certificate under this Section 8.3, the Company may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and other expenses in connection therewith.

Any new Warrant Certificate executed and delivered pursuant to this Section 8.3 in lieu of a destroyed, lost or stolen Warrant Certificate shall constitute an original contractual obligation of the Company, whether or not the destroyed, lost or stolen Warrant Certificate shall be at any time enforceable by anyone, and shall be subject to the same terms as this Warrant.

The provisions of this Section 8.3 are exclusive and shall preclude (to the extent lawful) all other rights or remedies with respect to the replacement of a mutilated, destroyed lost, or stolen Warrant Certificate.

8.4. Notices. Any notice, demand or delivery authorized by this Warrant shall be sufficiently given or made when mailed if sent by first-class mail, postage prepaid, addressed to the Holder of this Warrant at such Holder’s address shown on the register of the Company and to the Company at its principal address, addressed to the Secretary of the Company, in each case or such other address as shall have been furnished to the party giving or making such notice, demand or delivery.

8.6. Applicable Law. This Warrant and all rights arising hereunder shall be governed by the laws of British Columbia and the federal laws of Canada applicable therein.

8.7. Amendments. This Warrant may only be amended with the prior written consent of the Holder and the Company.

8.8. Headings. The descriptive headings of the several Articles and Sections of this Warrant are inserted for convenience and shall not control or affect the meaning or construction of any of the provisions hereof.

IN WITNESS WHEREOF, this Warrant has been duly executed and delivered by the Company, by order of its Board of Directors, this 5th day of November 2020.

HOLLYWEED NORTH CANNABIS INC.

By: _____
Name: Renee Gagnon
Title: President & Director

ACCEPTED AND AGREED TO:

ORIGO HOLDINGS,, INC.

By: _____
Israael Maxx Abramowitz, President

EXHIBIT A

FORM OF EXERCISE

(To be executed upon exercise of Warrant.)

The undersigned hereby irrevocably elects to exercise the Warrant represented by this Warrant Certificate, to purchase _____ Common Shares, in the form of Common Shares ("Warrant Shares"), of HollyWeed North Cannabis Inc. in accordance with the Warrant Certificate, and in accordance with the terms set forth below.

By checking the appropriate paragraph election, the undersigned hereby exercises the Warrant, as follows:.

_____[check if applicable] Having the Company withhold, from the total number of Common Shares that would otherwise be delivered to the undersigned upon such exercise, that lower number of Common Shares issuable upon exercise of this Warrant with an aggregate Fair Market Value as of the last Business Day prior to such exercise equal to a purchase price for such Common Shares that would otherwise be payable by the undersigned upon such exercise based upon the Exercise Price then in effect (a "Cashless Exercise"), or

_____[check if applicable] By) by payment in full of the Exercise Price then in effect for the shares of Warrant Shares as to which this Warrant is submitted for exercise, payable in cash or other same-day funds.

The undersigned requests that said Warrant Shares be registered in such names and delivered, all as specified in accordance with the instructions set forth below.

If said number of Warrant Shares is less than all of the shares of Warrant Shares purchasable hereunder, the undersigned requests that a new Warrant Certificate representing the remaining balance of the Warrants evidenced hereby be issued and delivered to the undersigned unless otherwise specified in the instructions below.

Dated: _____

Name: _____
(Please Print)

_____
(Insert Social Security or Other Identifying Number of Holder)

Address: _____

_____

_____

_____
Signature (Signature must conform in all respects to name of holder as specified on the face of the Warrant Certificate and must be guaranteed by a bank, stockbroker, savings and loan association or credit union meeting the requirements of the Warrant Holder.

EXHIBIT B

FORM OF ASSIGNMENT

FOR VALUE RECEIVED the undersigned registered holder of the within Warrant Certificate hereby sells, assigns, and transfers unto the Assignee(s) named below all of the right of the undersigned under the within Warrant Certificate, with respect to the number of Warrants set forth below:

Names of Assignees	Address	Social Security or other Identifying Number of Assignee(s)	Number of Shares Represented by the Portion of this Warrant to be Assigned

And does hereby irrevocably constitute and appoint _____ the undersigned's attorney to make such transfer on the books of _____ maintained for that purpose, with full power of substitution in he premises.

Date: _____

_____
(Signature of Owner)

_____
(Street Address)

_____
(City) (State) (Zip Code)

Signature Guaranteed By:

_____

* The signature must correspond with the name as written upon the face of the within Warrant Certificate in every particular, without alteration or enlargement or any change whatever, and must be guaranteed by a financial institution satisfactory to the Company.

Exhibit 10.16

January 1, 2019 PROMISSORY NOTE $200,000

FOR VALUE RECEIVED, the undersigned, Hollyweed North Cannabis Inc. (the "Borrower"), hereby promises to pay to or to the order of Livio Susin (the "Lender") (on behalf of David Anthony) in Vancouver, British Columbia, or any other place as the Lender may from time to time designate by notice in writing to the Borrower, the principal amount of TWO HUNDRED THOUSAND DOLLARS ($200,000.00) (the "Principal Amount") in lawful currency of Canada on March 31, 2019.

Interest totaling TEN THOUSAND, FIVE HUNDRED DOLLARS ($10,500.00) for the loan period must be prepaid no later than January 31, 2019. The Borrower may at any time and from time to time without notice, penalty or bon us, prepay the Principal Amount or a portion thereof.

Legal and documentation fees for the loan totaling ONE THOUSAND, THREE HUNDRED AND FIFTY DOLLARS ($1,350.00) are due and payable upon advance of the promissory note principal.

The Borrower hereby agrees that the Lender may file a financing statement pursuant to the Personal Property Security Act (British Columbia) with respect to the debt owning pursuant to this Note, at the sole cost of the Lender.

The Borrower HEREBY WAIVES demand and presentment for payment, protest and notice of protest and dishonor of this Note. The Lender may assign this Note in it sole discretion.

This Note shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable in British Columbia.

IN WITNESS WHEREOF this Note has been executed by the Borrower with effect as of the date first written above.

Hollyweed North Cannabis Inc., by its authorized signatory:

Signed: /s/ Renee Gagnon
Per: Renee Gagnon

Livio Susin:

Signed: /s/ Livio Susin

March 31, 2019 | PROMISSORY NOTE EXTENSION AGREEMENT | $200,000

This Promissory Note Extension Agreement, hereinafter referred to as "Extension Agreement," is entered into as of the date above written, by and between Hollyweed North Cannabis Inc. (the "Borrower"), and Livio Susin (thee "Lender") (on behalf of David Anthony).

WHEREAS, Borrower and Lender have entered into a Promissory Note dated January 1, 2019, in the original principal amount of $200,000 CAD, hereinafter referred to as the "Note". The Note was originally due March 31, 2019.

WHEREAS, the principal balance of the Note immediately prior to this Extension Agreement is $200,000 CAD; and

WHEREAS, Borrower and Lender desire to enter into this Extension Agreement in order to extend the due date of the Note to September 30, 2019;

NOW, THEREFORE, Borrower and Lender hereby agree as follows:

1. The maturity date of the Note is extended to September 30, 2019 (the "Extended Maturity Date").

2. Interest of $3,500 per month shall be payable monthly, in arrears on the last day of each month.

3. All other terms and conditions of the Note remain unchanged and in effect.

IN WITNESS WHEREOF, the parties have executed and agreed to this Agreement as of the date first set forth above.

Hollyweed North Cannabis Inc., by its authorized signatory:

Signed /s/ Renee Gagnon
Per: Renee Gagnon, CEO

Livio Susin:

Signed: /s/ Livio Susin

Exhibit 10.17

February 19, 2019 SHORT-TERM LOAN $330,000

THIS SHORT-TERM LOAN AGREEMENT (this "Note") is entered into as of the date above written, by and between Hollyweed North Cannabis Inc. (the "**Borrower**"), and Livio Susin (the "**Lender**"),

WHEREAS, the Borrower wishes to borrow from the Lender, and the Lender wishes to lend to the Borrower up to the sum of THREE HUNDRED AND THIRTY THOUSAND DOLLARS ($330,000 CAD).

WHEREAS, the Borrower and the Lender wish to document the terms of such loan and to set forth their mutual understanding with respect to how the repayment of such amounts shall be accomplished.

WHEREAS, the Borrower and the Lender wish to document the terms of such loan and to get forth their mutual understanding with respect to how the repayment of such amounts shall be accomplished.

NOW, THEREFORE, the parties hereby set forth their understanding as follows:

1. The Lender shall lend to the Borrower and the Borrower shall borrow from the Lender the amounts noted in Canadian dollars on the below dates:

February 19, 2019	$	130,000
February 20, 2019		25,000
February 21, 2019		25,000
February 25, 2019		25,000
March 5, 2019		25,000
March 29, 2019		15,000
April 3, 2019		20,000
April 4, 2019		8,500
April 11, 2019		20,000
April 17, 2019		36,500
Total	$	330,000

2. Interest shall accrue from the date of each borrowing at 2% (the "Interest Rate"), being the rate equal to the Canada Revenue Agency's prescribed interest rate in effect for the first quarter of calendar year of 2019 to calculate taxable benefits for shareholders from interest-free and low interest loans.

3. Principle and accrued interest shall become due and payable 90 days subsequent to successful completion of an initial Public Offering or a Reverse Takeover transaction which results in the Borrower's shares being listed on a Canadian public exchange.

4. The Borrower shall have the right to prepay all or any part of the outstanding principal balance of the Note without penalty.

5. The Note is unsecured.

6. The Note shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable in British Columbia.

IN WITNESS WHEREOF, the parties have executed and agreed to this Note as of date first set forth above.

Hollyweed North Cannabis Inc., by its authorized signatory:

Signed /s/ Renee Gagnon
Per: Renee Gagnon, CEO

Livio Susin:

Signed: /s/ Livio Susin

Exhibit 10.18

April 17, 2019 SHORT-TERM LOAN $506,000

THIS SHORT-TERM LOAN AGREEMENT (this "Note") is entered into as of the date above written, by and between Hollyweed North Cannabis Inc. (the "**Borrower**"), and 1118737 BC Ltd. (the "**Lender**"),

WHEREAS, the Borrower wishes to borrow from the Lender, and the Lender wishes to lend to the Borrower up to the sum of FIVE HUNDRED AND SIX THOUSAND DOLLARS ($506,000 CAD).

WHEREAS, the Borrower and the Lender wish to document the terms of such loan and to set forth their mutual understanding with respect to how the repayment of such amounts shall be accomplished.

NOW, THEREFORE, the parties hereby set forth their understanding as follows:

1. The Lender shall lend to the Borrower and the Borrower shall borrow from the Lender the amounts noted in Canadian dollars on the below dates:

April 17, 2019	$	20,000
April 23, 2019		16,000
April 26, 2019		25,000
April 30, 2019		50,000
May 1, 2019		10,000
May 6, 2019		75,000
May 15, 2019		50,000
May 21, 2019		235,000
May 31, 2019		25,000
Total	$	506,000

2. Interest shall accrue from the date of each borrowing at 2% (the "Interest Rate"), being the rate equal to the Canada Revenue Agency's prescribed interest rate in effect for the first quarter of calendar year of 2019 to calculate taxable benefits for shareholders from interest-free and low interest loans.

3. Principle and accrued interest shall become due and payable 90 days subsequent to successful completion of an initial Public Offering or a Reverse Takeover transaction which results in the Borrower's shares being listed on a Canadian public exchange.

4. The Borrower shall have the right to prepay all or any part of the outstanding principal balance of the Note without penalty.

5. The Note is unsecured.

6. The Note shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable in British Columbia.

IN WITNESS WHEREOF, the parties have executed and agreed to this Note as of date first set forth above.

Hollyweed North Cannabis Inc., by its authorized signatory:

Signed /s/ Chris Taylor
Per: Chris Taylor, CFO

1118737 BC Ltd., by its authorized signatory

Signed: /s/ Renee Gagnon
Per: Renee Gagnon, Director

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE JUNE 26, 2021.

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR STATE SECURITIES LAWS. THE HOLDER HEREOF, BY PURCHASING THESE SECURITIES, AGREES FOR THE BENEFIT OF HOLLYWEED NORTH CANNABIS INC. (THE "COMPANY") THAT THESE SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE COMPANY, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S ("REGULATION S") UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE CANADIAN LAWS AND REGULATIONS, (C) WITHIN THE UNITED STATES IN ACCORDANCE WITH (1) RULE 144A UNDER THE U.S. SECURITIES ACT OR (2) RULE 144 UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS, OR (D) IN ANOTHER TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS, PROVIDED THAT IN THE CASE OF TRANSFERS PURSUANT TO (C)(2) OR (D) ABOVE, A LEGAL OPINION SATISFACTORY TO THE COMPANY MUST FIRST BE PROVIDED TO COMPUTERSHARE TRUST COMPANY OF CANADA.

THIS NOTE AND THE SHARES ISSUABLE UPON EXERCISE THEREOF HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THIS NOTE MAY NOT BE CONVERTED IN THE UNITED STATES OR BY OR FOR THE ACCOUNT OR BENEFIT OF A U.S. PERSON OR PERSON IN THE UNITED STATES AND THE UNDERLYING SHARES MAY NOT BE DELIVERED WITHIN THE UNITED STATES UNLESS THE NOTE AND THE UNDERLYING SHARES HAVE BEEN REGISTERED UNDER THE U.S. SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS OR UNLESS AN EXEMPTION FROM SUCH REGISTRATION REQUIREMENTS IS AVAILABLE, AND THE HOLDER HAS DELIVERED AN OPINION OF COUNSEL IN FORM AND SUBSTANCE SATISFACTORY TO THE COMPANY TO SUCH EFFECT. "UNITED STATES" AND "U.S. PERSON" ARE USED HEREIN AS SUCH TERMS ARE DEFINED BY REGULATION S UNDER THE U.S. SECURITIES ACT.

HOLLYWEED NORTH CANNABIS INC.

CONVERTIBLE PROMISSORY NOTE

Dated: February 25, 2021 Principal Amount: USD $500,000.00

FOR VALUE RECEIVED, the undersigned, **HOLLYWEED NORTH CANNABIS INC.** (the **"Debtor"**), acknowledges itself indebted and unconditionally promises to pay to, or to the order of, **DOWNWIND INVESTMENTS LLC** (the **"Holder"**) at its place of business in Dorado, Puerto Rico or such other place as the Holder may, from time to time, designate, the principal amount of Five Hundred Thousand (USD $500,000.00) DOLLARS in lawful money of the United States of America on August 25, 2021 (the **"Maturity Date"**), or such earlier date as set out herein, with interest calculated in the manner and payable at the times specified below.

During the period from the date hereof until payment in full thereof, simple interest on the outstanding principal amount of this Note, shall accrue at a rate of eight percent (8%) per annum, with interest accruing monthly and being payable on the Maturity Date, computed on the basis of a 360-day year composed of twelve 30-day months. For greater certainty, prior to such time that interest is payable, interest shall not be due or payable on interest that has accrued and not been paid.

The Debtor has the right and privilege of prepaying the whole or any portion of the principal amount of this Note together with any accrued and unpaid interest thereon at any time or times prior to the occurrence of an Event of Default without notice, bonus or penalty. All such prepayments shall be applied first in satisfaction of any accrued but unpaid interest and thereafter to the outstanding principal amount of this Note.

This Note is secured by a security agreement granted by the Debtor in favour of the Holder dated as of the date hereof.

If at any time following the date hereof and prior to the repayment of the Principal Amount and any accrued interest, the Holder shall have the right to convert **(an "Optional Conversion"**) any or all of the outstanding principal amount of this Note together with all accrued and unpaid interest owing to it hereunder (as at the date of election to so convert) into the Class B common shares of the Debtor **("Shares") at** a conversion price equal to CDN$0.12 per Share.

An Optional Conversion may be effected by the surrender of this Note at the office of the Debtor, accompanied by a written instrument of surrender signed by the Holder notifying the Debtor as to the exercise of the right of conversion and specifying the amount of outstanding principal amount and interest of this Note hereunder in respect of which this Note is converted and setting forth the name and address of the person(s) in whose name(s) the shares issuable upon such conversion are to be registered. This Note may, at the Holder's option, be converted in whole at any time or from time to time in part so long as any amount remains outstanding hereunder.

As promptly as practicable after the surrender of this Note for conversion, in the case of an Optional Conversion, the Debtor shall upon the request of the Holder issue to the Holder or its nominee(s) a certificate or certificates representing the number of fully paid and non-assessable equity securities. In the event that in the case of an Optional Conversion any amounts remain outstanding hereunder after giving effect to such conversion, the Debtor shall issue a new Note, in form identical to this Note, in principal amount equal to the amount of such unconverted indebtedness.

No fractional share or scrip representing a fractional share shall be required to be issued upon the conversion of this Note.

The conversion of this Note shall be deemed to have been made at the close of business on the date on which this Note is surrendered for conversion, in the case of an Optional Conversion, or immediately prior to the completion of the Liquidity Transaction, in the case of a Mandatory Conversion, so that the Holder's rights in respect of the converted portion shall terminate at such time, and the person or persons entitled to receive the securities into which the whole or any part of this Note is converted shall be treated, as between the Debtor and such person or persons, as having become the holder or holders of record of such securities at such time.

If the Debtor at any time subdivides or consolidates the securities issuable upon conversion, the Holder shall thereafter be entitled on conversion to receive the securities to which it was before such subdivision or consolidation entitled, as subdivided or consolidated, and the conversion rate of indebtedness shall be adjusted accordingly. Any such adjustment shall become effective on the date and at the time that such subdivision or consolidation becomes effective.

In case of:

(a) any reclassification or change of securities issuable upon conversion;

(b) any consolidation, merger or amalgamation of the Debtor with or into another corporation or corporations;

(c) the sale of the properties and assets of the Debtor substantially as an entirety to any other corporation or corporations followed by a winding-up of the Debtor or a distribution of its assets to the shareholders; or

(d) the sale of the properties and assets of the Debtor substantially as an entirety to another person or persons in exchange for securities in or of such other person or persons or any affiliate thereof;

the Holder shall have the right thereafter to convert this Note (or any portion thereof) into the kind and amount of securities and property (or the applicable portion thereof) receivable on such reclassification, change, consolidation, merger, amalgamation or sale that the Holder would have been entitled to receive thereupon had the Holder been the registered holder of the number of securities into which this Note might have been converted immediately prior thereto. The provisions of this section shall similarly apply to successive reclassifications and changes of securities and to successive consolidations, mergers, amalgamations and sales.

In this Note, the occurrence of each or any of the following events constitutes an **Event of Default**:

(a) the Debtor fails to pay any amount owing to the Holder under this Note on the date on which such amount is due and such failure to pay is not remedied within ten (10) days after notice of such Event of Default;

(b) the Debtor fails to perform, observe or comply with any other covenant or provision of this Note or any security given by the Debtor to the Holder and such failure remains unremedied for thirty days after notice thereof from the Holder to the Debtor;

(c) any representation, warranty or covenant made by the Debtor in any security given by the Debtor to the Holder is incorrect or misleading in any material respect;

(d) any judgment or order for the payment of money in excess of $1,000,000 is rendered against the Debtor and either (i) enforcement proceedings have been commenced by a creditor upon the judgment or order, or (ii) there is any period of fifteen consecutive days during which a stay of enforcement of the judgment or order, by reason of a pending appeal or otherwise, is not in effect;

(e) any loss, theft, damage or destruction occurs with respect to any property or assets of the Debtor and the amount not covered by insurance exceeds $1,000,000;

(f) the Debtor sells, transfers or otherwise disposes of, or enters into an agreement to sell, transfer or otherwise dispose of, all or substantially all of its assets;

(g) the Debtor (i) becomes insolvent or generally not able to pay its debts as they become due, (ii) admits in writing its inability to pay its debts generally or makes a general assignment for the benefit of creditors, (iii) threatens to institute, institutes or has instituted against it any proceeding seeking (x) to adjudicate it a bankrupt or insolvent, (y) liquidation, winding-up, reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors including any plan of compromise or arrangement or other corporate proceeding involving its creditors, or (z) the entry of an order for relief or the appointment of a receiver, trustee, liquidator, administrator or other similar official for it or for any substantial part of its properties and assets, and in the case of any such proceeding instituted against it (but not instituted by it), either the proceeding remains undismissed or unstayed for a period of 45 days, or any of the actions sought in such proceeding (including the entry of an order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties and assets) occurs, or (iv) takes any corporate action to authorize any of the above actions; or

(h) the Debtor changes its name, chief executive office, corporate offices, or location of its records concerning the Collateral (as defined in the security agreement dated on or about the date hereof granted by the Debtor in favour of the Holder, as the same may be amended, modified, restated or replaced from time to time, the **Security Agreement**), after the date hereof without the Debtor, in each instance, giving thirty (30) days' prior written notice thereof to the Holder and taking all actions deemed necessary or appropriate by the Holder to continuously protect and perfect Holder's Liens (as defined in the Security Agreement) upon the Collateral (as defined in the Security Agreement).

If an Event of Default occurs, the Holder may, at its sole option, declare the whole of the unpaid principal amount of this Note to be immediately due and payable and such amount together with all accrued and unpaid interest thereon shall be and become immediately due and payable.

To the fullest extent permitted by law, the Debtor waives:

(a) diligence, presentment, demand and protest, and notice of presentment, dishonour, intent to accelerate, acceleration, protest, non-payment, release, compromise, settlement, extension or renewal of this Note; and

(b) the benefit of all applicable valuation, appraisal and exemption laws.

In the event the Holder retains counsel to collect, enforce or protect its interests with respect to this Note, the Debtor shall pay all reasonable costs and expenses of such collection, enforcement or protection, including reasonable legal fees, whether or not a legal action is commenced.

All notices and other communications provided for herein shall be in writing and shall be personally delivered to the Holder at the address provided to the Debtor or an officer or a responsible employee of the Debtor at HollyWeed North Cannabis Inc., 1250, 639 - 5th Ave. SW, Calgary, Alberta T2P 0M9. Attention: Scott Reeves, Corporate Secretary or to such other address or addresses or facsimile number or numbers as either party hereto may from time to time designate to the other party in such manner.

The Debtor agrees that all amounts under this Note are payable without set-off, withholding, deduction, claim, counterclaim, defence or recoupment, all of which are hereby waived by the Debtor.

Time is of the essence with this Note.

This Note is binding upon the Debtor and its successors and assigns and enures to the benefit of the Holder and its successors and assigns. The Holder may at any time assign all or any of its rights and benefits hereunder and all references to the "Holder" are deemed to include a reference to its successors and assigns. The Debtor may not assign any of its rights or obligations hereunder.

This Note is governed by and is to be interpreted, construed and enforced in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein.

By executing this Note, the Debtor acknowledges that: (i) it has read and understood this Note; (ii) it has been given an opportunity to obtain independent legal advice concerning this Note and the provisions hereof and the interpretation and effect of this Note, and by signing this Note represents and warrants that it has each either obtained advice or voluntarily waived the opportunity to receive same; and (iii) it has entered into this Note voluntarily.

IN WITNESS WHEREOF the Debtor has executed this Note as of the date first above written.

HOLLYWEED NORTH CANNABIS INC.

Per: /s/ Renee Gagon
Name: Renee Gagnon
Title: Chair and Director

(Signature Page to Note)

Exhibit 10.20

ASSET PURCHASE AGREEMENT

THIS AGREEMENT dated as of the 25th day of February, 2021 is made between:

HOLLYWEED NORTH CANNABIS INC., a corporation incorporated under the laws of the Province of British Columbia, Canada (the "**Purchaser**")

- and -

CHRIS MCELVANY, an individual resident in the Town of Dorado, Puerto Rico (the "**Vendor**")

WHEREAS the Vendor desires to sell to the Purchaser and the Purchaser desires to purchase to the Assets upon the terms and conditions set out in this Agreement;

AND WHEREAS the Vendor is the legal and beneficial owner of the Assets (as hereinafter

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows.

ARTICLE 1
INTERPRETATION

1.1 Definitions.

In this Agreement, the following terms shall have the meanings set out below unless the context requires otherwise:

(a) "**Assets**" means the Equipment and the Goodwill;

(b) "**Closing**" means the completion of the purchase and sale of the Assets in accordance with the provisions of this Agreement;

(c) "**Closing Date**" means February 25, 2021 or such earlier or later date as agreed to by the parties;

(d) "**Encumbrance**" means any and all liens, encumbrances, charges, security interests, leases, mortgages, charges and claims whatsoever, including without limitation security registrations against the Vendor or any of the Assets;

(e) "**Equipment**" means all equipment, property and assets, owned by the Vendor as listed on Schedule "A" to this Agreement;

(f) "**Goodwill**" means the exclusive right of the Purchaser to represent itself as carrying on the business utilizing the Equipment;

(g) "**Purchase Price**" has the meaning given in Section 2.3;

(h) "**Purchase Shares**" has the meaning given in Section 2.3 and

(i) "**$**" means CDN Dollars.

1.2 Section and Schedule References.

Unless the context requires otherwise, references in this Agreement to Sections or Schedules are to Sections or Schedules of this Agreement. The Schedules attached to and incorporated by reference to this Agreement are as follows:

Schedule “A” – Equipment
Schedule “B” - Copy of Consulting Agreement with the Vendor

ARTICLE 2
PURCHASE AND SALE OF ASSETS

2.1 Sale and Purchase of Assets.

At the Closing Date, on the terms and subject to the conditions set forth in this Agreement, the Vendor shall sell, transfer, assign, convey and deliver to the Purchaser, and the Purchaser shall purchase and acquire from Vendor, all right, title and interest of the Vendor in and to the following (each and all of the foregoing items being herein collectively referred to as the “**Assets**”):

(a) the Equipment, listed in the attached **Schedule “A”**; and

(b) the Goodwill.

2.2 Assumption of Liabilities.

Except as specifically provided for in this Agreement, the Purchaser does not assume, agree to pay, perform or discharge or otherwise have any responsibility for any obligation, commitment or liability of and claims (whether absolute, accrued or contingent) relating to the Assets or the Vendor arising prior to the Closing Date. However, the Purchaser shall assume, agree to pay, perform or discharge and otherwise assume responsibility for all obligations, commitments and liability of and claims (whether absolute, accrued or contingent) relating to the Assets arising after the Closing Date.

2.3 Purchase Price.

The purchase price payable (the “**Purchase Price**”) by the Purchaser to the Vendor for the Assets is CDN$2,140,000 which will be paid by the issuance at Closing of 17,833,333 Class B common shares in the capital stock of the Purchaser at a deemed issue price of $0.12 per share (the “**Purchase Shares**”).

2.4 Allocation of Purchase Price.

The Purchase Price shall be allocated among the Assets as follows:

All of the Equipment as detailed in the attached Schedule “A”	$	1,452,163
All of the Goodwill	$	687,837

The Purchaser and the Vendor shall follow the allocations set out above in determining and reporting their liabilities for any taxes and, without limitation, shall file their respective income tax returns.

2.5 Goods and Services Tax.

The Vendor is a non-resident of Canada and is not a registrant for GST purposes in accordance with the provisions of the *Excise Tax Act* (Canada) and will not be a registrant for GST purposes on the Closing Date. Should the Vendor become registered for GST prior to the Closing Date, the Vendor shall pay the amount of the GST, any interest thereon and any penalties with respect thereto required by law.

2.6 Discharge of Encumbrance and Payment of Debts and Liabilities.

It is expressly understood and agreed that except as expressly provided for in this Agreement, the Purchaser shall purchase the Assets free and clear of any and all Encumbrances. The Vendor shall be responsible for payment of all liabilities, whether due, accruing due, deemed due, absolute or contingent, of the Vendor which are outstanding at the Closing Date and the Purchaser shall not assume, or be responsible for any liabilities of the Vendor. Without limiting the generality of the foregoing, the monies paid in trust shall be delivered upon the undertaking of the Vendor's solicitors to:

(a) pay all commissions, sales fees and similar charges payable in respect of the sale of the Assets, if any;

(b) pay out and obtain, and register, a discharge of any and all Encumbrances, whether registered or unregistered, in relation to the Assets or the Sublease as specified in writing at Closing by the Purchaser or the Purchaser's solicitors; and

(c) pay out and discharge any and all leases of any Assets (and thereby acquiring title thereto), whether registered or unregistered, as specified in writing at Closing by the Purchaser or the Purchaser's solicitors.

ARTICLE 3
CLOSING ARRANGEMENTS

3.1 Vendor's Closing Deliveries.

At the Closing, the Vendor shall deliver or cause to be delivered to the Purchaser the following documents:

(a) a general conveyance/bill of sale of the Assets; and

(b) all deeds of conveyance, bills of sale, assurances, transfers, assignments, consents, and such other agreements, documents and instruments as may be reasonably required by the Purchaser to complete the transactions provided for in this Agreement.

3.2 Purchaser's Closing Deliveries.

At the Closing, the Purchaser shall deliver or cause to be delivered to the Vendor:

(a) the Purchase Shares duly registered in the name of the Purchaser; and

(b) all such other agreements, documents and instruments as may be reasonably required or requested by the Vendor to complete the transactions provided for in this Agreement.

3.3 Purchaser's Closing Conditions.

The transactions herein contemplated, including the sale and purchase of the Assets in accordance with the terms of this Agreement, are subject to the following conditions, each of which is hereby declared to be for the exclusive benefit of the Purchaser. Each of such conditions is to be fulfilled and/or performed at or prior to the Closing Date. The Vendor agrees to use its best efforts to cause each of such conditions to be fulfilled and/or performed at or prior to the Closing Date:

(i) the representations and warranties of the Vendor contained in this Agreement shall be true and correct on the date hereof and at the Closing Date with the same force and effect as if such representations and warranties had been made on and as of each of such times;

(ii) the Vendor shall have performed all obligations, covenants and agreements contained in this Agreement to be performed by the Vendor at or prior to the Closing Date; and

(iii) no legal proceeding shall have been commenced or shall be pending or threatened against the Vendor at law or in equity or before or by an tribunal which would affect the title of the Vendor to the Assets or would enjoin, restrict or prohibit or would have the effect of preventing the completion of the transactions herein contemplated, including the sale and purchase of the Assets in accordance with the terms of this Agreement.

In the event that any condition, obligation, covenant or agreement of the Vendor to be fulfilled and/or performed hereunder at or prior to the Closing Date, including, without limitation, the conditions set forth in this Section 3.3 shall not be fulfilled and/or performed at or prior to the Closing Date, the Purchaser may rescind this Agreement by notice to the Vendor provided, however, that any of the said conditions, obligations, covenants or agreements may be waived in whole or in part by the Purchaser without prejudice to the Purchaser's right of rescission in the event of the non fulfillment and/or non performance of any other condition, obligation, covenant or agreement, any such waiver to be binding on the Purchaser only if the same is in writing.

3.4 Vendor's Closing Conditions.

The transactions herein contemplated, including the sale and purchase of the Assets in accordance with the terms of this Agreement, are subject to the following conditions, each of which is hereby declared to be for the exclusive benefit of the Vendor. Each of such conditions is to be fulfilled and/or performed at or prior to the Closing Date. The Purchaser agrees to use its best efforts to cause each of such conditions to be fulfilled and/or performed at or prior to the Closing Date:

(a) the representations and warranties of the Purchaser contained in this Agreement shall be true and correct on the date hereof and at the Closing Date with the same force and effect as if such representations and warranties had been made on and as of each of such times;

(b) the Purchaser shall have performed all obligations, covenants and agreements contained in this Agreement to be performed by the Purchaser at or prior to the Closing Date;

(c) no legal proceeding shall have been commenced or shall be pending or threatened against the Purchaser at law or in equity or before or by an tribunal which would have the effect of preventing the completion of the transactions herein contemplated, including the sale and purchase of the Assets in accordance with the terms of this Agreement; and

(d) the Purchaser shall have delivered to the Vendor, prior to the Closing Date, a business summary which shall be acceptable to the Vendor.

In the event that any condition, obligation, covenant or agreement of the Purchaser to be fulfilled and/or performed hereunder at or prior to the Closing Date, including, without limitation, the conditions set forth in this Section 3.4 shall not be fulfilled and/or performed at or prior to the Closing Date, the Vendor may rescind this Agreement by notice to the Purchaser provided, however, that any of the said conditions, obligations, covenants or agreements may be waived in whole or in part by the Vendor without prejudice to the Vendor's right of rescission in the event of the non fulfillment and/or non performance of any other condition, obligation, covenant or agreement, any such waiver to be binding on the Vendor only if the same is in writing.

ARTICLE 4
REPRESENTATIONS AND WARRANTIES

4.1 Representations and Warranties of the Vendor.

The Vendor represents and warrants to the Purchaser, with the intent that the Purchaser will rely thereon in entering into this Agreement and in completing the transactions contemplated hereby, as follows:

(a) **Due Authorization**. The Vendor has all necessary power, authority and capacity to enter into this Agreement and all other agreements and instruments to be executed by it as contemplated by this Agreement and to carry out their respective obligations **under** this Agreement and such other agreements and instruments. The execution and delivery of this Agreement and such other agreements and instruments and the completion of the transactions contemplated by this Agreement and such other agreements and instruments have been duly authorized by the Vendor.

(b) **Enforceability of Obligations**. This Agreement constitutes a valid and binding obligation of each of the Vendor, enforceable against the Vendor in accordance with its terms subject, however, to limitations on enforcement imposed by bankruptcy, insolvency, reorganization or other laws affecting the enforcement of the rights of creditors or others and to the extent that equitable remedies such as specific performance and injunctions are only available in the discretion of the court from which they are sought.

(c) **Assets.** The Vendor has, good and marketable title to all of the Assets, free and clear of all encumbrances and charges and no party has any written or oral agreement, option, understanding or commitment, or any right or privilege capable of becoming such for the purchase from the Vendor of any of the Assets, or any right or interest therein.

(d) **Quality of Equipment.** All machinery and equipment forming the Equipment is in reasonable operating condition and in a reasonable state of repair and maintenance, subject to ordinary wear and tear for equipment of comparable age, and has not suffered any material damage.

(e) **Possession**. None of the Assets are in the possession of or under the control of any person other than the Vendor.

(f) **Residence of Vendor.** The Vendor is a non-resident of Canada within the meaning of Section 116 of the Income Tax Act (Canada).

(g) **Taxes**: The Vendor is not in arrears or in default in respect of the filing of any required knowledge, no claim for additional taxes, filing fees, or other amounts and assessments has been made that has not been paid and which could result in a claim against the Purchased Assets.

(h) **Liabilities**: There are no liabilities of the Vendor of any kind whatsoever, contingent or otherwise, relating to the Purchased Assets existing on the date hereof.

(i) **No Actions or Suits**. There is no action, suit, proceeding, claim, application, complaint or investigation in any court or before any arbitrator or by any regulatory body or governmental or non-governmental body pending or threatened by or against the Vendor related to or affecting the Assets.

(j) **Knowledge of Matters Generally**: The Vendor has no information or knowledge of any facts relating to the Assets which, if known to the Purchaser, might reasonably be expected to deter the Purchaser from entering into this Agreement and completing the transactions herein contemplated.

4.2 Representations and Warranties of the Purchaser.

The Purchaser hereby represents and warrants to the Vendor as follows:

(a) **Incorporation and Power**. The Purchaser is a corporation organized under the laws of the Province of Alberta and is duly organized and validly subsisting under such laws. The Purchaser has the corporate power and authority to enter into this Agreement and the transactions contemplated thereby.

(b) **Due Authorization.** The Purchaser has all necessary corporate power, authority and capacity to enter into this Agreement and all other agreements and instruments to be executed by it as contemplated by this Agreement and to carry out its obligations under this Agreement and such other agreements and instruments. The execution and delivery of this Agreement and such other agreements and instruments and the completion of the transactions contemplated by this Agreement and such other agreements and instruments have been duly authorized by the Purchaser.

(c) **Enforceability of Obligations.** This Agreement constitutes a valid and binding obligation of the Purchaser enforceable against the Purchaser in accordance with its terms subject, however, to limitations on enforcement imposed by bankruptcy, insolvency, reorganization or other laws affecting the enforcement of the rights of creditors or others and to the extent that equitable remedies such as specific performance and injunctions are only available in the discretion of the court from which they are sought.

(d) **Absence of Conflicting Agreements**. The execution, delivery and performance of this Agreement by the Purchaser and the completion of the transactions contemplated by this Agreement do not and will not result in or constitute any of the following: a default, breach or violation or an event that, with notice or lapse of time or both, would be a default, breach or violation of any of the terms, conditions or provisions of the articles or by-laws of the Purchaser.

(e) **Purchase Shares Fully Paid; Non-Assessable**. Each of the Purchase Shares has been duly allotted for issuance and will upon issuance be issued as fully paid and non-assessable shares of the Purchaser.

(f) **Residence of Purchaser**. The Purchaser is not a non-resident of Canada within the meaning of Section 116 of the Income Tax Act (Canada).

4.3 Survival of Representations and Warranties.

(a) The representations and warranties of the Vendor contained in Section 4.1 or any other agreement, certificate or instrument delivered pursuant to this Agreement shall survive the Closing for a period of three years from the Closing Date, and notwithstanding the Closing, shall continue in full force and effect for the benefit of the Purchaser, after which time the Vendor shall be released from all obligations in respect of such representations and warranties except with respect to any claims asserted by the Purchaser in writing (setting out in reasonable detail the nature of the claim and the approximate amount of such claim) before the expiration of such period, but there shall be no time limit on the representations and warranties of the Vendor set out in Section 4.1 which relate to the incorporation of the Vendor, the due authorization of this Agreement by the Vendor and the enforceability o

(b) The representations and warranties of the Purchaser contained in Section 4.2 or any other agreement, certificate or instrument delivered pursuant to this Agreement shall survive the Closing for a period of three years from the Closing Date, and notwithstanding the Closing, shall continue in full force and effect for the benefit of the Vendor, after which time the Purchaser shall be released from all obligations in respect of such representations and warranties except with respect to any claims asserted by the Vendor in writing (setting out in reasonable detail the nature of the claim and the approximate amount of such claim) before the expiration of such period, but there shall be no time limit on the representations and warranties of the Purchaser set out in Section 4.2 which relate to the incorporation of the Purchaser, the due authorization of this Agreement by the Purc

ARTICLE 5
COVENANTS OF THE PARTIES AFTER CLOSING

5.1 Required Consents and Filings

Promptly after the execution hereof, each of the Vendor and Purchaser shall use its commercially reasonable efforts to obtain all consents, approvals, transfers, permissions, waivers, orders and authorizations of (and make all necessary filings or registrations with) all courts, governmental agencies and bodies and other third parties which are required to be obtained or made by it in connection with the consummation of the transactions contemplated by this Agreement.

ARTICLE 6
INDEMNIFICATION

6.1 Indemnity by the Vendor

The Vendor covenants and agrees to indemnify and hold harmless the Purchaser from and against:

(a) any and all loss, damages, expenses, costs, liabilities and deficiencies:

(i) resulting from any misrepresentation, misstatement, breach of warranty or the non-fulfilment of any covenant on the part of the Vendor under this Agreement or under any document or instrument delivered pursuant hereto or in connection herewith; or

(ii) arising in connection with the affairs of the Vendor and the operation of its business prior to the Closing Date; and

(b) any and all claims, actions, suits, proceedings, demands, assessments, judgments, charges, penalties, costs and expenses (including any payment made in good faith in settlement of any claim or potential claim, and including the full amount of any reasonable legal expenses invoiced to the Purchaser) which arise or are made or claimed against or are suffered or incurred by the Purchaser, as the case may be, in respect of any of the foregoing.

6.2 Indemnity by the Purchaser

The Purchaser shall indemnify and hold the Vendor harmless in respect of any claim, damage, action, cause of action, loss, cost, liability or expense (including legal fees on a solicitor-client basis) which may be made or brought against any of such parties or which such party may suffer or incur, directly or indirectly, as a result of, in respect of, or arising out of:

(a) any incorrectness in or breach of any representation or warranty of the Purchaser contained in this Agreement or in any other agreement, certificate or instrument executed and delivered pursuant to this Agreement; or

(b) any breach of or any non-fulfillment of any covenant on the part of the Purchaser under this Agreement or under any other agreement, certificate or instrument executed and delivered pursuant to or in relation to this Agreement; or

(c) any action, agreement, liability or other thing relating to the Assets which arose or accrued after the Closing Date.

6.3 Limitation of Liability.

In addition to, and without limiting the foregoing, neither of the parties, and its respective, directors, officers, employees, and agents shall, under any circumstances, be liable for any direct, consequential, incidental, indirect or special damages, of any kind, or any other damages whatsoever, even if any of them has been apprised of the likelihood of such damages occurring. The aforementioned limitations and exclusions will apply to each of the parties to the fullest extent that applicable law permits, in all actions of any kind, whether based on contract, tort (including, without limitation, negligence) or any other legal or equitable theory.

ARTICLE 7
GENERAL

7.1 Further Assurances.

Each Party shall promptly do, execute, deliver or cause to be done, executed and delivered all further acts, documents and things that the other Party may reasonably require, for the purposes of giving effect to this Agreement.

7.2 Notices.

Any notice, certificate, consent, determination or other communication required or permitted to be given or made under this Agreement shall be in writing and shall be effectively given and made if (i) delivered personally, (ii) sent by prepaid courier service, or (iii) sent prepaid by fax or other similar means of electronic communication, in each case to the applicable address set out below:

if to the Vendor, to:

Chris McElvany
[address]
Email: supercriticallabs@gmail.com
Fax: (●)●

(i) if to the Purchaser, to:

Hollyweed North Cannabis Inc.
1250, 639 5th Ave. SW
Calgary, Alberta T2P 0M9
Attention: Scott Reeves
Email: sreeves@tinglemerrett.com
Fax: (403) 571-8008

Any party may from time to time change its address under this Section 7.2 by notice to the other party given in the manner provided by this Section.

7.3 Entire Agreement.

Except with respect to the Note and General Security Agreement, which are referenced herein, this Agreement constitutes the entire agreement between the Parties pertaining to the subject matter of this Agreement and supersedes, all prior agreements, understandings, negotiations and discussions, whether oral or written, among the parties. There are no conditions, warranties, representations or other agreements between the Parties in connection with the subject matter of this Agreement (whether oral or written, express or implied, statutory or otherwise) except as specifically set out in this Agreement.

7.4 Governing Law.

This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta, Canada and shall be treated, in all respects, as an Alberta contract and the parties hereby irrevocably submit to the exclusive jurisdiction of the courts of the Province of Alberta for all matters arising out of or in connection with this Agreement or any of the transactions contemplated hereby.

7.5 Successors and Assigns.

This Agreement shall enure to the benefit of, and be binding on, the parties and their respective successors and permitted assigns. Neither Party may assign or transfer, whether absolutely, by way of security or otherwise, all or any part of its respective rights or obligations under this Agreement without the prior written consent of the other party.

7.6 Counterparts.

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument. Counterparts may be executed either in original or faxed form and the parties adopt any signatures received by a receiving fax machine as original signatures of the parties; provided, however, that any party providing its signature in such manner shall promptly forward to the other party an original of the signed copy of this Agreement which was so faxed.

IN WITNESS WHEREOF the parties have executed this Agreement as of the date first written above.

HOLLYWEED NORTH CANNABIS INC.

Per: /s/ Authorized Signatory

/s/ Chris McElvany

Witness **CHRIS MCELVANY**

SCHEDULE “A”

EQUIPMENT

SCHEDULE “B”

COPY OF MCELVANY CONSULTING AGREEMENT

Exhibit 21.1

Lucy Scientific Discovery, Inc.
List of Subsidiaries

Name	Jurisdiction of Organization
LSDI Manufacturing Inc.	Canada (British Columbia)
TerraCube International Inc.	Canada (British Columbia)

Exhibit 23.1

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM'S CONSENT

We consent to the inclusion in this Registration Statement of Lucy Scientific Discovery Inc. on Form S-1 of our report dated January 21, 2022, which includes explanatory paragraphs regarding restatement of the Company's financial statements as of and for the year ended June 30, 2020 and the Company's ability to continue as a going concern, with respect to our audits of the consolidated financial statements of Lucy Scientific Discovery Inc. as of June 30, 2021 and 2020 and for the years ended June 30, 2021 and 2020, which report appears in the Prospectus, which is part of this Registration Statement. We also consent to the reference to our Firm under the heading "Experts" in such Prospectus.

/s/ Marcum LLP

Marcum LLP
Costa Mesa, CA
January 21, 2022