

INFORMATION CIRCULAR

OF

INVICTUS MD STRATEGIES CORP.

FOR A SPECIAL MEETING TO BE HELD

On December 12, 2022

**With respect to a Proposed Plan of Arrangement involving
Invictus MD Strategies Corp., its Shareholders
and Gene-Etics Strains Co.**

November 1, 2022

Invictus MD Strategies Corp.

3855 – 159A Street
Surrey, British Columbia
V3Z 0Y3

Dear Shareholders:

The Directors of Invictus MD Strategies Corp. (“**Invictus MD**”) invite you to attend the special meeting (the “**Meeting**”) of the common shareholders of Invictus MD (the “**Shareholders**”) to be held at 3200 – 650 West Georgia Street, Vancouver, British Columbia, at 10:00 a.m. (Vancouver time) on Monday, December 12, 2022. The principal purpose of the Meeting is to seek the Shareholders’ approval for a statutory plan of arrangement (the “**Arrangement**”) involving Invictus MD, its Shareholders, and Invictus MD’s wholly-owned subsidiary, Gene-Etics Strains Co. (“**Invictus Sub**”).

In connection with the Arrangement, Invictus MD will amalgamate with Invictus Sub once it is continued into British Columbia (the merged company being “**Amalco**”) and the common shares of Invictus MD will be exchanged with common shares of Amalco (an “**Amalco Share**”) on the basis of one (1) Invictus MD Share for 0.005 of an Amalco Share (the “**Exchange Ratio**”), with “small lot” shareholdings (i.e., less than 1,250 Amalco Shares) being paid-out in cash. It is estimated that the value of an Amalco Share will be \$1.60.

The transaction will benefit Shareholders by allowing them to participate in a combined entity with reduced administrative overhead, and reduce the total number of shareholders of Amalco by removing “small lot” shareholders for a cash payment. “Small lot” Shareholders will avoid additional brokerage and regulatory costs to dispose of their shares, and will be able to receive a proportionate cash payment, based on their shareholdings. The Shareholders holding “small lots” of Amalco Shares will also have an exit and liquidity that would not otherwise be available to them.

Detailed information in respect of matters contemplated by the Arrangement is set out in the attached information circular (the “**Circular**”). At the Meeting, Shareholders will be asked, among other things, to consider and, if deemed advisable, to approve special resolutions, the full text of which are set out in the Circular, authorizing the implementation of the Arrangement. Please review the Circular carefully as it has been prepared to help you make an informed decision on the Arrangement. The Arrangement must be approved by not less than two-thirds of the votes cast at the Meeting by the Shareholders. Without the required level of Shareholder approval, the proposed Arrangement cannot be completed. The Arrangement is also subject, among other things, to the approval of the Supreme Court of British Columbia.

THE BOARD OF DIRECTORS OF INVICTUS MD HAS UNANIMOUSLY APPROVED THE TERMS OF THE ARRANGEMENT AND RECOMMENDS THAT YOU VOTE IN FAVOUR OF THE ARRANGEMENT AT THE MEETING FOR THE REASONS SET OUT IN THE ATTACHED CIRCULAR.

Your vote on the matters to be acted upon at the Meeting is important, regardless of how many shares of Invictus MD you own. If the requisite approvals are obtained, an order of the Supreme Court of British Columbia approving the Arrangement will be sought following the Meeting. We hope that you will be able to attend the Meeting in person; however, if you cannot attend, please complete and return the applicable enclosed form of proxy to Computershare Investor Services Inc. at the address noted in the Circular.

On behalf of Invictus MD, we thank you for your past and ongoing support.

Sincerely,

INVICTUS MD STRATEGIES CORP.

(s) Trevor Dixon

**Trevor Dixon,
Director**

INVICTUS MD STRATEGIES CORP.

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

Dear Shareholder:

NOTICE IS HEREBY GIVEN that pursuant to an order (the “**Interim Order**”) of the Supreme Court of British Columbia dated October 31, 2022, a special meeting (the “**Meeting**”) of the holders of common shares (the “**Shareholders**”) of Invictus MD Strategies Corp. (“**Invictus MD**”) will be held at 3200 – 650 West Georgia Street, Vancouver, British Columbia, V6B 4P7, at 10:00 a.m. (Vancouver time) on Monday, December 12, 2022 for the following purposes:

1. To consider, and, if deemed advisable, to pass, with or without variation, a special resolution (the “**Arrangement Resolution**”), the full text of which is set out in the information circular accompanying this notice (the “**Circular**”), to approve a Plan of Arrangement (the “**Arrangement**”) under Part 9, Division 5 of the *Business Corporations Act* (British Columbia) (the “**BCBCA**”), all as more particularly described in the Circular; and
2. To transact such other business as may properly come before the Meeting.

Reference is made to the Circular for the details of matters to be considered at the Meeting. The full text of the Arrangement Resolution and the Arrangement are as set forth in Schedule “A” and Schedule “B” hereto, respectively. In order to become effective, the Arrangement Resolution must be approved by at least 66 2/3% of the votes cast by the Shareholders present in person or by proxy at the Meeting.

All Shareholders are invited to attend the Meeting. Only Shareholders at the close of business on November 1, 2022 (the “**Record Date**”) are entitled to receive notice of and vote at the Meeting. If you are unable to attend the Meeting in person, please complete, date and sign the enclosed form of proxy and return it, in the envelope provided, to **Computershare Investor Services Inc. at 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1**, so that it is received no later than 10:00 a.m. (Vancouver time) on December 8, 2022 or by 10:00 a.m. (Vancouver time) on the day that is two business days prior to the date on which any adjournment of the Meeting is held. We thank you for your participation as a Shareholder of Invictus MD.

Pursuant to the Interim Order and the BCBCA, Shareholders are entitled to exercise rights of dissent in respect of the proposed Arrangement and to be paid fair value for common shares of Invictus MD (“Shares”). Holders of Shares wishing to dissent with respect to the Arrangement must send a written objection to Invictus MD at 3200 – 650 West Georgia Street, Vancouver, BC, V6B 4P7, Attention: Trevor Dixon prior to the time of the Meeting, such that the written objection is received no later than 4:30 pm (Vancouver time) on December 8, 2022 or by 4:30 pm (Vancouver time) on the day that is two business days prior to the date on which any adjournment of the Meeting is held, in order to be effective.

A Shareholder's right to dissent is more particularly described in the accompanying Circular and the text of sections 237 through 247 of the BCBCA is reproduced in Schedule “C” to the accompanying Circular. Failure to strictly comply with these requirements may result in the loss of any right of dissent. Persons who are beneficial owners of Shares registered in the name of a broker, custodian, nominee or other intermediary who wish to dissent should be aware that only the registered holders of such shares are entitled to dissent. Accordingly, a beneficial owner of Shares desiring to exercise the right of dissent must make arrangements for the Shares beneficially owned to be registered in their name prior to the time the written objection to the Arrangement Resolution is required to be received by Invictus MD or, alternatively, make arrangements for the registered holder of such shares to dissent on their behalf.

November 1, 2022

By Order of the Board of Directors of

Invictus MD Strategies Corp.

(s) Trevor Dixon

Trevor Dixon,
Director

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SCHEDULE “A” ARRANGEMENT RESOLUTION

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SCHEDULE “D” INTERIM ORDER

SCHEDULE “E” NOTICE OF HEARING OF THE PETITION FOR THE FINAL ORDER

SCHEDULE “F” FAIRNESS OPINION

SCHEDULE “G” FINANCIAL STATEMENTS AND MD&AS OF INVICTUS MD

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SCHEDULE “I” CEASE TRADE ORDER

SCHEDULE “J” PARTIAL REVOCATION OF CEASE TRADE ORDER

SCHEDULE “K” AUDIT COMMITTEE CHARTER OF INVICTUS MD

GLOSSARY OF TERMS

“Amalco” means the corporation amalgamated under the BCBCA, to be named “Invictus MD Strategies Corp.”, which will result from the Amalgamation.

“Amalco Shares” means the common shares of Amalco.

“Amalco Securities” means the Amalco Shares and any other securities of Amalco.

“Amalgamation” means the amalgamation of Invictus MD and Invictus Sub pursuant to the Plan of Arrangement.

“Arrangement” means the arrangement to be completed pursuant to the provisions of Part 9, Division 5 of the BCBCA as further described in this Circular and on the terms and conditions set forth in the Plan of Arrangement.

“Arrangement Agreement” means the Arrangement Agreement dated as of October 18, 2022 between Invictus MD and Invictus Sub, a copy of which is available on SEDAR at www.sedar.com.

“Arrangement Resolution” means the special resolutions approving the Arrangement Agreement and the Arrangement to be voted on with or without variation by the Shareholders at the Meeting, in the forms set forth in Schedule “A” hereto.

“Audit Committee” means the audit committee of the Board.

“BCBCA” means the *Business Corporations Act* (British Columbia) S.B.C. 2002 c.57, as amended, including the regulations promulgated thereunder.

“Board” means the board of directors of Invictus MD.

“Circular” means this management information circular of Invictus MD dated November 1, 2022 furnished in connection with the solicitation of proxies for use at the Meeting.

“Closing” means the completion of the Arrangement on the Effective Date, at the Effective Time.

“Company” unless specially indicated otherwise, means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual.

“Control Person” means any person or company that holds or is one of a combination of persons or companies that holds a sufficient number of any of the securities of an issuer so as to affect materially the control of that issuer, or that holds more than 20% of the outstanding voting securities of an issuer except where there is evidence showing that the holder of those securities does not materially affect the control of the issuer.

“Exchange Ratio” means the applicable ratio of Invictus MD Shares to Amalco Shares to be issued pursuant to the Arrangement, and more specifically, the Exchange Ratio shall be 1 Invictus MD Share to 0.005 of an Amalco Share.

“Court” means the Supreme Court of British Columbia.

“CTO” means the cease trade order issued by the British Columbia and Ontario Securities Commissions on February 4, 2021, prohibiting the trading of any securities of Invictus MD in Canada, in the form set out in Schedule “I” hereto.

“Dissent Notice” means a written objection to the Arrangement Resolution made by a registered Shareholder in accordance with the Dissent Rights.

“Dissent Rights” means the right of a registered Shareholder to dissent in respect of the Arrangement Resolution in strict compliance with the procedures described in the Plan or Arrangement and the BCBCA as more particularly described in Schedule “C” hereto.

“Dissenting Shareholders” means Shareholder who validly exercise their Dissent Rights and thereby become entitled to receive the fair value of their Shares.

“Dissenting Shares” means Shares in respect of which a Dissenting Shareholder has validly exercised a Dissent Right.

“Effective Date” means the effective date on which the Final Order and all required documents are accepted for filing by the Registrar.

“Effective Time” means the effective time of the Arrangement on the Effective Date appearing on the Certificate of Amalgamation respecting the Amalgamation.

“Fairness Advisor” means Evans & Evans Inc., the fairness advisor to the Board of Invictus MD.

“Fairness Opinion” means the fairness opinion dated October 13, 2022 as prepared for Invictus MD by the Fairness Advisor, a copy of which is attached as Schedule “F” to this Circular.

“Final Order” means the final order of the Court approving the Arrangement to be applied for following the Meeting pursuant to Section 291 of the BCBCA, as such order may be affirmed, amended or modified by any court of competent jurisdiction.

“Insider” has the meaning ascribed thereto in the *Securities Act* (British Columbia), R.S.B.C. 1996, c. 418 as amended.

“Interim Order” means the interim order of the Court dated October 31, 2022 concerning the Arrangement under Section 291 of the BCBCA, containing declarations and directions with respect to the Arrangement and the holding of the Meeting, as such order may be affirmed, amended or modified by any court of competent jurisdiction, a copy of which Interim Order is attached as Schedule “D” to this Circular.

“Invictus MD” means Invictus MD Strategies Corp., a corporation amalgamated under the BCBCA.

“Invictus Sub” means the wholly-owned Delaware subsidiary of Invictus MD.

“ITA” means the Income Tax Act (Canada) R.S.C. 1985, c. 1 as amended, including the regulations promulgated thereunder.

“Material Adverse Change” means any event or change that has had or would be reasonably likely to have a Material Adverse Effect on the applicable party.

“Material Adverse Effect” means a material adverse effect (or a series of adverse effects, none of which is material in and of itself but which, cumulatively, result in a Material Adverse Effect) on the business, operations, results of operations, prospects, assets, liabilities or financial condition of the party, other than any change, effect, event or occurrence relating to the global economy or securities markets in general.

“MD&A” means management’s discussion and analysis, as such term is defined in National Instrument 51-102 – *Continuous Disclosure Obligations* of the Canadian Securities Administrators.

“Meeting” means the special meeting of the Shareholders to be held on December 12, 2022, to consider and if deemed advisable, approve the Arrangement.

“NI 51-102” means National Instrument 51-102 - *Continuous Disclosure Obligations* of the Canadian Securities Administrators and the companion policies and forms thereto, as amended from time to time.

“NI 52-110” means National Instrument 52-110 – *Audit Committees* of the Canadian Securities Administrators and the companion policies and forms thereto, as amended from time to time.

“Notice of Meeting” means the notice of the Meeting which accompanies this Circular.

“Option Plan” means the currently existing stock option plan of Invictus MD.

“Partial Revocation Order” means the partial revocation of the CTO issued by the British Columbia and Ontario Securities Commissions on September 7, 2022, in the form attached as Schedule “J” hereto.

“Party” means a party to the Arrangement Agreement, being Invictus MD or Invictus Sub, and **“Parties”** means both of them.

“Person” means a Company or individual.

“Plan of Arrangement” means the plan of arrangement set out in Schedule “A” to the Arrangement Agreement as amended or supplemented from time to time and which Plan of Arrangement is attached as Schedule “B” to this Circular.

“Record Date” means November 1, 2022.

“Registrar” means the Registrar of Companies for the Province of British Columbia.

“Regulation S” means Regulation S under the U.S. Securities Act.

“Schedules” means the Schedules to this Circular which are incorporated herein and form part of this Circular.

“SEC” means the U.S. Securities and Exchange Commission.

“Securities” means the Shares and any other securities of Invictus MD.

“Securityholders” means, collectively, the Shareholders and any other securityholder of Invictus MD.

“SEDAR” means the *System for Electronic Document Analysis and Retrieval* as located on the internet at www.sedar.com.

“Shareholders” means the holders of Shares.

“Shares” means the common shares without par value in the capital of Invictus MD as presently constituted.

“small lot” means a shareholding of less than 1,250 Amalco Shares.

“U.S. Securities Act” means the United States Securities Act of 1933, as amended.

“U.S. Exchange Act” means the United States Securities Exchange Act of 1934, as amended.

“Warrants” means warrants to acquire Shares.

“Warrantholders” means the holders of Warrants.

Words importing the masculine shall be interpreted to include the feminine or neuter and the singular to include the plural and vice versa where the context so requires.

All references to “\$” or “dollars” in this Circular are to lawful currency of Canada unless otherwise expressly stated.

NOTICE TO U.S. SHAREHOLDERS

THE SECURITIES ISSUABLE IN CONNECTION WITH THE ARRANGEMENT HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR SECURITIES REGULATORY AUTHORITIES IN ANY STATE; NOR HAS THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES REGULATORY AUTHORITIES OF ANY STATE PASSED ON THE ADEQUACY OR ACCURACY OF THIS CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The securities of Amalco to be issued pursuant to the Arrangement have not been and will not be registered under the U.S. Securities Act, and are issuable or to be distributed in reliance on the exemption from registration set forth in Section 3(a)(10) of the U.S. Securities Act on the basis of the approval of the Court as described under “*The Arrangement – Court Approvals*,” and in reliance on exemptions from registration under applicable state securities laws.

Section 3(a)(10) of the U.S. Securities Act exempts securities issued in exchange for one or more outstanding securities from the general requirement of registration where the terms and conditions of the issuance and exchange of such securities have been approved by any court of competent jurisdiction, after a hearing upon the fairness of the terms and conditions of the issuance and exchange at which all persons to whom the securities will be issued have the right to appear and receive timely notice thereof. The Court is authorized to conduct a hearing at which the fairness of the terms and conditions of the Arrangement will be considered. The Court granted the Interim Order on October 31, 2022 and, subject to the approval of the Arrangement by the Shareholders, a hearing on the Arrangement will be held by the Court on or about December 15, 2022. See “*The Arrangement – Court Approvals*.”

The solicitation of Invictus MD proxies is not subject to the requirements of the U.S. Exchange Act. This Circular has been prepared in accordance with the applicable disclosure requirements in Canada, which are different from the requirements applicable to proxy solicitations under the U.S. Exchange Act. See “*Additional Securities, Tax and Financial Statements Information for Shareholders in the United States*”.

United States Shareholders and other non-resident Shareholders are advised to consult their tax advisors to determine the particular tax consequences to them of the Arrangement.

The enforcements by investors of civil liabilities under the United States securities laws may be affected adversely by the fact that Invictus MD are organized under the laws of a jurisdiction outside the United States, that most, if not all, of their officers and directors are residents of countries other than the United States, that the experts named in this Circular are residents of countries other than the United States, and that all or a substantial portion of the assets of Invictus MD may be located outside the United States.

FORWARD LOOKING STATEMENTS

The information provided in this Circular, including information incorporated by reference, may contain “forward-looking statements” about Invictus MD, Invictus Sub, and/or Amalco. These forward-looking statements are made as of the date of this Circular or, in the case of documents incorporated by reference herein, as of the date of such documents. In addition, Invictus MD and Invictus Sub may make or approve certain statements in future filings with Canadian securities regulatory authorities, in press releases, or in oral or written presentations by representatives of Invictus MD in connection with this Arrangement that are not statements of historical fact and may also constitute forward-looking statements.

Forward-looking statements may include, but are not limited to, statements with respect to the timing and amount of estimated future business activities, costs of production, capital expenditures, costs and timing of the development of new products, success of business activities, permitting, currency fluctuations, requirements for additional capital, government regulation of operations, environmental risks, unanticipated expenses, title disputes or claims, limitations on insurance coverage, the completion of financings, the completion of transactions and future listings and court and regulatory approvals. In certain cases, forward-looking statements can be identified by the use of words such as

“plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “might” or “will be taken”, “occur” or “be achieved”. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Invictus MD to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors may include, among others, risks related to the integration of acquisitions; risks related to operations; accidents, labour disputes and other risks of the farming industry; delays in obtaining governmental, court or regulatory approvals or financing or in the completion of development activities, as well as those factors discussed in the section entitled “Risk Factors” in this Circular. Although Invictus MD has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

The cautionary statements contained or referred to in this section should be considered in connection with any subsequent written or oral forward-looking statements that Invictus MD and/or persons acting on their behalf may issue. Invictus MD undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise except as required by applicable securities laws. See “*Risk Factors*”.

INTRODUCTION

This Circular is furnished in connection with the solicitation of proxies by the management of Invictus MD for use at the Meeting to be held on December 12, 2022, and any adjournment thereof. No person has been authorized to give any information or make any representations in connection with the Arrangement or other matters to be considered at the Meeting, other than those contained in this Circular and if given or made, any such information or representation must not be relied upon as having been authorized.

Except where otherwise indicated, information contained in this Circular is dated as of November 1, 2022.

The Meeting has been called solely for the purpose of considering and, if deemed advisable, passing the Arrangement Resolution approving the Arrangement.

All summaries of, and references to, the Arrangement in this Circular are qualified in their entirety by reference to the complete text of the Plan of Arrangement, a copy of which is attached as Schedule “B” to this Circular. **You are urged to carefully read the full text of the Plan of Arrangement.**

All capitalized terms used in this Circular but not otherwise defined herein have the meanings set forth herein under “Glossary of Terms”.

SUMMARY

The following is a summary of information contained elsewhere in this Circular. This summary is qualified in its entirety by and should be read together with the more detailed information and financial data and statements contained elsewhere in this Circular, including the Schedules, which are incorporated herein and form part of this Circular, and the documents incorporated by reference herein. Certain capitalized words and terms used in this Summary are defined in the Glossary.

Parties

Invictus MD

Invictus MD is a reporting issuer, amalgamated under the laws of British Columbia, which previously was active in the medical marijuana industry and was operating as a licensed producer in Canada. It is now an investment holding company. Its Shares are not trading on any stock exchange or quotation system. A cease trade order was issued by the British Columbia and Ontario Securities Commissions on February 4, 2021, prohibiting the trading of any securities of Invictus MD in Canada, but Invictus MD has obtained the Partial Revocation Order to permit the Arrangement. For additional information, please see “*Information Concerning Invictus MD*”.

Invictus Sub

Invictus Sub is a Delaware corporation and wholly-owned subsidiary of Invictus MD. It does not have any assets or property, and does not carry on any active business operations. It is proposed to continue Invictus Sub into British Columbia and then amalgamate it with Invictus MD. All of the issued and outstanding shares of Invictus Sub are held by Invictus MD.

Amalco

Amalco is the company that will be formed upon the completion of the Amalgamation on the Effective Date, pursuant to the terms of the Arrangement. Amalco will be a Canadian reporting issuer under applicable securities laws in Canada, but it is expected to apply to cease to be a reporting issuer after completion of the Arrangement, although no assurance can be given that such an order will be granted.

The Parties have agreed to combine their respective businesses, assets and operations through the implementation of the Arrangement. Following completion of the Arrangement, Amalco will apply to cease to be a reporting issuer in Canada. Please see “*Information Concerning Invictus MD*”, and “*Information Concerning Invictus Sub*” for further information.

The Meeting

The Meeting will be held on December 12, 2022 at 10:00 a.m. (Vancouver time) for the purposes set forth in the Notice of Meeting, including, among other matters, to consider and, if deemed advisable, to approve annual general meeting matters, the Arrangement and all related matters, giving effect to the transactions contemplated by the Arrangement Agreement.

The record date for determining the registered shareholders for the Meeting is November 1, 2022. Please see “*Business of the Meeting*” for further information.

The Arrangement

The Arrangement provides for the Amalgamation of Invictus MD and Invictus Sub. The Arrangement Agreement establishes the Plan of Arrangement, which provides among other things that, commencing at the Effective Time, the following events or transactions shall occur sequentially in the order set out unless otherwise noted and shall be deemed to occur without any further act or formality required on the part of any person, except as expressly provided

in the Plan of Arrangement:

- (a) each Invictus MD Share held by a Dissenting Shareholder will be deemed to be transferred by the holder thereof, without any further act or formality on his, her or their part, free and clear of all liens, claims and encumbrances, to Invictus MD in consideration for a debt claim against Invictus MD in an amount determined and payable under the Plan of Arrangement, and the name of such holder will be removed from the register of holders of Invictus MD Shares, and the Shares cancelled;
- (b) Invictus Sub will continue from the State of Delaware under the laws of the Province of British Columbia;
- (c) Invictus MD and Invictus Sub will merge to form one corporate entity with the same effect as if they had amalgamated under the provisions of Section 288 to Section 299 of the BCBCA, except that the separate legal existence of Invictus MD will not cease and Invictus MD will survive the merger (the "**Amalco**");
- (d) without limiting the generality of (c) above, the separate legal existence of Invictus Sub will cease without Invictus Sub being liquidated or wound-up; Invictus MD and Invictus Sub will continue as one company; and the property and liabilities of Invictus Sub will become the property and liabilities of Invictus MD, as Amalco;
- (e) from and after the Effective Date, at the time of, and because of, the merger described in (c) above, among other things:
 - (i) all of the property of Invictus MD and all of the property of Invictus Sub will become the property of Amalco, and, without limiting the provisions hereof, all rights of creditors or others will be unimpaired by such merger, and all obligations of Invictus MD and Invictus Sub, whether arising by contract or otherwise, may be enforced against Amalco, to the same extent as if such obligations had been incurred or contracted by it;
 - (ii) Amalco will continue to be liable for the obligations of Invictus MD and Invictus Sub;
 - (iii) all rights, contracts, permits and interests of Invictus MD and Invictus Sub will continue as rights, contracts, permits and interests of Amalco as if Invictus MD and Invictus Sub continued and, for greater certainty, the merger will not constitute a transfer or assignment of the rights or obligations of either of Invictus MD or Invictus Sub under any such rights, contracts, permits and interests
 - (iv) any existing cause of action, claim or liability to prosecution will be unaffected and a legal proceeding being prosecuted or pending by or against either Invictus MD or Invictus Sub may be continued by or against Amalco;
 - (v) a conviction against, or ruling, order or judgment in favour of or against either Invictus MD or Invictus Sub may be enforced by or against Amalco;
 - (vi) each Invictus Sub Share will be cancelled;
 - (vii) every Invictus MD Share held by a Holder (other than an Invictus MD Share held by a Dissenting Shareholder) will be exchanged for 0.005 of an Amalco Share;
 - (viii) holders of Amalco Shares then holding a "small lot" (being less than 1,250 Amalco Shares) will receive a cash payment equal to their fair value;
 - (ix) the stated capital of the common shares of Amalco, will be equal to the stated capital of the common shares of Amalco, will be an amount equal to the aggregate of the "paid up

capital", as that term is defined in the ITA, of the Invictus Sub Shares and the Invictus MD Shares immediately prior to the merger;

- (x) the name of Amalco, will be "Invictus MD Strategies Corp.";
- (xi) the address of the registered and records office of Amalco, will be 3200 – 650 West Georgia Street, Vancouver, British Columbia V6B 4P7;
- (xii) Amalco, will be authorized to issue an unlimited number of common shares without par value;
- (xiii) there will be no restrictions on the transfer of common shares of Amalco (other than as provided for under the CTO in Canada until it is rescinded); and

provided that none of the foregoing will occur or be deemed to occur unless all of the foregoing occurs. Invictus MD has no plans to apply for a full revocation of the CTO and the Amalco Shares will continue to be subject to the CTO.

As a result of the Arrangement:

1. Invictus MD and Invictus Sub will be amalgamated, and their properties, assets, and liabilities will be combined;
2. The Shareholders' shareholdings in the Amalco will be effectively consolidated on the basis of one Share to 0.005 of an Amalco Share; and
3. "Small lot" shareholdings holding less than 1,250 Amalco Shares will be bought out for cash.

No fractional Amalco Shares will be issued. Any fractions resulting will be rounded down to the next whole number where the resulting fraction is 0.5 or less of an Amalco Share and rounded up to the next whole number where the resulting fraction is more than 0.5 of an Amalco Share.

As a consequence of the Arrangement, Invictus MD and Invictus Sub will be amalgamated, and Amalco will issue approximately 6,229,158 Amalco Shares in exchange for the Invictus MD Shares, more or less. The Amalco Shares will continue to be subject to the CTO, and Invictus MD has no plans to apply for a full revocation order.

For more detailed information, see "*The Arrangement – the Arrangement Agreement*" and the Plan of Arrangement attached to this Circular as Schedule "B".

Warrants

There are no Warrants outstanding to purchase Invictus MD Shares.

Stock Options

There are no stock options outstanding to purchase Invictus MD Shares.

Background to the Arrangement

Invictus MD is reporting issuer, formerly in the medical marijuana cultivation business as a licensed producer, and completed a proposal with its creditors under the *Companies' Creditors Arrangement Act* (R.S.C., 1985, c. C-36) on January 26, 2021 to settle its then outstanding indebtedness owed to its creditors (the "**CCAA Proposal**") by the issuance of 1,121,248,467 Shares to raise gross proceeds of \$1,350,000. At that time, Colin Kinsley and Brenda Mae Dixon resigned as directors, and Greg Macdonald and Gurmeet Gupta were appointed as the new directors of Invictus MD.

Subsequent to the completion of the CCAA Proposal, the CTO was issued prohibiting any trading in the securities of Invictus MD in Canada on February 4, 2021 for Invictus MD's failure to file its January 31, 2020 audited consolidated financial statements, and unaudited quarterly consolidated financial statements ending April 30, 2020, July 31, 2020, and October 31, 2020, together with the related management's discussions and analyses, and officers' certifications for those reporting periods. Invictus MD's failure to file the required records was a result of financial distress. Invictus MD now operates as an investment holding company.

Effective January 1, 2022, Invictus MD completed a vertical amalgamation with four of its former wholly-owned subsidiaries (1339527 B.C. Ltd., 1339533 B.C. Ltd., Greener Pastures MD Ltd., and Prestige Worldwide Holdings Inc.) to rationalize and simplify corporate administration, and consolidate assets and liabilities, by cancellation of the subsidiaries' issued shares without the issuance of any new securities. The surviving company was Invictus MD. Mr. Gupta subsequently resigned on February 14, 2022, and Trevor Dixon was appointed as a new director of Invictus MD in his place.

From late February to May 2022, the Board of directors (consisting of Trevor Dixon and Greg Macdonald) investigated the feasibility of filing the required financial records to bring Invictus MD into good standing with respect to the filing of its continuous disclosure documents, and applying for rescission of the CTO, but determined that the costs to do so would be excessive, and Invictus MD does not have the financial resources to achieve that outcome. The Board also determined that having thousands of shareholders in a cease traded investment holding company which is still designated as a reporting issuer in Canada was not a feasible or sustainable vehicle for business operations. Instead, the Board decided it would be more cost effective to reduce the number of Invictus MD's shareholders through consolidation of all of their shares, and cash buy-outs of the "small lot" Amalco shareholders (being less than 1,250 Amalco Shares). In order to accomplish this, the Board determined that Invictus MD would need to apply to the applicable securities regulators for a partial revocation of the CTO to permit the Arrangement. The Partial Revocation Order was obtained on September 7, 2022. Invictus MD has no plans to apply for a full revocation of the CTO and the Amalco Shares will continue to be subject to the CTO.

On September 21, 2022, the draft Arrangement Agreement was delivered to Invictus MD, and the Board reviewed the terms of the Arrangement as had been developed to that time and reviewed the draft Arrangement Agreement. On October 6, 2022, the final Fairness Opinion for the Arrangement was delivered orally to Invictus MD's Board, with the written Fairness Opinion which followed on October 13, 2022. The Board approved the Arrangement and the definitive Arrangement Agreement on October 18, 2022.

On October 18, 2022, Invictus MD and Invictus Sub executed the definitive Arrangement Agreement. Please see "*The Arrangement – Background to the Arrangement*" for further information.

Benefits of the Arrangement

The directors and senior management of Invictus MD believe that the Arrangement is fair to the Shareholders and in the best interests of Invictus MD and that the Arrangement provides a number of benefits for their Shareholders including the following:

1. Combining both companies will have reduced administrative costs.
2. The combined entity will have a reduced share capitalization (from 1,245,831,630 to 6,229,158 common shares, more or less), and will have a reduced number of shareholders.
3. Shareholders holding a "small lot" of Amalco Shares will have an exit and liquidity not otherwise available to them.
4. Invictus MD will be able to apply to cease to be a reporting issuer in Canada (although there can be no assurance given that the application will be successful).

Please see "*The Arrangement – Benefits of the Arrangement*" for further information.

Conditions to the Arrangement

The obligations of Invictus MD and Invictus Sub to complete the Arrangement under the Arrangement Agreement are subject to the satisfaction or waiver of certain mutual conditions, including, among others:

1. the Arrangement Resolution being approved by the Shareholders at the Meeting;
2. the Final Order being granted by the Court; and
3. holders of no greater than 2% of the total outstanding Shares exercising their Dissent Rights.

Please see “*The Arrangement – the Arrangement Agreement - Conditions to the Arrangement*” for further information.

Termination of the Arrangement Agreement

The Arrangement Agreement may be terminated prior to the Effective Date, by the mutual agreement of the Parties, by either Party in the event the Effective Date has not occurred by January 31, 2023, by Invictus MD in the event that the Shareholders do not approve the Arrangement by January 31, 2023, or if any required condition or third party approval under the Arrangement Agreement is not satisfied or waived on or prior to completion of the Arrangement. For additional information please see, “*The Arrangement – The Arrangement Agreement*”.

Fairness Opinion

In deciding to approve the Arrangement Agreement and the terms of the Arrangement, the Board considered, among other things, the Fairness Opinion. The Fairness Opinion concludes that, as of October 13, 2022, the Arrangement is fair to the Shareholders from a financial point of view. The Fairness Opinion sets forth certain assumptions made, matters considered and limitations on the review undertaken in connection with the opinion. The Fairness Opinion is not and should not be construed as a valuation of Invictus Sub or Invictus MD or their respective assets or securities or as a recommendation to any Shareholder to vote in favour of the Arrangement Resolution. See “*The Arrangement – Fairness Opinion*” for further information. A copy of the Fairness Opinion is attached hereto in full as Schedule “F”.

Recommendations of the Boards of Directors

The Board has considered the proposed Arrangement with Invictus Sub on the terms and conditions as provided in the Arrangement Agreement and has unanimously determined that the Arrangement is in the best interests of Invictus MD and is fair to the Shareholders. The Board unanimously recommends that Shareholders vote in favour of the Arrangement.

Please see “*The Arrangement – Recommendations of the Board of Directors*” for further information.

Procedure for Arrangement Becoming Effective

Procedural Steps

The Arrangement shall be carried out pursuant to the BCBCA. Aside from the terms of the Interim Order which was obtained from the Court on October 31, 2022, a copy of which is attached hereto as Schedule “D”, the following procedural steps must be taken in order for the Arrangement to become effective:

1. the Arrangement must be approved by the Shareholders by special resolution of at least a two-thirds majority of those Shareholders who are entitled to vote in person or by proxy at the Meeting;
2. if approved by the Shareholders, and assuming all conditions precedent to the Arrangement, as set forth in the Arrangement Agreement, are satisfied or waived by the appropriate party, a hearing before the Court must be held to approve the Arrangement; and

3. the Final Order must be issued by the Court and filed with the Registrar.

Please see “*The Arrangement – Procedure for the Arrangement to become Effective*” for additional information.

Shareholder Approvals

Pursuant to the BCBCA, the articles of Invictus MD, and the Interim Order, the Arrangement Resolution approving the Arrangement and the Arrangement Agreement must be passed, with or without variation, by two-thirds of all votes cast with respect to the Arrangement Resolution by the Shareholders, present in person or by proxy at the Meeting.

Notwithstanding the foregoing, the Arrangement Resolution authorizes the Board, without further notice to or approval of the Shareholders, subject to the terms of the Arrangement, to decide not to proceed with the Arrangement and to revoke such Arrangement Resolution at any time prior to the Arrangement becoming effective pursuant to the provisions of the BCBCA.

If more than 2% Shares become the subject of Dissent Rights, the Arrangement may be terminated.

Please see “*The Arrangement – Shareholder Approvals*” for further information.

Court Approval

The Arrangement under the BCBCA requires the approval of the Court. Prior to the mailing of the Circular, Invictus MD obtained the Interim Order providing for the calling and holding of the Meeting and other procedural matters relating to the Arrangement. A copy of the Interim Order is attached hereto as Schedule “D”.

Provided that the Arrangement is approved by the requisite majority of the Shareholders and certain other conditions are met, Invictus MD will make application to the Court for the Final Order at 9:45 a.m. Vancouver time (or so soon thereafter as legal counsel can be heard) on December 15, 2022 at the Court House, 800 Smithe Street, Vancouver, British Columbia. The Final Order is not effective until filed with the Registrar, and the Final Order will only be filed when all other conditions to closing have been met. At the hearing for the Final Order any security holder or creditor of Invictus MD has the right to appear, be heard and present evidence if such person is of the view that his or her interests may be prejudiced by the Arrangement. A copy of the Notice of Hearing of the Final Order is attached hereto as Schedule “E” (see also Schedule “D” - Interim Order and “*The Arrangement – Court Approvals*”).

Securities Laws Information for Canadian Securityholders

The issuances of the Amalco Shares pursuant to the Arrangement will be exempt from the registration and prospectus requirements of Canadian securities legislation, and are permitted by the Partial Revocation Order. However, the Amalco Shares will be and remain subject to the CTO, and may not be resold in any of the provinces and territories of Canada. Any Securities, which as of the Effective Time, contain hold period or resale restrictions upon such securities will continue to have such a hold period and resale restrictions upon their exchange to Amalco Securities. For further information, see “*The Arrangement - Resale of Amalco Securities*.”

Securities Law Information for United States Shareholders

The Amalco Securities to be issued to Shareholders under the Arrangement have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of United States, and will be issued pursuant to the exemption from the registration requirements provided under Section 3(a)(10) of the U.S. Securities Act and exemptions under applicable state securities law.

The Amalco Securities to be issued and distributed to Shareholders pursuant to the Arrangement generally will be freely tradable in the United States under the U.S. Securities Act, except for any person who: (a) is (or any time within 90 days preceding such resale was) an “affiliate” of Amalco; or (b) has been an “affiliate” of Amalco within 90 days of the Effective Time of the Arrangement. Persons who may be deemed to be “affiliates” of an issuer, include individuals or entities that control, are controlled by, or are under common control with, the issuer, and generally

include executive officers and directors of the issuer as well as principal shareholders of the issuer who beneficially own or control 10 percent or more of the voting securities of the issuer. Any resale of such Amalco Securities by such an affiliate (or, if applicable, former affiliate) may be subject to the registration requirements of the U.S. Securities Act, absent an exemption therefrom. Subject to certain limitations, including the CTO, such affiliates may immediately resell Amalco Securities outside the United States without registration under the U.S. Securities Act pursuant to and in accordance with Regulation S.

For further information, see *“Information Concerning the Arrangement - Resale of Invictus Sub Securities,” “Information Concerning the Arrangement - Court Approvals”* and *“Information Concerning the Arrangement - Additional Securities, Tax and Financial Statements Information for Shareholders in the United States.”*

Neither Invictus Sub nor Invictus MD has a class of securities registered with the SEC and, accordingly, neither is a reporting company in the United States.

The foregoing discussion is only a general overview of certain requirements of United States securities laws applicable to the Invictus Sub Securities to be issued upon completion of the Arrangement. All holders of such securities are urged to consult with counsel to ensure that the resale of their securities complies with applicable securities legislation.

Exchange of Share Certificates

Following completion of the Arrangement, all Invictus MD Shares will be considered to be automatically converted into and exchanged for Amalco Shares, with “small lots” of Amalco Shares being bought out for cash, without the need for surrender of any physical certificates.

The holders of certificates formerly representing Shares are not required to surrender such certificates to Invictus MD. Shareholders are entitled to receive a written confirmation from Invictus MD indicating the number of Amalco Shares held post-Arrangement.

Please see *“The Arrangement – Exchange of Securities”* for more information.

Right to Dissent

Shareholders are entitled as a consequence of the Arrangement to dissent and be paid the fair value of their Shares, in respect of which such Dissenting Shareholders dissent, in accordance with Sections 237 through 247 of the BCBCA as modified by the Interim Order and the Plan of Arrangement, if such shareholders give notice that they object to the Arrangement and Invictus MD proceeds to make the Arrangement effective. See Schedule “C” attached hereto for the full text of Sections 237 through 247 of the BCBCA, Schedule “B” attached hereto for the Plan of Arrangement and Schedule “D” attached hereto for the Interim Order.

The notice and dissent procedure requirements **MUST BE STRICTLY OBSERVED**. One of the conditions to the consummation of the Arrangement is that Dissent Notices are not received for a number of the Shares in excess of 2% of Invictus MD’s issued and outstanding common shares because that may make the Arrangement, in the opinion of Invictus MD, impractical or no longer in the best interests of Invictus MD. See *“Rights of Dissent”* for further information.

Canadian Federal Income Tax Considerations

Please refer to the summary of Canadian federal income tax considerations contained in this Circular set forth under *“Canadian Federal Income Tax Considerations”*. **All Securityholders should consult their own tax advisers for advice with respect to their own particular circumstances.**

U.S. Federal Income Tax Advisory

Please refer to the summary of United States federal income tax considerations contained in this Circular set forth under *“Certain United States Income Tax Considerations”*. Holders of Securities resident in the United States should

consult their own tax advisers for advice with respect to the application of U.S. tax law to an exchange of their Securities for Amalco Securities.

Interest of Insiders, Promoters or Control Persons

The chart below indicates the total number of Shares and the percentage of such issued and outstanding Shares and options held by insiders, promoters and Control Persons of Invictus MD as of the Record Date, as well as the expected number of Amalco Shares and the percentage of such issued and outstanding Amalco Shares held by insiders, promoters and Control Persons of Invictus MD following completion of the Arrangement:

Name and Position	Number of Shares	Number of Options	Percentage of Issued and Outstanding Shares	Number of Amalco Shares Post – Arrangement	Percentage of Amalco Shares Post-Arrangement
Trevor Dixon, Director of Invictus MD	116,078,864	Nil	9.3%	580,394	9.3%
Greg Macdonald, Director of Invictus MD	Nil	Nil	Nil	Nil	Nil

Selected Pro Forma Consolidated Financial Information

The following information should be read in conjunction with the (a) the interim unaudited consolidated financial statements of Invictus MD for the six month period ended June 30, 2022 and MD&A in connection with those financial statements, (b) the unaudited consolidated financial statements of Invictus MD for the fiscal years ended December 31, 2021, and January 31, 2021 and 2020, and MD&A in connection with the January 31, 2021 financial statements, copies of which are attached hereto as Schedule “G”; and (c) the unaudited financial statements of Invictus Sub for the fiscal years ended 2021 and 2020, and six month period ended June 30, 2022, copies of which are attached hereto as Schedule “H”.

The following table sets out certain financial information for Invictus MD. After completion of the Arrangement, the financial position of Amalco will be the same as Invictus MD, since its financial statements already include Invictus Sub on a consolidated basis.

Selected Financial Information of Invictus MD (Amalco)

Balance Sheet Data	Invictus MD at June 30, 2022	Invictus MD at December 31, 2021	Invictus MD at January 31, 2021	Invictus MD at January 31, 2020
Assets:				
Current Assets	\$4,622,139	\$4,729,538	\$3,813,185	\$ 10,706,758
Other Assets	<u>4,000,000</u>	<u>4,000,000</u>	<u>4,000,000</u>	<u>113,324,770</u>
Total Assets	\$8,622,139	\$8,729,538	\$7,813,185	\$124,031,528
Liabilities:				
Current Liabilities	\$ 357,510	\$ 300,760	\$ 344,066	\$13,583,936
Other Liabilities	<u>4,210,645</u>	<u>4,210,645</u>	<u>4,210,645</u>	<u>18,476,226</u>
Total Liabilities	\$4,568,155	\$4,511,4055	\$4,554,711	\$32,060,162

Balance Sheet Data	Invictus MD at June 30, 2022	Invictus MD at December 31, 2021	Invictus MD at January 31, 2021	Invictus MD at January 31, 2020
Shareholder's Equity:				
Capital Stock	\$158,835,129	\$158,835,129	\$158,835,129	\$157,485,129
Contributed Surplus	28,850,453	28,850,453	28,850,453	24,524,414
Deficit	(183,631,598)	(183,467,449)	(184,427,108)	(90,038,177)
Total Equity	\$4,053,984	\$4,218,133	\$3,258,474	\$91,971,366
No. of Shares Issued and Outstanding	1,245,831,630⁽¹⁾	1,245,831,630	1,245,831,630	124,583,163

(1) The terms of the Arrangement provide that the Shares shall be exchanged for 0.005 of an Amalco Share, other than shares held by Dissenting Shareholders.

Market for Amalco Securities

The Shares were listed on the TSX Venture Exchange (the “**Exchange**”) in Canada under the trading symbol “GENE”, and then move to the NEX division of the TSX Venture Exchange for inactive issuers when Invictus MD filed the CCAA Proposal. Since the CTO, any trading in the securities of Invictus MD in Canada has been prohibited, and the Shares were suspended from trading on NEX by the TSX Venture Exchange on February 5, 2021. There is currently no established trading market for the Shares, and due to the CTO, it is not expected that one will develop. After the completion of the Arrangement, any trading of the Amalco Shares in Canada will be prohibited under the CTO.

Conflicts of Interest

The directors and officers of Invictus MD and Invictus Sub are involved in other projects, and may have a conflict of interest in allocating their time between the business of Amalco and other businesses or projects in which they are or will become involved.

Please see “*Information Concerning Invictus Sub Post Arrangement – Conflicts of Interest*”, “*Information Concerning Invictus Sub Post Arrangement – Other Reporting Issuer Experience*”.

Interests of Experts

To the best of Invictus MD’s and Invictus Sub’s knowledge, no direct or indirect interest in Amalco, Invictus Sub or Invictus MD is held or will be received by any experts, except as described at “*General Information – Experts*”.

Timing

It is anticipated that the Arrangement will become effective after the requisite approval of the Shareholders, Court and regulatory approvals have been obtained and all other conditions to the Arrangement have been satisfied or waived. It is anticipated that the Arrangement will become effective on or before January 31, 2023.

Risk Factors

Following completion of the Arrangement, Amalco will be subject to certain risk factors which should be carefully considered in connection with your review of the Arrangement. See “*Risk Factors*” for a more detailed description of certain risk factors, including restrictions on trading. Amalco Shares are a risky and speculative investment.

In considering whether to vote for the approval of the Arrangement, Shareholders should carefully consider these risk factors, together with other information included in this Circular, before deciding whether to approve the Arrangement.

For a description of material risk factors affecting Amalco upon completion of the Arrangement, see “*Risk Factors*”.

Accompanying Documents

This Circular is accompanied by several Schedules which are incorporated by reference into, form an integral part of, and should be read in conjunction with this Circular. It is recommended that Shareholders read this Circular and the attached Schedules in their entirety.

GENERAL PROXY INFORMATION

Solicitation of Proxies

This Circular is furnished in connection with the solicitation of proxies by the management of Invictus MD for use at the Meeting. It is expected that the solicitation will be primarily by mail. Proxies may also be solicited personally by directors, officers or employees of Invictus MD. Costs of the solicitation of proxies for the Meeting will be borne by Invictus MD. In addition to the use of mail, proxies may be solicited by personal interviews, personal delivery, telephone or any form of electronic communication or by directors, officers and employees of Invictus MD who will not be directly compensated therefor. Invictus MD has arranged for intermediaries to forward meeting materials to beneficial owners of the Shares held of record by those intermediaries and Invictus MD may reimburse the intermediaries for their reasonable fees and disbursements in that regard.

Appointment of Proxy

Accompanying this Circular are forms of proxy for the Shareholders. The individuals named in the accompanying forms of proxy are directors or officers of Invictus MD. **A Shareholder has the right to appoint a person (who need not be a Securityholder of Invictus MD) to attend and act for him on his behalf at the Meeting other than the persons named in the enclosed applicable instrument of proxy. To exercise this right, a Shareholder must strike out the names of the persons named in the instrument of proxy and insert the name of his nominee in the blank space provided, or complete another instrument of proxy.**

The completed instrument of proxy must be dated and signed and the duly completed instrument of proxy must be deposited at Invictus MD's transfer agent, COMPUTERSHARE INVESTOR SERVICES INC. no later than forty eight (48) hours (excluding Saturdays, Sundays and holidays) prior to the time of the Meeting, or adjournment thereof or may be accepted by the chairman of the Meeting prior to the commencement of the Meeting. The mailing address for proxies is:

**Computershare Investor Services Inc.
100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1
Fax number: 1-866-249-7775
Vote by Phone:
Registered Shareholders: 1-866-732-VOTE (8683)
Beneficial Shareholders: 1-866-734-VOTE (8683)**

Vote Online: www.investorvote.com

The instrument of proxy must be signed by the Shareholder or by his duly authorized attorney. If signed by a duly authorized attorney, the instrument of proxy must be accompanied by the original power of attorney or a notarially certified copy thereof. If the Shareholder is a corporation, the instrument of proxy must be signed by a duly authorized attorney, officer, or corporate representative, and must be accompanied by the original power of attorney or document whereby the duly authorized officer or corporate representative derives his power, as the case may be, or a notarially certified copy thereof.

The articles of Invictus MD confer discretionary authority upon the chairman of the meeting to accept proxies which do not strictly conform to the foregoing requirements and certain other requirements set forth in the articles of Invictus MD.

Voting by Proxy and Exercise of Discretion

On any poll, the persons named in the enclosed instrument of proxy will vote the Shares in respect of which they are appointed and, where directions are given by the Shareholder in respect of voting for or against any resolution, will do so in accordance with such direction.

In the absence of any direction in the instrument of proxy, it is intended that Shares will be voted in favour of the motions proposed to be made at the Meeting, as stated under the headings in this Circular. The

instrument of proxy enclosed, when properly signed, confers discretionary authority to the nominee with respect to amendments or variations to any matters identified in the applicable notice of meeting, and other matters which may be properly brought before the Meeting. At the time of printing of this Circular, the management of Invictus MD is not aware that any such amendments, variations or other matters are to be presented for action at the Meeting. However, if any other matters which are not now known to the management should properly come before the Meeting, the proxies hereby solicited will be exercised on such matters in accordance with the best judgment of the nominee.

Revocation of Proxies

Any registered Shareholder who has returned a proxy may revoke it at any time before it has expired. In addition to revocation in any other manner permitted by law, a Shareholder may revoke a proxy either by (a) signing a proxy bearing a later date and depositing it at the place and within the time aforesaid, or (b) signing and dating a written notice of revocation (in the same manner as the instrument of proxy is required to be executed as set out in the notes to the instrument of proxy) and either depositing it at the place and within the time aforesaid or with the chairman of the meeting on the day of such meeting or on the day of any adjournment thereof, or (c) registering with the scrutineer at the meeting as a Shareholder present in person, whereupon such proxy is deemed to have been revoked. **Only registered shareholders have the right to revoke a proxy. Non-Registered Holders (as defined below under “Non-Registered Holders of Shares”) who wish to change their vote must arrange for their respective intermediaries to revoke the proxy on their behalf.**

Non-Registered Holders of Shares

Only registered Shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Most Shareholders are “non-registered” Shareholders (“**Non-Registered Holders**”) because the Shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased their Shares. In addition, a person is not a registered Shareholder in respect of Shares which are held on behalf of that person but which are registered either: (a) in the name of an intermediary (an “**Intermediary**”) that the Non-Registered Holder deals with in respect of the Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFFs, RESPs and similar plans); or (b) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc.) of which the Intermediary is a participant. In accordance with the requirements of National Instrument 54-101 – *Communications with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”) of the Canadian Securities Administrators, Invictus MD have distributed copies of the notice of meeting, this Circular and the instruments of proxy (collectively, the “**Proxy Solicitation Materials**”) to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders.

Intermediaries are required to forward the Proxy Solicitation Materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them under NI 54-101. Very often, Intermediaries will use service companies, such as Broadridge Financial Solutions Inc. (“**Broadridge**”), to forward the Proxy Solicitation Materials to Non-Registered Holders. Generally, Non-Registered Holders who have not waived the right to receive Proxy Solicitation Materials will either:

- (a) be given a form of proxy which **has already been signed by the Intermediary** (typically by facsimile, stamped signature), which is restricted as to the number of securities beneficially owned by the Non-Registered Holder but which is otherwise incomplete. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Holder when submitting the proxy. In this case, the Non-Registered Holder who wishes to submit a proxy should otherwise properly complete the form of proxy and **deposit it with Computershare Investor Services Inc. or Invictus MD, as provided above;** or
- (b) more typically, be given a voting instruction form which is **not signed by the Intermediary**, and which when properly completed and signed by the Non-Registered Holder and **returned to the Intermediary or its service company** (such as Broadridge), will constitute voting instructions (often called a “proxy authorization form”) which the Intermediary must follow. Typically, the proxy authorization form will consist of a one page pre-printed form. In the alternative, instead of the one page pre-printed form, the proxy authorization form will consist of a regular printed proxy form accompanied by a page of instructions which

contains a removable label containing a bar-code and other information. In order for the form of proxy to validly constitute a proxy authorization form, the Non-Registered Holder must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and return it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company.

In either case, the purpose of this procedure is to permit Non-Registered Holders to direct the voting of Shares which they beneficially own. Should a Non-Registered Holder who received one of the above mentioned forms wish to vote at the Meeting in person, the Non-Registered Holder should strike out the names of the management proxyholders named in the form and insert their own name in the blank space provided. **In either case, Non-Registered Holders should carefully follow the instructions of their Intermediary or its agents, including those regarding when and where the proxy or proxy authorization form is to be delivered.**

Requisite Shareholder Approvals

Each Shareholder of record at the close of business on the Record Date will be entitled to receive notice of and vote at the Meeting.

As of the Record Date, Invictus MD had 1,245,831,630 Shares issued and outstanding. The Shareholders are entitled to one vote for each Share held in respect of the Arrangement Resolution.

In order to be effective, the Arrangement Resolution to be submitted to the Shareholders at the Meeting must be approved by the affirmative vote of at least two-thirds of the votes cast thereon. A quorum at the Meeting will consist of at least two persons who are, or who represent by proxy, Shareholders holding not less than 5% of the issued Shares entitled to vote at the Meeting.

Interest of Certain Persons in Matters to be Acted Upon

Other than as disclosed elsewhere in this Circular and as set forth below, no informed person, none of the directors or senior officers of Invictus MD, none of the persons who have been directors or senior officers of Invictus MD since the commencement of Invictus MD's last completed financial year and no associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

All directors and officers of Invictus MD who own Shares will be treated the same manner as any other Shareholder. The table below shows the number of Shares held as of the date of this Circular by Messrs. Trevor Dixon and Greg Macdonald, directly and indirectly, and the number of Amalco Shares he will receive on the Effective Date, based on the number of Shares he currently holds and the percentage of the outstanding Amalco Shares held on the Effective Date:

Shareholder	Shares held as of the date of this Circular	Amalco Shares to be issued in exchange of Invictus MD Shares held	Total Number of Amalco Shares to be held	Percentage of Amalco Shares
Trevor Dixon, Director Invictus MD	116,078,864	580,394	580,394	9.3%
Greg Macdonald, Director Invictus MD	Nil	Nil	Nil	Nil

Indebtedness of Directors, Executive Officers and Senior Officers

No person who is or at any time during the most recently completed financial year was a director, executive officer or senior officer of Invictus MD, and no associate of any of the foregoing persons has been indebted to Invictus MD at any time since the commencement of Invictus MD's last completed financial year.

Record Date

Only Shareholders of record on the close of business on November 1, 2022, who either personally attend the Meeting, who complete and deliver an instrument of proxy in the manner and subject to the provisions set out under the heading "*Appointment of Proxies*" and "*Revocation of Proxies*" will be entitled to have his or her Shares voted at the Meeting, or any adjournment thereof.

Principal Shareholders

To the knowledge of the directors and senior officers of Invictus MD as of the date hereof, no person owns, directly or indirectly, or exercises control or direction over voting securities carrying more than 10% of the voting rights attached to any class of voting securities of Invictus MD.

THE ARRANGEMENT

Purpose of the Arrangement

The purpose of the Arrangement is for Invictus MD to merge with Invictus Sub by way of a Plan of Arrangement.

Invictus MD had a \$2,086,193 account receivable from Idle Lifestyle Inc. (formerly, Poda Holdings, Inc.) ("PODA"), a CSE listed technology company, which was a "spin-out" from Invictus MD. Invictus MD settled its debt for subordinated voting shares of PODA at \$0.10 per share when PODA went public, so Invictus MD received 20,861,930 subordinated voting shares of PODA in exchange for the debt. Pursuant to an Asset Purchase Agreement dated May 13, 2022, PODA sold all of its assets, including all of its intellectual properties and restated royalties to a subsidiary of Altria Group, Inc. ("Altria"), a NYSE corporation, for US\$100.5 million. PODA then declared a \$0.41 per share dividend, and in August 2022 (subsequent to the last reporting period) Invictus MD received a dividend distribution of \$8,553,391.

Invictus MD is primarily engaged in the investment, acquisition, and development of synergistic businesses to increase and sustain growth, value, and profits. Invictus MD is an investment holding company and holds, cash, investments in marketable securities, investments in private companies, and loans receivable, one of which is secured by a mortgage over real property (see the financial statements and Management Discussions and Analyses of Invictus MD attached as Schedule "G" for more details).

Invictus Sub is dormant and holds no assets (see the financial statements of Invictus Sub attached as Schedule "H" for more details). It owes the sum of US\$2,985,059 to Invictus MD for cash advances.

Following completion of the Arrangement, each Shareholder holding more than a "small lot" of Amalco Shares will continue to have interests in the business of Invictus MD, but will also hold an interest in the assets of Invictus Sub, through the Amalco Shares.

The Arrangement

The following description of the Arrangement is qualified in its entirety by reference to the full text of the Plan of Arrangement, a copy of which is attached as Schedule "B" to this Circular and the Arrangement Agreement, a copy of which is available on SEDAR at www.sedar.com. Each of these documents should be read carefully in their entirety.

The Arrangement provides for the merger of Invictus MD with Invictus Sub. The Arrangement Agreement establishes the Plan of Arrangement, which provides among other things that, commencing at the Effective Time, the following events or transactions shall occur sequentially in the order set out unless otherwise noted, and shall be deemed to occur without any further act or formality required on the part of any person, except as expressly provided in the Plan of Arrangement:

- (a) each Invictus MD Share held by a Dissenting Shareholder will be deemed to be transferred by the holder thereof, without any further act or formality on his, her or their part, free and clear of all liens, claims and encumbrances, to Invictus MD in consideration for a debt claim against Invictus MD in an amount determined and payable under the Plan of Arrangement, and the name of such holder will be removed from the register of holders of Invictus MD Shares, and the Shares cancelled;
- (b) Invictus Sub will continue from the State of Delaware under the laws of the Province of British Columbia;
- (c) Invictus MD and Invictus Sub will merge to form one corporate entity with the same effect as if they had amalgamated under the provisions of Section 288 to Section 299 of the BCBCA, except that the separate legal existence of Invictus MD will not cease and Invictus MD will survive the merger (the "**Amalco**");
- (d) without limiting the generality of (c) above, the separate legal existence of Invictus Sub will cease without Invictus Sub being liquidated or wound-up; Invictus MD and Invictus Sub will continue as one company; and the property and liabilities of Invictus Sub will become the property and liabilities of Invictus MD, as Amalco;
- (e) from and after the Effective Date, at the time of, and because of, the merger described in (c) above, among other things:
 - (i) all of the property of Invictus MD and all of the property of Invictus Sub will become the property of Amalco, and, without limiting the provisions hereof, all rights of creditors or others will be unimpaired by such merger, and all obligations of Invictus MD and Invictus Sub, whether arising by contract or otherwise, may be enforced against Amalco, to the same extent as if such obligations had been incurred or contracted by it;
 - (ii) Amalco will continue to be liable for the obligations of Invictus MD and Invictus Sub;
 - (iii) all rights, contracts, permits and interests of Invictus MD and Invictus Sub will continue as rights, contracts, permits and interests of Amalco as if Invictus MD and Invictus Sub continued and, for greater certainty, the merger will not constitute a transfer or assignment of the rights or obligations of either of Invictus MD or Invictus Sub under any such rights, contracts, permits and interests
 - (iv) any existing cause of action, claim or liability to prosecution will be unaffected and a legal proceeding being prosecuted or pending by or against either Invictus MD or Invictus Sub may be continued by or against Amalco;
 - (v) a conviction against, or ruling, order or judgment in favour of or against either Invictus MD or Invictus Sub may be enforced by or against Amalco;
 - (vi) each Invictus Sub Share will be cancelled;
 - (vii) every Invictus MD Share held by a Holder (other than an Invictus MD Share held by a Dissenting Shareholder) will be exchanged for 0.005 of an Amalco Share;
 - (viii) holders of Amalco Shares then holding a "small lot" (being less than 1,250 Amalco Shares) will receive a cash payment equal to their fair value;
 - (ix) the stated capital of the common shares of Amalco, will be equal to the stated capital of the common shares of Amalco, will be an amount equal to the aggregate of the "paid up capital", as that term is defined in the ITA, of the Invictus Sub Shares and the Invictus MD Shares immediately prior to the merger;

- (x) the name of Amalco, will be "Invictus MD Strategies Corp.";
- (xi) the address of the registered and records office of Amalco, will be 3200 – 650 West Georgia Street, Vancouver, British Columbia V6B 4P7;
- (xii) Amalco, will be authorized to issue an unlimited number of common shares without par value;
- (xiii) there will be no restrictions on the transfer of common shares of Amalco (other than as provided for under the CTO in Canada until it is rescinded);
- (xiv) the number of directors of Amalco, will be a minimum of one and a maximum of ten;
- (xv) the first directors of Amalco, following the merger will be Trevor Dixon and Greg Macdonald;
- (xvi) there will be no restrictions on the business of Amalco;
- (xvii) the Articles of Amalco, will be substantially in the form attached as Appendix I to the Plan of Arrangement; and
- (xviii) the Amalgamation Application will be substantially in the form attached as Appendix II to this Plan of Arrangement.

provided that none of the foregoing will occur or be deemed to occur unless all of the foregoing occurs.

As a result of the Arrangement:

1. Invictus MD and Invictus Sub will be amalgamated, and their properties, assets, and liabilities will be combined;
2. The Shareholders' shareholdings in the Amalco will be effectively consolidated on the basis of one Share to 0.005 of an Amalco Share; and
3. Shareholdings less than 1,250 Amalco Shares will be bought out for cash.

No fractional Amalco Shares will be issued. Any fractions resulting will be rounded down to the next whole number where the resulting fraction is 0.5 or less of an Amalco Share and rounded up to the next whole number where the resulting fraction is more than 0.5 of an Amalco Share.

Assuming that there are 1,245,831,600 Shares and there are no Dissenting Shareholders, Amalco will have approximately 6,229,158 Amalco Shares issued and outstanding, more or less, upon the completion of the Arrangement, all Shareholders holding greater than "small lots" being proportionally consolidated. Invictus MD has no plans to apply for a full revocation of the CTO, and the common shares of Amalco will continue to be subject to the CTO.

For more detailed information, see the Plan of Arrangement attached to this Circular as Schedule "B".

Warrants

There are no Warrants outstanding to purchase Invictus MD Shares.

Stock Options

There are no stock options outstanding to purchase Invictus MD Shares.

Background to the Arrangement

Invictus MD is a reporting issuer, formerly in the medical marijuana cultivation business as a licensed producer, and completed a proposal with its creditors under the *Companies' Creditors Arrangement Act* (R.S.C., 1985, c. C-36) on January 26, 2021 to settle its then outstanding indebtedness owed to its creditors (the “**CCAA Proposal**”) by the issuance of 1,121,248,467 Shares to raise gross proceeds of \$1,350,000. At that time, Colin Kinsley and Brenda Mae Dixon resigned as directors, and Greg Macdonald and Gurmeet Gupta were appointed as the new directors of Invictus MD. Invictus MD is now an investment holding company.

Subsequent to the completion of the CCAA Proposal, the CTO was issued prohibiting any trading in the securities of Invictus MD in Canada on February 4, 2021 for failure to file its January 31, 2020 audited consolidated financial statements, and unaudited quarterly consolidated financial statements ending April 30, 2020, July 31, 2020 and October 31, 2020, together with the related management’s discussions and analyses, and officers’ certifications for those reporting periods. Invictus MD’s failure to file the required records was a result of financial distress.

Effective January 1, 2022, Invictus MD completed a vertical amalgamation with four of its former wholly-owned subsidiaries (1339527 B.C. Ltd., 1339533 B.C. Ltd., Greener Pastures MD Ltd., and Prestige Worldwide Holdings Inc.) to rationalize and simplify corporate administration, and consolidate assets and liabilities, by cancellation of the subsidiaries’ issued shares without the issuance of any new securities. The surviving company was Invictus MD. Mr. Gupta subsequently resigned on February 14, 2022, and Trevor Dixon was appointed as a new director of Invictus MD in his place.

From late February to May 2022, the Board of directors (consisting of Trevor Dixon and Greg Macdonald) investigated the feasibility of filing the required financial records to bring Invictus MD into good standing with respect to the filing of its continuous disclosure documents, and applying for rescission of the CTO, but determined that the costs to do so would be excessive, and Invictus MD does not have the financial resources to achieve that outcome. The Board also determined that having thousands of shareholders in a passive investment, cease traded company, which is still designated as a reporting issuer in Canada, was not a feasible or sustainable vehicle for business operations. Instead, the Board decided it would be more cost effective to reduce the number of Invictus MD’s shareholders through consolidation of all of their shares, and cash buy-outs of the “small lot” shareholders (being less than 1,250 Amalco Shares). In order to accomplish this, the Board determined that Invictus MD would need to apply to the applicable securities regulators for a partial revocation of the CTO to permit the Arrangement. The Partial Revocation Order was granted on September 7, 2022.

On September 21, 2022, the draft Arrangement Agreement was delivered to Invictus MD, and the Board reviewed the terms of the Arrangement as had been developed to that time and reviewed the draft Arrangement Agreement. On October 6, 2022, the final Fairness Opinion for the Arrangement was delivered orally to Invictus MD, with the written Fairness Opinion which followed on October 13, 2022. The Board approved the Arrangement and the definitive Arrangement Agreement on October 18, 2022.

On October 18, 2022, Invictus MD and Invictus Sub executed the definitive Arrangement Agreement.

Benefits of the Arrangement

The Directors and senior management of Invictus MD believe that the Arrangement is in the best interests of Invictus MD and that the Arrangement provides a number of benefits for Securityholders including the following:

1. Combining both companies will reduce administrative costs.
2. The combined entity will have a reduced share capitalization (from 1,245,831,630 to 6,229,158 common shares, more or less), and will have a reduced number of shareholders.
3. The Shareholders holding a “small lot” of Amalco Shares will have an exit and liquidity not otherwise available to them.

4. Invictus MD will be able to apply for an order to cease to be a reporting issuer (although there can be no guarantee that such an order will be granted).

The Board has considered all information provided, including the advantages and disadvantages of the Arrangement and the transactions contemplated thereunder discussed below under “*The Arrangement – Recommendation of the Boards of Directors*”. See also “*The Arrangement – Fairness Opinions*” and financial statements of Invictus Sub and Invictus MD, copies of which are attached hereto as Schedule “G” and Schedule “H”, respectively; and the MD&As of Invictus MD in connection with those financial statements (also attached as Schedule “G”).

Arrangement Agreement

The Arrangement will be effected in accordance with the Arrangement Agreement, a copy of which has been filed under the profiles of Invictus MD on SEDAR at www.sedar.com as a material document. The Arrangement Agreement contains certain representations and warranties made by each of Invictus MD and Invictus Sub in respect of their assets, liabilities, capital, financial position and operations. In addition, each of Invictus MD and Invictus Sub provide covenants which govern the conduct of their operations and affairs prior to the completion of the Arrangement. The Arrangement Agreement contains a number of conditions precedent to the obligations of Invictus MD and Invictus Sub thereunder. Unless all of such conditions are satisfied or waived by the party or parties for whose benefit such conditions exist, to the extent they may be capable of waiver, the Arrangement will not proceed. There is no assurance that the conditions will be satisfied or waived on a timely basis, or at all. The conditions to the Arrangement becoming effective are set out in the Arrangement Agreement. Upon the conditions being fulfilled or waived, documents, records and information, including a copy of the entered Final Order, will be filed with the Registrar as required pursuant to the BCBCA in order for the Registrar to give effect to the Arrangement as of the Effective Time.

Representations and Warranties

The Arrangement Agreement contains representations and warranties made by each of Invictus MD and Invictus Sub. The assertions embodied in those representations and warranties are solely for the purposes of the Arrangement Agreement. Certain representations and warranties may not be accurate or complete as of any specified date because they are qualified by certain disclosure provided by the Parties or are subject to a standard of materiality or are qualified by a reference to the concept of a “Material Adverse Event” or “Material Adverse Change” (which concepts are defined in the Arrangement Agreement and in some respects are different from the materiality standards generally applicable under securities laws). Therefore, Securityholders should not rely on the representations and warranties as statements of factual information.

The Arrangement Agreement contains representations and warranties of the Parties relating to certain matters including, among other things: incorporation and qualification; ownership of subsidiaries; absence of conflict with or violation of constating documents, agreements or applicable laws; authority to execute and deliver the Arrangement Agreement and perform its obligations under the Arrangement Agreement; due authorization and enforceability of the Arrangement Agreement; composition of share capital; options or other rights for the purchase of securities; indebtedness; receipt of all required consents; financial statements, records and accounts; employment matters; ownership of assets and conduct of operations; absence of adverse litigation, judgment or order; absence of investigation proceedings; absence of adverse material change; taxation matters; material agreements; environmental matters; reporting issuer and listing status; and matters related to the Arrangement.

Covenants

Invictus MD and Invictus Sub have each given to the other usual and customary covenants in respect of the Arrangement.

Conditions to the Arrangement

The respective obligations of Invictus Sub and Invictus MD to complete the transactions contemplated by the Arrangement Agreement are subject to a number of conditions which must be satisfied or waived in order for the Arrangement to become effective. There is no assurance that these conditions will be satisfied or waived on a timely basis. Notwithstanding the foregoing, the Arrangement Resolution authorizes the Board, without further notice to or approval of the Shareholders, to amend the Arrangement Agreement or to decide not to proceed with the Arrangement and to revoke the Arrangement Resolution at any time prior to the Arrangement becoming effective pursuant to the provisions of the BCBCA. Unless all of the conditions are satisfied or waived, the Arrangement will not proceed. The following significant conditions among others, in addition to other conditions, are contained in the Arrangement Agreement:

- (a) all necessary approvals of Shareholders of Invictus MD by the requisite majorities will have been obtained in respect of the Arrangement;
- (b) all necessary orders of the Court with respect to the Arrangement will have been obtained;
- (c) all other consents, orders, regulations and approvals, including regulatory and judicial approvals and orders, necessary for the completion of the transactions provided for in this Agreement and the Plan of Arrangement shall have been obtained or received from the persons, authorities or bodies having jurisdiction in the circumstances;
- (d) there shall not be in force any order or decree restraining or enjoining the consummation of the transactions contemplated by this Agreement or the Arrangement; and
- (e) dissent rights to the Arrangement shall not have been exercised prior to the Effective Date by holders of Invictus MD Shares representing in the aggregate 2% or more of the total number of Invictus MD Shares outstanding at such time.

The obligation of Invictus Sub to complete the transactions contemplated by the Arrangement Agreement is subject to the fulfillment or waiver of certain conditions, as set forth in the Arrangement Agreement, at or before the Effective Time, including, but not limited to:

- (a) receipt by the board of directors of Invictus MD of a fairness opinion which concludes that the Arrangement is fair to the Shareholders of Invictus MD from a financial point of view and such opinion shall not have been withdrawn prior to the completion of the Arrangement;
- (b) no Material Adverse Change will have occurred in the business, affairs, financial condition or operations of Invictus MD or the subsidiaries of Invictus MD;
- (c) dissent rights to the Arrangement shall not have been exercised prior to the Effective Date by holders of Invictus MD Shares representing in the aggregate 2% or more of the total number of Invictus MD Shares outstanding at such time;
- (d) the issue of Amalco Shares to be issued pursuant to the Arrangement will be exempt from the registration requirements of the U.S. Securities Act and the registration and prospectus requirements of applicable securities laws in each of the provinces and territories of Canada in which Securityholders of Invictus MD are resident;
- (e) there shall not have been an amendment to the U.S. Securities Act, a change in the SEC's interpretation of the U.S. Securities Act or a decision of a court which provides that orders of

Canadian courts such as the Final Order do not qualify under Section 3(a)(10) of the U.S. Securities Act which results in the Section 3(a)(10) exemption being not available for any reason to exempt the issuances of Amalco Shares and other securities of Amalco issued on completion of the Arrangement from the registration requirements of the U.S. Securities Act; and

- (f) Invictus MD and Invictus Sub shall not have disposed of an interest in any of its properties or otherwise have entered into any material transaction with, or have incurred any material liability to, any other corporation or person or have agreed to do any of the foregoing or have performed any act or have entered into any transaction or negotiation which interferes or is inconsistent with the completion of the transactions contemplated by the Arrangement Agreement, with certain exceptions, without the consent of Invictus MD thereto, such consent not to be unreasonably withheld.

The obligation of Invictus MD to complete the transactions contemplated by the Arrangement Agreement is subject to the fulfillment or waiver of certain conditions, as set forth in the Arrangement Agreement, at or before the Effective Time, including, but not limited to:

- (a) receipt by the board of directors of Invictus MD of a fairness opinion which concludes that the Arrangement is fair to the Shareholders of Invictus MD from a financial point of view, which is sufficient to obtain an order of the court as to the fairness of the Arrangement, and such opinion shall be with content and in form acceptable to the Board of Invictus MD and shall not have been withdrawn prior to the completion of the Arrangement;
- (b) no Material Adverse Change will have occurred in the business, affairs, financial condition or operations of Invictus Sub or Invictus Sub; and
- (c) the issue of Amalco Shares pursuant to the Arrangement will have been approved by all necessary corporate action to permit such shares to be issued as fully paid and non-assessable and the issue of such Amalco Shares and the other securities of Amalco to be issued pursuant to the Arrangement will be exempt from the registration requirements of the U.S. Securities Act and the registration and prospectus requirements of applicable securities laws in each of the provinces and territories of Canada in which holders of securities of Invictus MD are resident.

Termination of the Arrangement Agreement

The Arrangement Agreement may be terminated and be of no further force or effect:

- (i) by mutual agreement between Invictus Sub and Invictus MD;
- (ii) by Invictus MD, provided that Invictus MD is not in default of any provision of the Arrangement Agreement, if the Arrangement is not completed by January 31, 2023;
- (iii) by Invictus MD if any condition in Section 5.2 is not satisfied or waived on or prior to the completion of the Arrangement; or
- (iv) by Invictus MD if the required approvals of the Shareholders of Invictus MD shall not have been obtained by January 31, 2023.

Expenses

The Arrangement Agreement provides that Invictus MD shall be responsible for the costs and expenses incurred in connection with the Arrangement, including expenses related to the preparation, execution and delivery of the Arrangement Agreement and such other agreements as may be necessary to give effect to the Arrangement.

Fairness Opinion

The Board retained the Fairness Advisor, in Vancouver, British Columbia, which has provided advice and an opinion to the Board in respect of the fairness of the terms of the Arrangement to the Shareholders, from a financial point of view.

The Fairness Advisor is an independent financial consultant who has provided securities valuation, fairness opinion, financial research and related consulting services and assignments for over 1,500 Canadian and International clients since 1997. Such clients included but were not limited to cannabis producing companies, and companies operating in other sectors, including high tech, resources, industrials, and pharmaceuticals. The authors of the Fairness opinion are both Chartered Business Valuators and Accredited Senior Appraisers.

On October 13, 2022, the Fairness Advisor delivered the Fairness Opinion, which concludes that, based upon and subject to the factors referred to therein, as of October 13, 2022 (the “**Valuation Date**”), the consideration under the Arrangement is fair from a financial point of view to the Shareholders.

A summary of the Fairness Opinion is provided below. The summary is qualified in its entirety by the full text of the Fairness Opinion. The analyses conducted by the Fairness Advisor, as described in the Fairness Opinion, should be considered as a whole. To focus on specific portions of each analysis and of the factors considered, without considering all analyses and factors, could create an incomplete and misleading view of the processes underlying the Fairness Opinion. The Fairness Opinion may be inspected at any time up to the Meeting in the same manner as material contracts. See *"Invictus MD – Material Contracts"*.

Summary and Conclusions

The Fairness Advisor was engaged by the Board of Directors of Invictus MD (or the “**Company**”) to prepare a Fairness Opinion with respect to Invictus MD’s proposed plan of arrangement with its wholly owned Delaware subsidiary Gene-Etics Strains Co. (the “**Proposed Transaction**”). Under the Proposed Transaction, the cash consideration is \$1.60 per Amalco Share, implying an equity value for Invictus MD of approximately \$9.97 million.

In assessing the fairness of the Proposed Transaction, the Fairness Advisor considered the following analyses and factors, amongst others: (1) guideline company analysis; (2) net asset value (“NAV”); and (3) other considerations.

The Fairness Advisor reviewed the financial position of Invictus MD as of the date of the Fairness Opinion. Invictus MD was in a strong cash position and had remaining debt associated with the CCAA process. As an investment holding company, Invictus MD generates realized and unrealized returns when investments are sold or valued at market prices, respectively. Invictus MD has no direct revenue generating investments. As of the date of the Fairness Opinion, the Company’s primary asset was approximately \$9.0 million in cash. The balance of its investments had a book value of \$6.0 million as of the date of the Fairness Opinion and Invictus MD had approximately \$4.5 million in long and short term debt. Fairness Advisor attempted to assess the reasonableness of the implied \$9.97 million equity value based on the last round of financing secured by the Company. However, the last financing undertaken by the Company was related to the CCAA Proposal and settlement and was not indicative of the current value of Invictus MD in the view of the Fairness Advisor.

The Fairness Advisor assessed the reasonableness of the implied \$9.97 million equity value by calculating the NAV of the Company as of the date of the Fairness Opinion. An Asset Approach was deemed relevant as the fair market value of holding companies is measured by the investment in operating or financial assets. In determining the NAV of Invictus MD as of the date of the Fairness Opinion, the Fairness Advisor made the following adjustments to the Company’s June 30, 2022 balance sheet:

1. Adjusted the cash balance upwards to approximately \$9.0 million to reflect the cash position as of the Valuation Date. The cash was largely the result of a special dividend and return of capital related to the shares held in Idle Lifestyle Inc. (“Idle”). In July of the board of directors of Idle, formerly Poda Holdings, Inc., declared the payment of a special dividend, and approved the return of capital, on its subordinate voting shares (“SVS”) and multiple voting shares together amounting to a distribution of \$0.41 per SVS, and \$0.41 per MVS on an as converted to SVS basis. The Company continues to hold approximately 10.4 million SVS in Idle.

2. Adjusted the book value of shares held in publicly traded companies to their market value as of the date of the Fairness Opinion. The Fairness Advisor deemed the use of trading price as appropriate given the number of shares held in public companies did not represent significant positions in those entities.

3. Calculated the value of warrants held in publicly traded companies using the Black-Scholes Option Pricing Model using volatility and interest rate assumptions as of the Valuation Date.

4. Adjusted the book value of investments in private entities based on a review of such companies’ financial results, as available, management commentary and guideline companies in the space. For shares held in private entities, the Fairness Advisor applied a 20% to 30% discount for lack of marketability.

5. Adjusted the book value of loans and interest receivable by calculating the net present value based on a risk-adjusted rate of return and an expected timeline of repayment.

6. Deducted the value of promissory notes payable as of the date of the Fairness Opinion in the amount of approximately \$4.5 million.

In the view of the Fairness Advisor, the calculated NAV of the Company was supportive of the equity value implied by the Proposed Transaction.

The Fairness Advisor also assessed the reasonableness of the implied \$9.97 million equity value by comparing certain of the related valuation metrics to the metrics indicated for referenced guideline public companies. The identified guideline companies selected were considered reasonably comparable to Invictus MD. The Fairness Advisor identified 19 companies initially as potential comparable companies to Invictus MD. The companies selected were investment holding companies. The Fairness Advisor found that investment holding companies such as Invictus MD often trade at a discount to NAV given the risk associated with the underlying investments and the ability to realize gains on the sale of investments. Further, the sale of any investments can result in fees and taxes that reduce the realizable proceeds relative to the fair value of the investment as recorded on a company’s balance sheet. Of the 19 investment holding companies initially identified by the Fairness Advisor, 14 were considered to be truly comparable. The Proposed Transaction pricing implies a price to NAV (as calculated by the Fairness Advisor above) of 0.97x to 1.03x which is above the average and the median. The high price / NAV multiple is not unusual given the Company’s cash as a percentage of NAV is much higher than most of the identified companies.

In assessing the reasonableness of the above, we considered the following:

- there are a limited number of directly comparable public companies, when one considers differentiating factors such as size and market niche;
- no company considered in the analysis is identical to Invictus MD; and
- an analysis of the results of the foregoing necessarily involves complex considerations and judgments concerning the differences in the financial and operating characteristics of Invictus MD, its investments, the Proposed Transaction, and other factors that could affect the trading value and aggregate transaction values of the companies to which they are being compared.

Given the above-noted factors and our analysis of the observed multiples of selected public companies, the Fairness Advisor considered this approach with the NAV analysis in making the final determination of the reasonableness of the consideration and the fairness of the Proposed Transaction.

In considering fairness, from a financial point of view, the Fairness Advisor considered the Proposed Transaction from the perspective of the Shareholders as a group and did not consider the specific circumstances of any particular shareholder, including with regard to income tax considerations.

Based upon and subject to the foregoing and such other matters as the Fairness Advisor consider relevant, it was the Fairness Opinion Advisor's opinion, as of the date of the Fairness Opinion, that the Arrangement and consideration are fair, from a financial point of view, to the Shareholders. In arriving at this conclusion, The Fairness Advisor considered the following:

- a. The implied value of Invictus MD is supported by the Fairness Advisor' calculation of the NAV per share.
- b. The implied value of Invictus MD under the guideline company analysis is significantly above the average and median of the guideline companies identified by the Fairness Advisor.
- c. Trading in the shares of Invictus MD has been halted since February 2021. Accordingly, the Proposed Transaction does offer "small lot" Shareholders an exit and liquidity not otherwise available to them. (However, the Amalco Shares held by the Amalco Shareholders will continue to be subject to the CTO.)

Recommendation of the Boards of Directors

The Board has considered the proposed Arrangement with Invictus Sub on the terms and conditions as provided in the Arrangement Agreement and has recommended to the Board that it approve the Arrangement, execute the Arrangement Agreement and recommend that the Shareholders vote in favour of the Arrangement. **The independent members of the Board unanimously determined that the Arrangement is in the best interests of Invictus MD and is fair from a financial point of view to the Shareholders. The Board recommends that the Shareholders vote in favour of the Arrangement.**

In arriving at its conclusion, the Board considered the following, among other matters:

- (a) information with respect to the financial condition, business and operations, on both a historical and prospective basis, of both Invictus Sub and Invictus MD, including information in respect of Amalco's financial position on a *pro forma* basis;
- (b) the terms of the Arrangement will result in Shareholders holding more than a small lot of Amalco Shares continuing to own an interest in all of the assets currently held by Invictus MD, as well as the assets of Invictus Sub;
- (c) the terms of the Arrangement will permit the Shareholders holding a small lot of Amalco Shares an exit and liquidity not otherwise available to them;
- (d) current industry, economic and market conditions and trends;
- (e) the procedures by which the Arrangement is to be approved, including the requirement for approval by special resolution of the Shareholders at the Meeting and by the Court after a hearing at which fairness will be considered;
- (f) the availability of rights of dissent to Shareholders with respect to the Arrangement;
- (g) the management group and technical team of Invictus MD;
- (h) the Fairness Opinion; and
- (i) the benefits of the Arrangement set forth under "*Benefits of the Arrangement*" herein.

The Board also identified and considered disadvantages associated with the Arrangement, including that the Shareholders after the Arrangement will be subject to:

- (a) dilution of their interest in the Amalco through their diluted percentage holding in Amalco following completion of the Arrangement;
- (b) the risk factors applicable to Amalco; and
- (c) the possibility that there may be adverse tax consequences to certain holders of securities of Invictus MD. See “*Canadian Federal Income Tax Considerations*” and “*United States Federal Income Tax Considerations*”.

In view of the variety of factors considered in connection with its evaluation of the Arrangement, the Board did not find it practicable to quantify or otherwise assign relative weights to the specific factors in reaching its determination as to the fairness of the Arrangement.

Procedure for the Arrangement to Become Effective

The Arrangement is proposed to be carried out under Part 9, Division 5 of the BCBCA. The following procedural steps must be taken in order for the Arrangement to become effective:

- (a) the Arrangement must be approved by the Shareholders in the manner set forth in the Interim Order;
- (b) all conditions precedent to the Arrangement, as set forth in the Arrangement Agreement, must be satisfied or waived;
- (c) if the Arrangement is approved by the Shareholders in the manner set forth in the Interim Order, a hearing before the Court must be held to obtain the Final Order approving the Arrangement; and
- (d) if the Final Order is granted by the Court, documents, records and information, including a copy of the entered Final Order must be filed with the Registrar as are required under the BCBCA in order for the Registrar to give effect to the Arrangement in conjunction with the Closing.

Shareholder Approvals

Pursuant to the terms of the Interim Order, the Arrangement Resolution must, subject to further order of the Court, be approved by at least two-thirds of the votes cast by the Shareholders, with Shareholders present in person or by proxy at the Meeting. Notwithstanding the foregoing, the Arrangement Resolution authorize the Board, without further notice to or approval of the Shareholders, subject to the terms of the Arrangement, to amend the Arrangement Agreement or to decide not to proceed with the Arrangement and to revoke the Arrangement Resolution at any time prior to the Arrangement becoming effective pursuant to the provisions of the BCBCA.

If more than 2% of the Shares become the subject of Dissent Rights, the Arrangement may be terminated by Invictus MD, and should Shareholders fail to approve the Arrangement Resolution pursuant to the Interim Order, the Arrangement will be terminated.

Court Approvals

On October 31, 2022, Invictus MD obtained the Interim Order, which is attached to this Circular as Schedule “D”, authorizing the calling and holding of the Meeting and prescribing the conduct of the Meeting. The Interim Order does not constitute approval of the Plan of Arrangement or the contents of this Circular by the Court. Subject to the terms of the Arrangement Agreement and, if the Arrangement Resolution are approved at the Meeting, Invictus MD will apply to the Court for the Final Order at the Court House, 800 Smithe Street, Vancouver, British Columbia on December 15, 2022, at 9:45 a.m. (Vancouver time) or so soon thereafter as counsel may be heard. Please see the Notice of Hearing attached as Schedule “E” to this Circular for further information on participating or presenting evidence at the hearing for the Final Order.

The issuance of Amalco Shares pursuant to the Arrangement will not be registered under the U.S. Securities Act or the securities laws of any State of the United States and will be effected in reliance upon the exemption from registration under the U.S. Securities Act provided by Section 3(a)(10) thereof and exemptions provided under the securities laws of each State of the United States in which Securityholders reside. Section 3(a)(10) of the U.S. Securities Act exempts from registration a security that is issued in exchange for outstanding securities where the terms and conditions of such issuance and exchange are approved, after a hearing upon the fairness of such terms and conditions at which all persons to whom it is proposed to issue securities in such exchange have the right to appear, by a court or by a governmental authority expressly authorized by law to grant such approval. The Court will be advised at the hearing of the application for the Final Order that if the terms and conditions of the Arrangement are approved by the Court, the Amalco Shares issued pursuant to the Arrangement will not require registration under the U.S. Securities Act. Accordingly, the Final Order of the Court will, if granted, constitute a basis for the exemption from the registration requirements of the U.S. Securities Act with respect to the issuance of the Amalco Shares to Securityholders in connection with the Arrangement.

At the hearing for the Final Order, Securityholders and creditors of Invictus MD are entitled to appear in person or by counsel and to make a submission regarding the Arrangement, subject to filing and serving an appearance and satisfying any other applicable requirements.

At the hearing for the Final Order, the Court will also consider, among other things, the fairness of the terms and conditions of the Arrangement and the rights and interests of every Person affected. The Court has broad discretion under the BCBCA when making orders with respect to arrangements. The Court may approve the Arrangement either as proposed, or make the Arrangement subject to such terms and conditions as the Court considers appropriate, or may dismiss the application. Depending upon the nature of any required amendments, Invictus MD may determine not to proceed with the Arrangement if any amendment ordered by the Court is not satisfactory to Invictus MD.

Resale of Amalco Securities

Securityholders, including securityholders residing elsewhere than in Canada, are urged to consult their legal advisors to determine the extent of all applicable resale provisions. Securityholders should also refer to the CTO and Partial Revocation Order, copies of which are attached hereto, for further information on resale restrictions applicable to the Amalco Securities in Canada. Invictus MD has no plans to apply for a full revocation of the CTO, and the Amalco Securities will continue to be subject to the CTO.

Application of Canadian Securities Law to Resales

The Amalco Securities to be issued to Securityholders, pursuant to the Arrangement will be restricted from trading by the CTO. Before a securityholder of Amalco can trade any Amalco Securities, the holder would need to apply to the applicable Canadian securities regulator to obtain a further partial revocation order to permit the trade.

The Amalco Securities to be issued to a Securityholder pursuant to the Arrangement will be issued in reliance on exemptions from prospectus and registration requirements of applicable securities laws of the various applicable provinces in Canada and provided that the Securityholder has obtained a partial revocation order for the proposed trade, then the Amalco Securities will generally, subject to the discussion regarding hold periods below under *“The Arrangement – Resale of Amalco Securities - Application of Hold Periods”*, be “freely tradable” (and not subject to any “restricted period” or “hold period”) if the following conditions are met: (i) the trade is not a control distribution (as defined in applicable securities legislation); (ii) no unusual effort is made to prepare the market or to create a demand for the securities that are the subject of the trade; (iii) no extraordinary commission or consideration is paid to a person or company in respect of the trade; and (iv) if the selling securityholder is an Insider or an officer of Amalco, the selling securityholder has no reasonable grounds to believe that Amalco is in default of securities legislation. The foregoing discussion assumes that the CTO has been rescinded or partially rescinded to allow any trade in Canada. Invictus MD has no plans to apply for a full revocation of the CTO and the Amalco Securities will continue to be subject to the CTO.

Application of U.S. Securities Law to Resales

There is no established public market in the United States for any of the Securities or Amalco Securities prior to the Effective Date of the Arrangement, and none is expected to develop for the foreseeable future in the United States for the Amalco Securities after completion of the Arrangement.

The following discussion is a general overview of certain requirements of U.S. federal and state securities laws applicable to Securityholders who will receive Amalco Securities upon completion of the Arrangement. All Securityholders are urged to consult with their own legal advisors to ensure that the resale of Amalco Securities issued to them under the Arrangement complies with applicable federal and state securities laws. The following discussion does not address the Canadian securities laws that will apply to the issue of the Amalco Securities to Securityholders within Canada, and assumes revocation of the CTO to permit any further trade. Former Securityholders who resell Amalco Securities in Canada after the completion of the Arrangement must comply with Canadian Securities Legislation, as outlined above, including compliance with the CTO.

Exemption relied upon from the Registration Requirements of the U.S. Securities Act

The Amalco Shares to be issued by Amalco pursuant to the Arrangement have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States, and such issue to Securityholders who are in the United States or otherwise subject to the securities laws of the United States (“**U.S. Securityholders**”) will be effected in reliance on: (a) the exemption from registration provided for in section 3(a)(10) of the U.S. Securities Act, and (b) exemptions from registration under applicable securities laws of each state of the United States in which U.S. Securityholders reside.

Section 3(a)(10) of the U.S. Securities Act exempts from registration a security which is issued in exchange for outstanding securities where the terms and conditions of such issue and exchange are approved, after a hearing upon the fairness of such terms and conditions at which all persons to whom it is proposed to issue securities in such exchange have the right to appear, by a court of competent jurisdiction. Accordingly, the Final Order, if granted by the Court, will constitute a basis for the exemption from the registration requirements of the U.S. Securities Act with respect to the Amalco Shares to be issued pursuant to the Arrangement.

Resales of Amalco Shares within the United States after the Effective Time

The manner in which a U.S. Securityholder may resell Amalco Shares acquired pursuant to the Arrangement will depend on whether the holder of such Amalco Shares: (a) is (or any time within 90 days preceding such resale was) an “affiliate” of Amalco; or (b) has been an “affiliate” of Amalco within 90 days of the Effective Time of the Arrangement.

As defined under the U.S. Securities Act, an “affiliate” of an issuer is a person that directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the issuer. Typically, persons who are executive officers or directors of an issuer, and any person who beneficially owns or controls 10% or more of the voting securities of an issuer, are considered to be its “affiliates”. The United States federal resale rules applicable to former Securityholders who acquire Amalco Shares pursuant to the Arrangement are summarized below.

Non-Affiliates Before and After the Effective Time

Securityholders who are not affiliates of Amalco at the time (or at any time within 90 days) of a proposed resale transaction in Amalco Shares, and who were not affiliates of Amalco within 90 days of the Effective Time of the Arrangement, may resell such Amalco Shares without restriction under the U.S. Securities Act.

Affiliates Before or After the Effective Time

Securityholders who are affiliates of Amalco at the time (or at any time within 90 days) of a proposed resale transaction in Amalco Shares, or who were affiliates of Amalco within 90 days of the Effective Time of the Arrangement, will be subject to restrictions on resale of such Amalco Shares imposed by the U.S. Securities Act.

These affiliates or former affiliates may not resell their Amalco Shares unless such securities are registered under the U.S. Securities Act or an exemption from registration is available.

Resales of Amalco Shares Outside the United States After the Effective Time

Subject to applicable Canadian requirements and the following described U.S.-imposed limitations, Securityholders may immediately resell any Amalco Shares acquired by them pursuant to the Arrangement outside the United States without registration under the U.S. Securities Act if they comply with Regulation S, discussed below.

For so long as Amalco remains a “foreign issuer” as defined in Regulation S, Securityholders who are not affiliates of Amalco, or who are affiliates of Amalco solely by virtue of serving as an officer or director of Amalco, may, under Rule 904 of Regulation S, resell their Amalco Shares received in the Arrangement in an “offshore transaction” within the meaning of Regulation S if neither the seller or any person acting on the seller’s behalf engages in “directed selling efforts” in the United States and, in the case of a person who is an affiliate of Amalco solely by virtue of serving as an officer and/or director of Amalco, if no selling commission, fee or other remuneration is paid in connection with such offer or sale other than a usual and customary broker’s commission.

For purposes of Regulation S, an “offshore transaction” is a transaction that meets the following requirements: (a) the offer is not made to a person in the United States; (b) either (i) at the time the buy order is originated, the buyer is outside the United States, or the seller and any person acting on its behalf reasonably believe that the buyer is outside the United States, or (ii) the transaction is executed in, on or through the facilities of a designated offshore securities market, and neither the seller nor any person acting on its behalf knows that the transaction has been pre-arranged with a buyer in the United States; and (c) offers and sales are not specifically targeted at identifiable groups of United States citizens abroad.

For purposes of Regulation S, “directed selling efforts” means “any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for any of the securities being offered” in the resale transaction.

Certain additional Regulation S restrictions are applicable (i) to a holder of Amalco Shares who will be an affiliate of Amalco other than by virtue of his or her status as its officer or director; or (ii) if Amalco does not qualify as a “foreign issuer” as defined in Regulation S at the time of resale.

Application of ‘Hold Periods’

As of the date hereof, none of the securities of Invictus MD are subject to hold periods under applicable securities legislation.

Additional Securities, Tax and Financial Statements Information for Shareholders in the United States

THE SECURITIES ISSUABLE BY AMALCO IN CONNECTION WITH THE ARRANGEMENT HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR SECURITIES REGULATORY AUTHORITIES IN ANY STATE; NOR HAS THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES REGULATORY AUTHORITIES OF ANY STATE PASSED UPON THE FAIRNESS OR MERITS OF THE ARRANGEMENT OR UPON THE ADEQUACY OR ACCURACY OF THE INFORMATION CONTAINED IN THIS CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

Each of Invictus MD and Amalco is a “foreign private issuer,” as defined in and for purposes of the U.S. Securities Act and the U.S. Exchange Act. Neither company has a class of securities registered under the U.S. Exchange Act and, as a result, neither files periodic reports nor other information with the SEC.

The Amalco Shares to be issued to the Securityholders under the Arrangement have not been registered under the U.S. Securities Act or the securities laws of any state of the United States and are being issued in reliance on the exemption from registration described under “*Court Approvals*” above and exemptions provided under applicable state securities laws. This Circular has been prepared in accordance with the applicable disclosure requirements in

Canada. Residents of the United States should be aware that such requirements are different from the disclosure requirements in the United States applicable to proxy statements under the U.S. Exchange Act. Likewise, information concerning the properties and operations of Invictus MD and Invictus Sub has been prepared in accordance with Canadian standards, and may not be comparable to similar information for United States companies.

Financial statements included herein or incorporated by reference have been prepared in accordance with generally accepted accounting principles and subject to auditing and auditor independence standards in Canada, and thus may not be comparable to financial statements of United States companies. Securityholders should be aware that the exchange of the securities described herein may have tax consequences both in the United States and in Canada, which are not described in this Circular. **Securityholders are advised to consult their tax advisors to determine the tax consequences to them of the Arrangement in their own particular circumstances.**

The enforcement by investors of civil liabilities under the United States federal securities laws may be affected adversely by the fact that Invictus MD is incorporated or organized under the laws of a foreign country, that some or all of their officers and directors and the experts named herein may be residents of a foreign country, and that all or a substantial portion of the assets of Invictus MD and said persons may be located outside the United States.

Exchange of Securities

Following the Arrangement and as of the Effective Time, the registered holders of former Shares shall be deemed to be registered holders of Amalco Shares, in accordance with the Plan of Arrangement, without the need to surrender any physical share certificates. Registered holders of “small lots” will be paid cash for the fair value of their Amalco Shares held, in accordance with the terms of the Plan of Arrangement.

Fractional Shares

No fractional Amalco Shares will be issued to Shareholders. No cash will be paid in lieu of fractional shares. Any fractions resulting will be rounded down to the nearest whole number for fractions of 0.5 or less of an Amalco Share and rounded up for fractions of more than 0.5 of an Amalco Share.

The foregoing information is a summary only and is subject to and qualified in its entirety by the Plan of Arrangement. For further details of procedures, see also Article 5 of the Plan of Arrangement, which is attached as Schedule “B” hereto.

DISSENT RIGHTS

As indicated in the notice of meeting for Invictus MD accompanying this Circular, and as provided in the Plan of Arrangement and the Interim Order, any holder of Shares is entitled to be paid the fair value of such shares by Invictus MD in accordance with the Dissent Rights in the Plan of Arrangement and the provisions of Sections 237 - 247 of the BCBCA if the Shareholder duly dissents to the Arrangement Resolution and the Arrangement becomes effective. A holder of Shares who dissents to the Arrangement Resolution and is paid the fair value of such shares will not be entitled to receive any Amalco Shares. The fair value of such holder’s Shares will be determined as of the close of business on the business day before the adoption of the Arrangement Resolution. The payment for such fair value of the shares shall be made by Invictus MD.

The statutory provisions dealing with the right of dissent are technical and complex. Any shareholders who wish to exercise their Dissent Rights should seek independent legal advice, as failure to comply strictly with the provisions of Sections 237 - 247 of the BCBCA, the Plan of Arrangement and the Interim Order may result in the loss of Dissent Rights.

Shareholders registered as such on the Record Date of the Meeting may exercise Dissent Rights pursuant to and in the manner set forth in Sections 237 - 247 of the BCBCA, the Plan of Arrangement and the Interim Order, provided that the Dissent Notice duly executed by such Shareholder is received by Invictus MD not less than two business days in advance of the date of the Meeting. Dissenting Shareholders are ultimately entitled to be paid fair value for their Dissenting Shares and shall be deemed to have transferred their Dissenting Shares to Invictus MD for

cancellation immediately at the Effective Time and in no case shall Invictus MD, be required to recognize such Persons as holding Shares after the Effective Time.

A vote against the Arrangement Resolution, an abstention from voting in respect of the Arrangement Resolution, or the execution or exercise of a proxy to vote against the Arrangement Resolution does not constitute a Dissent Notice, but a Shareholder need not vote against the Arrangement Resolution in order to dissent. However, a Shareholder who consents to or votes in favour of the Arrangement Resolution, other than as a proxy for a different Shareholder whose proxy required an affirmative vote, or otherwise acts inconsistently with the dissent, will cease to be entitled to exercise any Dissent Rights.

Shareholders who do not duly exercise their Dissent Rights are not entitled to be paid fair value for their Dissenting Shares, shall be deemed to have participated in the Arrangement on the same basis as a Shareholder who is not a Dissenting Shareholder and shall receive Amalco Shares on the same basis as every other Shareholder.

Pursuant to the terms of the Arrangement Agreement, the obligation of Invictus MD to complete the Arrangement is subject to Invictus MD not having received notices of dissent in respect of more than 2% of the number of Shares, which are issued as at the Effective Date which requirement may be waived by Invictus MD. Should Invictus MD not complete the Arrangement, whether as a result of the failure of the Shareholders to approve the Arrangement Resolution or Invictus MD receiving Dissent Notices in excess of 2% of the number of Shares which are issued as at the Effective Date or for any other reason, Dissenting Shareholders will not be entitled to receive fair value for their Shares.

Prior to the Arrangement becoming effective, Invictus MD will send a notice of intention to act to each Dissenting Shareholder stating that the Arrangement Resolution has been passed and informing the Dissenting Shareholder of its intention to act on such Arrangement Resolution. A notice of intention need not be sent to any Shareholder who voted in favour of the Arrangement Resolution or who has withdrawn his Dissent Notice. Within one month of the date of the notice given by Invictus MD of its intention to act, the Dissenting Shareholder is required to send written notice to Invictus MD that he, she or they requires Invictus MD to purchase all of his, her or their Shares and at the same time to deliver certificates representing those Shares to Invictus MD. Upon such delivery, a Dissenting Shareholder will be bound to sell and Invictus MD will be bound to purchase the Shares subject to the demand for a payment equal to their fair value as of the day before the day on which the Arrangement Resolution was passed by the Shareholders, excluding any appreciation or depreciation in anticipation of the vote (unless such exclusion would be inequitable). Every Dissenting Shareholder who has delivered a demand for payment must be paid the same price as the other Dissenting Shareholders.

A Dissenting Shareholder who has sent a demand for payment, or Invictus MD, may apply to the Court which may: (a) require the Dissenting Shareholder to sell and Invictus MD, to purchase the Shares in respect of which a Dissent Notice has been validly given; (b) set the price and terms of the purchase and sale, or order that the price and terms be established by arbitration, in either case having due regard for the rights of creditors; (c) join in the application of any other Dissenting Shareholder who has delivered a demand for payment; and (d) make consequential orders and give such directions as it considers appropriate. No Dissenting Shareholder who has delivered a demand for payment may vote or exercise or assert any rights of a Shareholder in respect of the Shares for which a demand for payment has been given, other than the rights to receive payment for those Shares. Until a Dissenting Shareholder who has delivered a demand for payment is paid in full, that Dissenting Shareholder may exercise and assert all the rights of a creditor of Invictus MD. No Dissenting Shareholder may withdraw his, her or their demand for payment unless Invictus MD consents.

Once the Arrangement becomes effective, none of the resulting changes to Invictus MD or Invictus Sub will affect the rights of the Dissenting Shareholders or Invictus MD or the price to be paid for the Dissenting Shareholder's Shares. If the Court determines that a person is not a Dissenting Shareholder or is not otherwise entitled to dissent, the Court, without prejudice to any acts or proceedings that Invictus MD or the Shareholders may have taken during the intervening period, may make the order it considers appropriate to remove the restrictions on the Dissenting Shareholder from dealing with his, her or their Shares.

Strict adherence to the procedures set forth above will be required and a shareholder's failure to do so may result in the loss of all Dissent Rights. Accordingly, each Shareholder who might desire to exercise

Dissent Rights should carefully consider and fully comply with the provisions set forth above and below and consult his, her or their legal advisor.

Sections 237 - 247 of the BCBCA

The following is a brief summary of the provisions of Sections 237 - 247 of the BCBCA. A Dissenting Shareholder who duly gives notice of dissent to the Arrangement may require Invictus MD, if the Arrangement becomes effective, to purchase all of the Shares held by such Shareholder at the fair value of such Shares as of the day before the date on which the Arrangement Resolution was passed. A Shareholder may give Dissent Notice in respect of the Arrangement by registered mail addressed to Invictus MD at the addresses for Dissent Notices noted below. **The Dissent Notice must be received at the head office of Invictus MD, as specified below, at least 2 business days before the Meeting.** As a result of giving a Dissent Notice such Shareholder may, on receiving a notice of intention to act under Sections 237 - 247 of the BCBCA, require Invictus MD to purchase all the Shares of such Shareholder in respect of which the Dissent Notice was given. The text of Sections 237 - 247 of the BCBCA is set out in Schedule "C" to this Circular. **Reference should also be made to the Plan of Arrangement attached as Schedule "B" and in particular Section 4 thereof.**

Address for Dissent Notices

All Dissent Notices of a Shareholder, in accordance with the provisions of the Plan of Arrangement, should be addressed to 3855 – 159A Street, Surrey, BC, V3Y 0Y3.

Strict Compliance with Dissent Provisions Required

The foregoing summary does not purport to be a comprehensive statement of the procedures to be followed by a Dissenting Shareholder who seeks payment of the fair value of such Shareholder's Shares, and is qualified in its entirety by reference to the Interim Order and Sections 237 - 247 of the BCBCA, the full texts of which are attached to this Circular respectively as Schedule "D" and Schedule "C" and the Plan of Arrangement, attached as Schedule "B" and which is a schedule to the Arrangement Agreement filed as a material document on SEDAR at www.sedar.com. The Dissent Rights in the Plan of Arrangement and the provisions of sections 237 - 247 of the BCBCA require strict adherence to the procedures established therein and failure to do so may result in the loss of Dissent Rights. Accordingly, each Shareholder who might desire to exercise Dissent Rights should carefully consider and comply with the provisions of those sections and should consult a legal advisor.

The Arrangement Agreement provides, as a condition to the obligations to complete the Arrangement that holders of not more than 5% of the issued and outstanding Shares shall have exercised Dissent Rights in connection with the Arrangement.

CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following summary fairly describes the principal Canadian federal income tax considerations relating to the Arrangement generally applicable to Securityholders who, for purposes of the ITA, (i) hold their Securities as capital property, (ii) deal at arm's length with Invictus MD, and (iii) are not affiliated with Invictus MD.

Securities will generally be considered to be capital property to a holder thereof, unless such securities are held in the course of carrying on a business or were acquired in a transaction considered to be an adventure in the nature of trade. Certain shareholders who are resident in Canada and who might not otherwise be considered to hold their shares as capital property may be entitled to have them treated as capital property by making the election provided by subsection 39(4) of the ITA. Any person contemplating making a subsection 39(4) election should first consult their tax adviser for advice as the making of such election will affect the income tax treatment of the person's disposition of other Canadian securities.

This summary is not applicable to a Securityholder who (i) is a "financial institution" for the purposes of the mark-to-market rules contained in the ITA, (ii) is a "specified financial institution" as defined in the ITA, (iii) is a securityholder an interest in which is a "tax shelter investment" as defined in the ITA, (iv) has acquired Shares upon

the exercise of an employee stock option, or (v) is a taxpayer whose “functional currency” for the purposes of the ITA is the currency of a country other than Canada.

This summary is based upon the current provisions of the ITA, the regulations thereunder (the “**Regulations**”), and counsel’s understanding of the current administrative practices and policies of the Canada Revenue Agency (the “**CRA**”). This summary also takes into account all specific proposals to amend the ITA and Regulations (the “**Proposed Amendments**”) announced by the Minister of Finance (Canada) prior to the date hereof, and assumes that all Proposed Amendments will be enacted in their present form. If the Proposed Amendments are not enacted as presently proposed, the tax consequences may not be as described below in all cases. This summary does not take into account or anticipate any other changes in law or administrative or assessing practice, whether by legislative, governmental, or judicial action or decision, nor does it take into account provincial, territorial or foreign income tax considerations, which may differ from the Canadian federal income tax considerations discussed below.

This summary is of a general nature only, and is not exhaustive of all possible Canadian federal income tax considerations. This summary is not intended to be, nor should it be construed to be, legal or tax advice to any Securityholder. Accordingly, Securityholders should consult their own tax advisers for advice as to the income tax consequences to them of the Arrangement in their particular circumstances.

Securityholders Resident in Canada

The following portion of this summary is applicable to a Securityholder who, at all material times, is or is deemed to be resident in Canada for the purposes of the ITA.

Exchange of Shares for Invictus MD Shares

A Shareholder who, on the Amalgamation, receives Amalco Shares in consideration for the Shareholder’s Shares will be deemed to have disposed of those Shares for proceeds of disposition equal to the Shareholder’s adjusted cost base of those Shares immediately before the Amalgamation. Consequently, the Shareholder will realize neither a capital gain nor a capital loss as a result of disposition of Shares on the Amalgamation. The Shareholder will be deemed to have acquired the Amalco Shares at an aggregate cost equal to the proceeds of disposition of the Shareholder’s Shares. If the Shareholder owns any other Amalco Shares at the time of the Amalgamation, the cost of each Amalco Share owned by the Shareholder immediately after the Amalgamation will be determined by averaging the cost of the Amalco Shares acquired on the Amalgamation with the adjusted cost base of those other Amalco Shares.

Dissenting Shareholders

A Shareholder who, as a result of exercising dissent rights in respect of the Arrangement, receives a cash payment from Invictus MD in consideration for the holder’s Shares in respect of which such rights of dissent are exercised will be considered to have disposed of the Shares for proceeds of disposition equal to such cash payment (excluding interest). To the extent that such proceeds of disposition exceed (or are exceeded by) the adjusted cost base of the Dissenting Shareholder’s Shares, the dissenting Shareholder will be regarded as having realized a capital gain (or a capital loss) equal to the amount of such difference. See “*Taxation of Capital Gains and Losses*” below for a general description of the treatment of capital gains and losses under the ITA.

Interest paid or payable to a Dissenting Shareholder will be included in the Dissenting Shareholder’s income.

Taxation of Amalco Dividends

In the case of a Shareholder who is an individual, dividends received or deemed to be received on Amalco Shares will be included in computing the individual’s income and will be subject to the gross-up and dividend tax credit rules applicable to taxable dividends received from taxable Canadian corporations, including the enhanced gross-up and dividend tax credit rules applicable to any dividends designated by Amalco as an “eligible dividend” in accordance with the ITA.

In the case of a Shareholder that is a corporation, dividends received or deemed to be received on Amalco Shares will be included in computing the corporation’s income and will generally be deductible in computing its

taxable income. A “private corporation” (as defined in the ITA) or any other corporation controlled or deemed to be controlled by or for the benefit of an individual (other than a trust) or a related group of individuals (other than trusts) may be liable under Part IV of the ITA to pay a refundable tax of 33⅓% on dividends received or deemed to be received on Amalco Shares to the extent that such dividends are deductible in computing the corporation’s taxable income.

Disposition of Amalco Shares

The disposition or deemed disposition of Amalco Shares by a Amalco shareholder will generally result in a capital gain (or capital loss) equal to the amount by which the proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base to the shareholder of those shares immediately before the disposition. See “*Taxation of Capital Gains and Losses*” below for a general description of the tax treatment of capital gains and losses under the ITA.

Taxation of Capital Gains and Losses

One-half of any capital gain (a “**taxable capital gain**”) realized by a shareholder in a taxation year will be included in the shareholder’s income for the year. One-half of any capital loss (an “**allowable capital loss**”) realized by the shareholder in a year may be deducted against taxable capital gains realized in the year. Any excess of allowable capital losses over taxable capital gains in a taxation year may be carried back up to three taxation years or forward indefinitely and deducted against net taxable capital gains in those other years, to the extent and in the circumstances specified in the ITA.

A Shareholder that is throughout the relevant taxation year a “Canadian controlled private corporation” (as defined in the ITA) may be liable to pay an additional refundable tax of 6-⅔% on its “aggregate investment income” for the year, which will include taxable capital gains.

The amount of any capital loss arising on the disposition or deemed disposition of any shares by a Shareholder that is a corporation may be reduced by the amount of certain dividends received or deemed to have been received by it on such shares to the extent and under circumstances prescribed by the ITA. Similar rules may apply where the corporation is a member of a partnership or a beneficiary of a trust that owns such shares or where a trust or partnership of which the corporation is a beneficiary or a member is a member of a partnership or a beneficiary of a trust that owns any such shares.

Alternative Minimum Tax on Individuals

The ITA provides for an alternative minimum tax applicable to individuals (including certain trusts and estates) resident in Canada, which is computed by reference to an adjusted taxable income amount. Eighty percent of capital gains (net of capital losses) and the actual amount of taxable dividends (not including any gross-up) are included in adjusted taxable income. Any additional tax payable by an individual under the minimum tax provisions may be carried forward and applied against certain tax otherwise payable in any of the seven immediately following taxation years; however this carryforward amount will only be creditable in a particular year to the extent that the individual’s tax payable for the year, calculated without reference to the minimum tax provisions, exceeds the tax payable under the minimum tax provisions for the year.

Securityholders Not Resident in Canada

The following portion of this summary is applicable to a Securityholder who (i) has not been, is not, and will not be resident or deemed to be resident in Canada for purposes of the ITA, and (ii) does not and will not use or hold, and is not and will not be deemed to use or hold, Securities or Amalco Securities in connection with carrying on a business in Canada (a “**Non-Resident Holder**”). Special rules, which are not discussed in this summary, may apply to a Non-Resident Holder that is an insurer carrying on business in Canada and elsewhere.

Exchange of Shares for Shares

The discussion above, applicable to Securityholders resident in Canada under the heading “*Exchange of Shares for Amalco Shares*”, also applies to a Non-Resident Holder.

Dissenting Non-Resident Shareholders

The discussion above applicable to Canadian resident Securityholders under the heading “*Dissenting Shareholders*”, also applies to a dissenting Non-Resident Holder of Shares. The tax treatment of a capital gain or capital loss realized by a Non-Resident Holder of Shares as a consequence of exercising dissent rights to the Arrangement are described generally below under the heading “*Taxation of Capital Gains and Losses*”.

The amount of any interest awarded by a court to a Non-Resident Holder who is a Dissenting Shareholder will not be subject to Canadian withholding tax.

Taxation of Capital Gains and Losses

A Non-Resident Holder will not be subject to tax under the ITA in respect of any capital gain arising on a disposition or deemed disposition of shares, unless, at the time of disposition, such shares constitute “taxable Canadian property” of the Non-Resident Holder within the meaning of the ITA and the Non-Resident Holder is not entitled to relief under an applicable income tax convention.

Generally, Shares and Amalco Shares will not be taxable Canadian property to a Non-Resident Holder at a particular time provided that where the shares of a company are listed on a designated stock exchange at a particular time, such shares will not constitute taxable Canadian property to a Non-Resident Holder at such time provided that at any time during the sixty-month period that ends at that time, either: (a) the Non-Resident Holder, persons with whom the Non-Resident Holder does not deal at arm’s length, or the Non-Resident Holder together with all such persons, have not owned 25% or more of any class or series of the capital stock of the company; or (b) such shares did not derive, directly or indirectly, more than 50% of their fair market value from one or any combination of (i) real or immovable property situated in Canada, (ii) “Canadian resource properties” (as defined in the ITA), (iii) “timber resource properties” (as defined in the Tax Act), and (iv) options or interest in respect of property described in (i), (ii), (iii); and the shares were not otherwise deemed to be taxable Canadian property under the ITA.

If Shares constitute or are deemed to constitute taxable Canadian property to any Non-Resident Holder and the Non-Resident Holder is not entitled to relief under an applicable income tax convention, the discussion above applicable to Canadian resident Securityholder under the heading “*Taxation of Capital Gains and Losses*” generally will apply to the Non-Resident Holder.

Non-Resident Holders whose shares may be taxable Canadian property should consult with their own tax advisors for advice having regard to their particular circumstances.

UNITED STATES INCOME TAX CONSIDERATIONS

Scope of This Disclosure

The following discussion is a summary of the anticipated material U.S. federal income tax consequences arising from and relating to the exchange of Shares for Amalco Shares in the Arrangement and the consequent ownership and possible disposition of Amalco Shares that are generally applicable to U.S. Holders (as defined below) of Shares. This summary is limited to Securityholders who are “United States persons” and hold their Shares (and will hold Amalco Shares) as capital assets within the meaning of the Internal Revenue Code of 1986, as amended (the “Code”) (“U.S. Holders”). For purposes of this summary, a “United States person” is: (i) a citizen or individual resident of the United States, (ii) a corporation or other entity taxable as a corporation that is created or organized under the laws of the United States or any political subdivision thereof, (iii) an estate the income of which is subject to United States federal income tax regardless of its source, or (iv) any trust if a court within the United States is able to exercise primary supervision over the administration of the trust, and one or more United States persons have the authority to control all substantial decisions of the trust.

This summary is for general information only and does not address all aspects of United States federal income taxation that may be relevant to a U.S. Holder in light of the U.S. Holder's particular circumstances, or to U.S. Holders that may be subject to special treatment under the Code (including, without limitation, certain financial institutions, real estate investment trusts, tax-exempt organizations, qualified retirement plans, individual retirement accounts, regulated investment companies, insurance companies, and brokers and dealers or traders in securities or currencies, insurance companies, persons holding stock as part of a straddle, hedge, conversion transaction or other integrated investment, persons whose functional currency is not the United States dollar, and persons who may have acquired their Shares through the exercise of employee stock options or otherwise as compensation). This summary also does not address the tax treatment of U.S. Holders that hold their Shares (or who will acquire Amalco Shares) through a partnership or other pass-through entity, persons subject to the alternative minimum tax, and persons who own their Shares (or who will acquire Amalco Shares) other than as a capital asset as defined in the Code. This summary does not address aspects of U.S. taxation other than U.S. federal income taxation, nor does it address any aspects of state, local or foreign tax law.

This summary does not address the U.S. federal income tax consequences of transactions effectuated prior or subsequent to, or concurrently with, the Arrangement (whether or not any such transactions are undertaken in connection with the Arrangement) including, without limitation, the exercise of any stock option, warrant or other right to acquire Shares (or, post-transaction, Amalco Shares).

This discussion is based on the Code, existing, temporary and currently proposed regulations promulgated under the Code, and judicial and administrative interpretations thereof, all as of the date hereof and all of which are subject to change, possibly with retroactive effect. Invictus MD has not requested any ruling from the United States Internal Revenue Service (“IRS”) with respect to the statements made and the conclusions reached in this summary. No assurance can be given that the IRS will agree with such statements and conclusions, or will not take, or a court will not adopt, a position contrary to any position taken herein.

EACH U.S. HOLDER IS URGED TO CONSULT WITH ITS TAX ADVISOR REGARDING THE TAX CONSEQUENCES OF THE ARRANGEMENT, AND THE CONSEQUENT OWNERSHIP AND POSSIBLE DISPOSITION OF SHARES, INCLUDING THE EFFECTS OF FEDERAL, STATE, LOCAL, FOREIGN, AND OTHER TAX LAWS. TO ENSURE COMPLIANCE WITH REQUIREMENTS IMPOSED BY THE IRS UNDER TREASURY CIRCULAR 230, WE INFORM YOU THAT (1) ANY DISCUSSION OF U.S. FEDERAL INCOME TAX ISSUES CONTAINED IN THIS INFORMATION CIRCULAR (INCLUDING ANY ATTACHMENTS), UNLESS OTHERWISE SPECIFICALLY STATED, WAS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, FOR THE PURPOSE OF AVOIDING PENALTIES UNDER THE UNITED STATES INTERNAL REVENUE CODE, (2) SUCH DISCUSSION WAS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE ARRANGEMENT OR MATTERS ADDRESSED BY THIS INFORMATION CIRCULAR AND (3) EACH U.S. HOLDER SHOULD SEEK ADVICE BASED UPON ITS PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

Assumptions Regarding Invictus MD

This summary is based upon certain understandings and assumptions with respect to the business, assets and Shareholders of Invictus MD, including that Invictus MD is not, nor at any time has been, a “controlled foreign corporation” as defined in Section 957 of the Code (“CFC”). Invictus MD believes that it is not and has never been a CFC and Amalco does not expect to become a CFC in the future. In the event that one or more of such understandings or assumptions proves to be inaccurate, the following summary may not apply and material adverse U.S. federal income tax consequences may result to U.S. Holders.

Exchange of Shares for Amalco Shares

There will be an exchange of Shares for Amalco Shares pursuant to the Arrangement (the “**Share Exchange**”), followed by an amalgamation of Invictus MD and Invictus Sub, a wholly owned subsidiary of Invictus MD to be continued into British Columbia. Pursuant to the Plan of Arrangement, Invictus MD will survive the Amalgamation.

It is assumed that the Share Exchange and the Amalgamation will be treated for U.S. federal income tax purposes as if the assets and liabilities of Invictus Sub were transferred to Invictus MD as a matter of law and that Invictus Sub ceased its separate legal existence, as specified in the Plan of Arrangement. Although there are no authorities addressing facts identical to the Arrangement and therefore the matter is not free from doubt, the Share Exchange and the Amalgamation pursuant to the Arrangement should be treated as a single integrated transaction for U.S. federal income tax purposes. If the Share Exchange and the Amalgamation are treated as a single integrated transaction, although the matter is also not free from doubt, the Arrangement should qualify as a reorganization under Section 368(a)(1) and (a)(2)(E) of the Code (a “**Reorganization**”), which requires, among other things, that Invictus Sub be treated as if it merged with and into Invictus MD. No opinion of legal counsel and no ruling from the IRS concerning the U.S. federal income tax consequence of the Share Exchange or the Amalgamation has been obtained and none will be requested. Since the Amalgamation will be effected pursuant to applicable provisions of the BCBCA that are not identical to analogous provisions of the U.S. corporate law, there can be no assurance that the IRS will not challenge the status of the Share Exchange and the Amalgamation as a Reorganization or that the U.S. courts will uphold the status of the Share Exchange and the Amalgamation as a Reorganization in the event of an IRS challenge. Each U.S. Holder should consult its own tax advisor regarding the qualification of the Share Exchange and Amalgamation as a Reorganization.

Regardless of whether the Share Exchange and the Amalgamation qualify as a Reorganization, the Share Exchange may be treated as a fully taxable exchange under the PFIC rules of Sections 1291-1298 of the Code. See “Impact of PFIC Rules on Certain U.S. Holders” below. In addition, if the Share Exchange and the Amalgamation qualify as a Reorganization, the rules of Section 367 of the Code may under certain circumstances impose additional requirements on certain U.S. Holders in order to preserve Reorganization treatment. See “Application of Section 367 to U.S. Holders in the Share Exchange” below.

If the Share Exchange and the Amalgamation qualify as a Reorganization, and subject to (i) the assumptions, limitations and qualifications referred to herein and (ii) the PFIC rules and the Code Section 367 rules discussed below, the Arrangement will result in the following U.S. federal income tax consequences to U.S. Holders of Shares:

1. a U.S. Holder of Shares who receives Amalco Shares in the Share Exchange will not recognize any gain or loss as a result of the Share Exchange;
2. the aggregate basis of the Amalco Shares received by a U.S. Holder of Shares in the Share Exchange will be equal to the aggregate basis of the Shares exchanged therefor; and
3. the holding period of the Amalco Shares received by a U.S. Holder will include the holding period of the Shares exchanged therefor.

Information Reporting

If the Share Exchange and the Amalgamation qualify as a Reorganization, U.S. Holders who exchange Shares for Amalco Shares in the Share Exchange will be required to comply with certain reporting requirements and will be required to retain certain records in connection with the Share Exchange as required by Treasury Regulation §1.368-3. U.S. Holders of Shares are urged to consult their own tax advisors regarding their information reporting and record retention responsibilities arising from the Share Exchange.

Consequences of Failure of the Share Exchange to Qualify as a Reorganization

Subject to the PFIC rules discussed below, if the Share Exchange and the Amalgamation fail to qualify as a Reorganization, the Share Exchange would constitute a taxable disposition of Shares by U.S. Holders and would result in the following U.S. federal income tax consequences:

1. a U.S. Holder of Shares would recognize gain or loss equal to the difference between (i) the fair market value of Amalco Shares received by such U.S. Holder in the Share Exchange and (ii) the adjusted tax basis of such U.S. Holder in such Shares exchanged therefor in the Share Exchange;

2. the aggregate basis of Amalco Shares received by a U.S. Holder of Shares in the Share Exchange would be equal to the aggregate fair market value of Amalco Shares at the time of receipt; and
3. the holding period of Amalco Shares received by a U.S. Holder in the Share Exchange would begin on the day after receipt.

Subject to the PFIC rules discussed below, such gain or loss recognized in the Share Exchange generally will be capital gain or loss if such Shares were held as capital assets at the time of the Share Exchange and will be long-term capital gain or loss if the U.S. Holder's holding period for such Shares is more than one year at the time of the Share Exchange. For a summary of the different tax results that a U.S. Holder may face as a result of the PFIC rules, see "Impact of PFIC Rules on Certain U.S. Holders" below. Gains and losses are netted and combined according to special rules in arriving at the overall capital gain or loss for a particular tax year. Preferential tax rates for long-term capital gains are generally applicable to a U.S. Holder which is an individual, estate or trust. There are currently no preferential tax rates for long-term capital gains for a U.S. Holder which is a corporation. Deductions for capital losses are subject to significant limitations. For U.S. Holders which are not corporations, any unused portion of a net capital loss may be carried over to be used in later tax years until such net capital loss is thereby exhausted. For U.S. Holders that are corporations, an unused net capital loss may be carried back three years from the loss year and carried forward five years from the loss year to be offset against capital gains until such net capital loss is thereby exhausted.

PFIC Rules

Definition of a PFIC

Section 1297 of the Code generally defines a passive foreign investment company ("PFIC") as a corporation that is not formed in the U.S. and, for any taxable year, either (i) 75% or more of its gross income is "passive income" or (ii) the average percentage, by fair market value (or, if the corporation is not publicly traded and either is a CFC or makes an election, by adjusted tax basis), of its assets that produce or are held for the production of "passive income" is 50% or more. For this purpose, the term "passive income" includes, for example, dividends, interest, certain rents and royalties, certain gains from the sale of stock and securities, and certain gains from commodities transactions. However, gains resulting from commodities transactions are generally excluded from the definition of passive income if "substantially all" of a merchant's, producer's or handler's business is as an active merchant, producer or handler of such commodities.

For purposes of the PFIC income test and assets test, if a foreign corporation owns (directly or indirectly) at least 25% by value of the stock of another corporation, such foreign corporation shall be treated as if it (i) held a proportionate share of the assets of such other corporation, and (ii) received directly its proportionate share of the income of such other corporation. Also, for purposes of such PFIC tests, passive income does not include any interest, dividends, rents or royalties that are received or accrued from a "related" person to the extent such amount is properly allocable to the income of such related person which is not passive income. For these purposes, a person is related with respect to a foreign corporation if such person "controls" the foreign corporation or is controlled by the foreign corporation or by the same persons that control the foreign corporation. For these purposes, "control" means ownership, directly or indirectly, of stock possessing more than 50% of the total voting power of all classes of stock entitled to vote or of the total value of stock of a corporation.

PFIC Status of Invictus MD

Invictus MD believes that it was a PFIC for its most recent fiscal year ended on or prior to the date of the Share Exchange, was a PFIC in earlier fiscal years and will qualify as a PFIC for its current fiscal year. However, there can be no assurances that unanticipated events will not cause Invictus MD to fail to qualify as a PFIC or that any determination concerning such current or expected PFIC status will not be challenged by the IRS. See "Impact of PFIC Rules on Certain U.S. Holders."

If a foreign corporation is a PFIC at any time during a U.S. Holder's holding period (and was not a qualified electing fund ("QEF") as described below), the U.S. Holder will generally continue to be subject to the rules regarding excess distributions and dispositions of PFIC stock discussed below, even if the foreign corporation ceases to be a PFIC, unless certain gain recognition elections are made to "purge" the PFIC taint.

Impact of PFIC Rules on Certain U.S. Holders

The impact of the PFIC rules on a U.S. Holder of Shares will depend on whether the U.S. Holder has made a timely and effective election to treat Invictus MD as a “qualified electing fund” under Section 1295 of the Code for the tax year that is the first year in the U.S. Holder’s holding period of Shares during which Invictus MD qualified as a PFIC (a “**QEF Election**”). A U.S. Holder’s ability to make a QEF Election with respect to Invictus MD is contingent upon, among other things, the provision by Invictus MD of a “PFIC Annual Information Statement” to such U.S. Holder. Invictus MD has not been asked to provide a PFIC Information Statement and it has not yet determined whether, if asked, it would provide such statement to a US Holder. A U.S. Holder of a PFIC who made such a QEF Election may hereinafter be referred to as an “**Electing Shareholder**” and a U.S. Holder of a PFIC who did not make a QEF Election may hereinafter be referred to as a “Non-Electing Shareholder.”

If a U.S. Holder of Shares has not made a timely and effective QEF Election with respect to the first year in the U.S. Holder’s holding period in which Invictus MD was a PFIC, such U.S. Holder generally may qualify as an Electing Shareholder by filing on a timely filed U.S. income tax return (including extensions) a QEF Election and a “deemed sale election” to recognize under the rules of Section 1291 of the Code any gain that it would otherwise recognize if the U.S. Holder sold its stock for fair market value on the “qualification date.” The qualification date is the first day of Invictus MD’s tax year in which Invictus MD qualified as a “qualified electing fund” with respect to such U.S. Holder. The deemed sale election can only be made if such U.S. Holder held Shares on the qualification date. By timely making such QEF and deemed sale elections, the U.S. Holder will be deemed to have made a timely QEF Election.

The impact of the PFIC rules on a U.S. Holder of Shares may also depend on whether the U.S. Holder has made a mark to market election under Section 1296 of the Code. See “Mark to Market Election” below.

Effect of PFIC Rules if the Share Exchange Qualifies as a Reorganization

Assuming that Invictus MD qualifies as a PFIC, the PFIC rules may cause a U.S. Holder to recognize gain (but not loss) on the Share Exchange, even if the Share Exchange and the Amalgamation otherwise qualify as a Reorganization. Section 1291(f) of the Code provides that nonrecognition transfers of stock in a PFIC, such as a Reorganization, result in gain recognition for purposes of the excess distribution rules under Section 1291, to the extent provided in regulations.

Treatment of Electing Shareholders

Under proposed Treasury Regulations (the “**Proposed Treasury Regulations**”), the PFIC rules should not cause an Electing Shareholder to recognize gain in a Reorganization. Thus, the PFIC rules should not result in gain recognition to a U.S. Holder who is an Electing Shareholder with respect to the Share Exchange, assuming that the Share Exchange and the Amalgamation otherwise qualify as a Reorganization.

Treatment of Non-Electing Shareholders

Under the Proposed Treasury Regulations, a Non-Electing Shareholder does not recognize gain in a Reorganization where the Non-Electing Shareholder transfers stock in a PFIC so long as such Non-Electing Shareholder receives in exchange stock of the same or another corporation that qualifies as a PFIC for its taxable year that includes the day after the transfer. However, a Non-Electing Shareholder does recognize gain (but not loss) in a Reorganization where the Non-Electing Shareholder transfers stock in a PFIC and receives in exchange stock of another corporation that does not qualify as a PFIC for its taxable year that includes the day after the transfer.

As discussed above, it appears that Invictus MD constitutes a PFIC in its current taxable years, and it appears that Amalco will constitute a PFIC for its taxable year that includes the day after the Share Exchange. There can be no assurances, however, that unanticipated events will not occur which would cause Amalco to fail to qualify as a PFIC or that any determination concerning Amalco’s PFIC status will not be challenged by the IRS.

If Amalco does qualify as a PFIC for its taxable year that includes the day after the Share Exchange, it appears that, under the foregoing rules contained in the Proposed Treasury Regulations, a Non-Electing Shareholder should

not recognize gain in the Share Exchange, assuming that the Share Exchange and the Amalgamation otherwise qualify as a Reorganization. The Proposed Treasury Regulations require such Non-Electing Shareholders to file certain information regarding the Share Exchange. Non-Electing Shareholders should consult their U.S. tax advisors regarding these requirements.

If Amalco does not qualify as a PFIC for its taxable year that includes the day after the Share Exchange, it appears that, under the foregoing rules contained in the Proposed Treasury Regulations, a Non-Electing Shareholder will recognize gain (but not loss) on the Share Exchange, regardless of whether the Share Exchange and the Amalgamation qualify as a Reorganization. The amount of any such gain recognized by a Non-Electing Shareholder on the Share Exchange would be equal to the difference between (i) the fair market value of Amalco Shares received by such Non-Electing Shareholder pursuant to the Share Exchange and (ii) the adjusted tax basis of such Non-Electing Shareholder in the Shares effectively exchanged therefor. Such gain generally would be allocated *pro rata* over a Non-Electing Shareholder's holding period for the Shares and, to the extent allocable to prior PFIC years, would be subject to tax at the highest rate applicable to ordinary income in such years and result in an interest charge on such tax which is deemed to be deferred.

Mark to Market Election

U.S. Holders who hold (actually or constructively) marketable stock of a foreign corporation that qualifies as a PFIC may annually elect to mark such stock to its market value (a "mark-to-market election"). PFIC stock generally is marketable if: (1) it is regularly traded on a national securities exchange that is registered with the Securities Exchange Commission or on the national market system established under Section 11A of the Securities and Exchange Act of 1934; or (2) it is regularly traded on any exchange or market that the Treasury Department determines to have rules sufficient to ensure that the market price accurately represents the fair market value of the stock. It is unclear whether the requirements for a mark-to-market election would be satisfied here. If such an election could be made and is made, such U.S. Holder generally will not be subject to the special taxation rules of Section 1291 of the Code discussed above. However, if a mark-to-market election is made by a Non-Electing Shareholder after the beginning of the holding period for the PFIC stock, then the Code Section 1291 rules will apply to certain dispositions of, distributions on and other amounts taxable with respect to the Shares. The Proposed Treasury Regulations described above do not address the impact of a mark-to-market election on a Reorganization involving a PFIC and the IRS has not issued any other meaningful guidance regarding the effect of a mark-to-market election on a Reorganization involving a PFIC.

Effect of PFIC Rules if Share Exchange is a Taxable Transaction

If Invictus MD qualifies as a PFIC and the Share Exchange is treated as a taxable transaction for U.S. federal income tax purposes, the PFIC rules will apply to gain or loss recognized by a U.S. Holder on the Share Exchange. Under the PFIC rules, gain recognized by a Non-Electing Shareholder on the Share Exchange generally would be allocated *pro rata* over such Non-Electing Shareholder's holding period for the Shares and, to the extent allocable to prior PFIC years, would be subject to tax at the highest rate applicable to ordinary income in such years and result in an interest charge on such tax which is deemed to be deferred.

Gain realized by Electing Shareholders in the event the Share Exchange does not qualify as a Reorganization will generally not be subject to the PFIC rules discussed above.

If a mark-to-market election is made by a U.S. Holder, such U.S. Holder will generally not be subject to the special taxation rules of Section 1291 of the Code applicable to excess distributions discussed above. However, if the mark-to-market election is made by a Non-Electing Shareholder after the beginning of the holding period for PFIC stock, then the Code Section 1291 rules will apply to certain dispositions of, distributions on, and other amounts taxable with respect to, the Shares. Gain or loss recognized on the Share Exchange by a U.S. Holder who has made a mark to market election generally will be ordinary income or loss (in the case of loss, not to exceed the excess, if any, of (i) the amount included in ordinary income because of such mark to market election for prior taxable years over (ii) the amount allowed as a deduction because of such mark to market election for prior taxable years).

Information Reporting

The Proposed Treasury Regulations issued under Section 1291(f) of the Code currently provide that U.S. Holders must report certain information regarding transactions involving PFIC stock to the IRS on Form 8621 with their federal income tax return. Special information reporting requirements apply in the case of certain transfers entitled to nonrecognition treatment. In addition, pursuant to recently enacted legislation, beginning in 2011, all U.S. Holders of PFIC stock will be required to make annual return filings reporting their PFIC ownership and certain other information that the IRS may require. U.S. Holders are urged to consult with their own tax advisors concerning such reporting requirements.

Status of Proposed Regulations

The Proposed Treasury Regulations state that they are to be effective for transactions occurring on or after April 11, 1992. If the Proposed Treasury Regulations are adopted in their current form, the tax consequences to a U.S. Holder of Shares should be as set forth in the preceding paragraphs. However, because the Proposed Treasury Regulations have not yet been adopted in final form, they are not currently effective and there is no assurance they will be finally adopted in the form and with the effective date proposed. Nevertheless, the IRS has announced that, in the absence of final Treasury Regulations, taxpayers may apply reasonable interpretations of Code provisions applicable to PFICs and that it considers the rules set forth in the proposed regulations to be reasonable interpretations of those Code provisions.

The PFIC rules are complex and the implementation of certain aspects of the PFIC rules requires the issuance of Treasury Regulations which in many instances have not been promulgated and which may be promulgated and which may have retroactive effect. There can be no assurance that any of these proposals will be enacted or promulgated, and if so, the form they will take or the effect that they may have on this discussion. Accordingly, and due to the complexity of the PFIC rules, U.S. Holders are strongly urged to consult their own tax advisors concerning the impact of these rules on their investment in Shares and the Share Exchange, including, without limitation, whether a QEF Election, “deemed sale” election and “mark-to-market” election may be used to reduce the significant adverse U.S. federal income tax consequences of the PFIC rules.

Application of Section 367 to U.S. Holders in the Share Exchange

Pursuant to Section 367 of the Code and the Treasury Regulations thereunder, a U.S. Holder of Shares who owns, immediately after the Share Exchange, Amalco Shares representing five percent (5%) or more of the total voting power or total value of all of the outstanding stock of Amalco (a “**5% Shareholder**”) will be required to enter into a gain recognition agreement (“**GRA**”) in order to preserve nonrecognition of gain (assuming the Share Exchange and the Amalgamation qualify as a Reorganization). Special attribution rules under Section 318 of the Code as modified by Section 958(b) of the Code apply in determining the ownership of Amalco Shares by a U.S. Holder, and U.S. Holders are urged to consult their own tax advisors regarding such attribution rules.

Generally, the GRA would require the 5% Shareholder to recognize the gain (but not loss) realized but not recognized pursuant to the Share Exchange if, before the close of the fifth full taxable year following the close of the taxable year of the Share Exchange, (i) Amalco were to dispose, in whole or in part (other than in certain nonrecognition transfers) of the Amalco Shares or (ii) Amalco were to dispose (other than in certain nonrecognition transfers) of substantially all of its assets. The 5% Shareholder would be required to report such gain on an amended federal income tax return for the taxable year of the Share Exchange, unless such 5% Shareholder elects in its GRA to recognize such gain in the taxable year that the gain under the GRA is triggered. In addition to tax payable with respect to such gain, the 5% Shareholder would be required to pay interest on such tax as if the tax were payable for the taxable year of the Share Exchange. Each 5% Shareholder who files a GRA will also be required to file a waiver of the period of limitation on the assessment of tax regarding such gain and an annual certification statement for the term of the GRA. A bond or other security may be required by the IRS in addition to the GRA. Failure to comply with the requirements of the GRA may result in the exchange of Shares for Amalco Shares being taxable to the U.S. Holder. Accordingly, each U.S. Holder of Shares is urged to consult its own tax advisor as to the necessity of filing a GRA and the terms thereof.

Dissenting U.S. Holders

A U.S. Holder who exercises Dissent Rights will recognize gain or loss on the exchange of such U.S. Holder's Shares for cash in an amount equal to the difference between (i) the amount of cash received and (ii) such holder's adjusted tax basis in its Shares. Subject to the PFIC rules discussed above, such gain or loss generally will be capital gain or loss if such shares were held as capital assets at the time of the Arrangement and will be long-term capital gain or loss if the U.S. Holder's holding period for such shares is more than one year at such time. Gains and losses are netted and combined according to special rules in arriving at the overall capital gain or loss for a particular tax year.

Preferential tax rates for long-term capital gains are generally applicable to a U.S. Holder which is an individual, estate or trust. There are currently no preferential tax rates for long-term capital gains for a U.S. Holder which is a corporation. Deductions for capital losses are subject to significant limitations. For U.S. Holders that are not corporations, any unused portion of such capital loss may be carried over to be used in later tax years until such net capital loss is thereby exhausted. For U.S. Holders that are corporations, an unused net capital loss may be carried back three years from the loss year and carried forward five years from the loss year to be offset against capital gains until such net capital loss is thereby exhausted.

Currency Gains

The fair market value of any Canadian currency received by a U.S. Holder in the Arrangement generally will be based on the rate of exchange on the date of the Arrangement. A subsequent disposition of any Canadian currency received (including its conversion into U.S. currency) generally will give rise to income or loss, treated as ordinary income or loss. U.S. Holders should consult their own tax advisors concerning the U.S. federal income tax consequences of acquiring, holding and disposing of Canadian dollars.

Material U.S. Federal Income Tax Considerations Relating to the Ownership and Disposition of Amalco Shares

The following discussion regarding the treatment of future distributions from, and the sale or exchange of Shares, Invictus MD is subject to the PFIC rules discussed above. Invictus MD believes that it is a PFIC and Amalco will be a PFIC for the foreseeable future.

Taxation of Dividends

Subject to the PFIC rules, for U.S. federal income tax purposes, the gross amount of a distribution by Invictus MD with respect to Shares owned by a U.S. Holder, including any amounts of Canadian tax withheld on the distribution, will be treated as dividend income to such U.S. Holder to the extent paid out of the distributing corporation's current or accumulated earnings and profits, as determined for U.S. federal income tax purposes. That dividend income will not be eligible for the dividends received deduction generally allowed to corporations under Section 243 of the Code. To the extent such distribution exceeds the U.S. Holder's allocable share of the distributing corporation's current and accumulated earnings and profits, the excess will be applied first to reduce the U.S. Holder's basis in its shares in such corporation, and any remaining excess will constitute gain from the deemed sale or exchange of such shares. See "Tax on Sale or Exchange of Shares" below. Dividends paid by Invictus MD in Canadian dollars will be included in the income of a U.S. Holder in a U.S. dollar amount calculated by reference to the exchange rate in effect on the date of receipt thereof by the depositary, regardless of whether the payment is in fact converted into U.S. dollars. If the dividends paid in Canadian dollars are converted into U.S. dollars on the date of receipt, U.S. Holders generally should not be required to recognize foreign currency gain or loss in respect of the dividend income.

Subject to certain exceptions for PFICs, as well as short-term and hedged positions, the U.S. dollar amount of dividends received by an individual prior to January 1, 2011 with respect to stock are subject to taxation at a maximum rate of 15% if the dividends are "qualified dividends". Dividends paid on stock of a foreign corporation will not be treated as qualified dividends if the foreign corporation is, in the year prior to the year in which the dividend was paid, or, the year in which the dividend is paid, a PFIC. As discussed above, Invictus MD believes that it was a PFIC for its most recent fiscal year ended on or prior to the date of the Share Exchange, and Amalco will be a PFIC for its taxable year that includes the day after the Share Exchange. Accordingly, in the event dividends were paid by Invictus MD, it is not anticipated that such dividends would be qualified dividends.

For U.S. federal income tax purposes, a U.S. Holder may generally elect to treat Canadian withholding taxes as either a deduction from gross income or, subject to certain limitations, a credit against the U.S. federal income tax liability of that U.S. Holder. The maximum foreign tax credit allowable generally is equal to the U.S. Holder's U.S. federal income tax liability for the taxable year multiplied by a fraction, the numerator of which is the U.S. Holder's taxable income from sources without the United States and the denominator of which is the U.S. Holder's taxable income from all sources for the taxable year. That foreign tax credit limitation is applied separately to different "baskets" of income. For purposes of applying the foreign tax credit limitation, dividends generally are included in the "passive income" basket or, if received by certain holders and certain other conditions are met, the "general category" basket.

Tax on Sale or Exchange of Shares

Subject to the PFIC rules, for U.S. federal income tax purposes, a U.S. Holder generally will recognize gain or loss on any sale, exchange or other disposition of Shares unless a specific nonrecognition provision applies. That gain or loss will be measured by the difference between (i) the U.S. dollar value of the amount of cash, and the fair market value of any other property received and (ii) the U.S. Holder's tax basis in the shares disposed of, determined in U.S. dollars. Gain or loss arising from a sale or exchange of Shares will be capital gain or loss if the Shares disposed of are held as capital assets by the U.S. Holder, and will be short term or long term capital gain or loss depending on whether the holding period of the U.S. Holder for such shares exceeds one year. As noted above, if the Share Exchange and the Amalgamation constitute a Reorganization, a U.S. Holder of Shares who receives Amalco Shares in the Share Exchange generally will have a tax basis and holding period in the Amalco Shares which will equal such U.S. Holder's tax basis and holding period in the Shares exchanged therefor. In general, gain from a sale or exchange of Shares by a U.S. Holder of Shares will be treated as United States source income for foreign tax credit limitation purposes.

U.S. Backup Withholding and Information Reporting

Proceeds from the sale of and dividends on Shares paid within the United States or through certain U.S.-related financial intermediaries are subject to information reporting and may be subject to backup withholding at 28% unless the U.S. Holder (1) is a corporation or other exempt recipient or (2) provides a taxpayer identification number and certifies that no loss of exemption from backup withholding has occurred. Any amount withheld from a payment to a U.S. Holder under the backup withholding rules will be allowable as a credit against such U.S. Holder's U.S. federal income tax liability, provided that the required information is furnished to the IRS.

No Ruling or Legal Opinion

No opinion of legal counsel and no ruling from the IRS concerning the U.S. federal income tax consequences of the Share Exchange, the Amalgamation or any other matter discussed herein has been obtained and none will be requested. This summary is not binding on the IRS and the IRS is not precluded from taking a different position or positions. U.S. Holders should be aware that some of the U.S. federal income tax consequences of the Share Exchange are governed by provisions of the Code as to which there are no final Treasury Regulations and little or no judicial or administrative guidance.

This summary is of a general nature only and is not intended to be, and should not be construed to be, legal, business or tax advice to any particular shareholder. Shareholders should consult their own tax advisors as to the tax consequences of the described transactions in their particular circumstances.

RISK FACTORS

An investment Amalco Shares should be considered highly speculative, not only due to the nature of Invictus MD's and Invictus Sub's existing business and operations, but also because of the uncertainty related to completion of the Arrangement and the business of Amalco upon completion of the Arrangement. In addition to the other information in this Circular and to the risk factors contained in the financial statements and MD&A of Invictus MD and Invictus Sub attached hereto, an investor should carefully consider each of, and the cumulative effect of the following factors, which assume the completion of the Arrangement.

Completion of the Arrangement

There are risks associated with the Arrangement including (i) market reaction to the Arrangement and the future market price of the Amalco Shares cannot be predicted; (ii) the Arrangement may give rise to significant adverse tax consequences to non-Canadian Securityholders and each such Securityholder is urged to consult his own tax advisor; (iii) uncertainty as to whether the Arrangement will have a positive impact on the Resulting Issuer; and (iv) there is no assurance that required approvals will be received.

In addition, pursuant to the provisions of the Plan of Arrangement, the exchange ratio is fixed and will not increase or decrease due to fluctuations in the market price of the Shares or the Amalco Shares. The market value of the consideration that Shareholders will receive in the Arrangement will depend on the market price of the Shares and Amalco Shares on the Effective Date. If the market price of the Shares or the Amalco Shares increases or decreases, the market value of Amalco Shares that Shareholders receive will correspondingly increase or decrease. The number of Amalco Shares being issued in connection with the Arrangement will not change despite decreases or increases in the market price of Shares or the Amalco Shares. Many of the factors that affect the market price of the Shares and the Amalco Shares are beyond the control of Invictus MD and Invictus Sub, respectively. These factors include fluctuations in the price of land, zoning restrictions, changes in the regulatory environment, adverse political developments, prevailing conditions in the capital markets and interest rate fluctuations.

Invictus MD has the right to terminate the Arrangement Agreement in certain circumstances beyond the control of Invictus MD. Accordingly, there is no certainty, nor can the Parties provide any assurances that the Arrangement Agreement will not be terminated before the completion of the Arrangement. Additionally, the completion of the Arrangement is subject to several conditions under the Arrangement Agreement. See *“The Arrangement – the Arrangement Agreement - Conditions to the Arrangement”*. If any of those conditions are not satisfied or waived, the Arrangement may not be completed. There is no certainty, nor can the Parties provide any assurances that the conditions in the Arrangement Agreement will be satisfied.

Invictus Sub may not realize the anticipated benefits of the Arrangement. Achieving the benefits of the Arrangement will depend in part on successfully consolidating functions and integrating assets and procedures in a timely and efficient manner. The required efforts could divert management’s focus and resources from other strategic opportunities and from operation matters during the integration process.

Permits and Licenses

The future activities of Amalco will be subject to government approvals, various laws governing cannabis productions, land use and development, zoning restrictions, labour, environmental protection, and other matters, including issues affecting local native populations. Although Invictus MD believes that Amalco’s activities will be carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail its activities, production or development. Amendments to current laws and regulations governing operations and activities, or more stringent implementation thereof, could have a material adverse impact on the business, operations and financial performance of Amalco. Further, the licenses and permits issued in respect of Amalco’s projects may be subject to conditions which, if not satisfied, may lead to the revocation of such licenses. In the event of revocation, the value of Amalco’s investments in such projects may decline.

Early Development Stage Company

Invictus MD is currently an investment holding company, and was previously engaged in the business of farming and production of medical marijuana, before seeking protection from its creditors under the *Companies Creditors Arrangement Act*. There can be no assurance that Amalco will be able to successfully realize on its investments, and other than the recent dividend from Idle Lifestyle Inc. (formerly, PODA), has no historical record of doing so.

Competition

The cannabis business is competitive in all of its phases. Invictus MD competes with numerous other

companies and individuals, including competitors with greater financial, technical and other resources, in the search for and the acquisition of attractive properties and facilities. Invictus MD's ability to acquire properties in the future will depend not only on its ability to cultivate and produce from its present properties, but also on its ability to select and acquire suitable prospects for future cultivation and development. There is no assurance that Amalco will be able to compete successfully with others in cultivating or producing from its existing properties, or in acquiring any new properties.

Operations and Insurance

Farming operations generally involve a certain degree of risk. Invictus MD's operations are subject to all of the hazards and risks normally encountered in farming operations. Such risks include climate change, adverse weather conditions, control of insects and pests, environmental hazards, industrial accidents, labour disputes, and political unrest. The occurrence of any of the foregoing could result in damage to, or destruction of, production facilities, personal injury, damage to life or property, environmental damage, delays or interruption of operations, increases in costs, monetary losses, legal liability and adverse government action. Invictus MD does not currently carry insurance against these risks and there is no assurance that such insurance will be available in the future, or if available, at economically feasible premiums or acceptable terms to Amalco. The potential costs associated with liabilities not covered by insurance or excess insurance coverage may cause substantial delays and require significant capital outlays.

No Operating History and Financial Resources

Invictus MD does not have an operating history and has no operating revenues and is unlikely to generate any in the foreseeable future. It anticipates that its existing cash resources will be sufficient to cover its projected funding requirements for the ensuing year. If its crop is successful, additional funds will be required for further production cycles. Additional funds will also be required for Invictus MD to acquire and cultivate other properties. Invictus MD has limited financial resources, and there is no assurance that sufficient additional funding will be available to fulfill its obligations or for further development, on acceptable terms or at all. Failure to obtain additional funding on a timely basis could result in delay or indefinite postponement of further development and could cause Invictus MD to forfeit its interests in some or all of its properties or to reduce or terminate its operations.

Government Regulation

The current or future operations of Invictus MD, including cultivation of cannabis, and its production and sale, require licenses, permits or other approvals from various federal, provincial, and local governmental authorities and such operations are or will be governed by laws and regulations relating to zoning, cultivation, production, marketing, exports, taxes, labour standards, occupational health and safety, waste disposal, toxic substances, land use, water use, environmental protection, land claims of indigenous people and other matters.

There can be no assurance, however, that Invictus MD will obtain on reasonable terms, or at all, the permits and approvals, and the renewals thereof, which it may require for the conduct of its current or future operations or that compliance with applicable laws, regulations, permits and approvals will not have an adverse effect on any project which Invictus MD may undertake. Possible future environmental and tax legislation, regulations and actions could cause additional expense, capital expenditures, restrictions and delays to Invictus MD's planned operations, the extent of which cannot be predicted. Amalco's Securities are also subject to the CTO, and may not be traded in Canada until the CTO is rescinded or partially revoked. Invictus MD has no plans to apply for a full revocation of the CTO and the Amalco Securities will continue to be subject to the CTO.

Failure to comply with applicable laws, regulations, the CTO, and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in farming operations may be required to compensate those suffering loss or damage by reason of the farming activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Title to Properties

Invictus MD and Invictus Sub has taken precautions to ensure that legal titles to their property interests are properly registered or protected. There can be no assurance that Invictus MD will be able to secure the grant or the renewal of required permits, or obtain or maintain other land tenures on terms satisfactory to it, or that governments in the jurisdictions in which the properties are situated will not revoke or significantly alter such permits or other land use tenures or zoning restrictions, or that such permits and tenures will not be challenged or impugned. Third parties may have valid claims underlying portions of Invictus MD's land interests, and the permits or tenures may be subject to native land claims and title may be affected by undetected defects. If a title defect exists, it is possible that Invictus MD may lose all or part of its interest in the properties to which such defects relate.

Environmental Risks and Hazards

All phases of Invictus MD's operations are subject to environmental regulation in the jurisdictions in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation, provide for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain farming industry activities and operations. They also set forth limitations on the generation, transportation, storage and disposal of hazardous waste. A breach of such regulation may result in the imposition of fines and penalties or other enforcement actions. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the viability or profitability of operations. Environmental hazards may exist on the properties in which Invictus MD holds interests or on properties that will be acquired which are unknown to Invictus Sub at present and which have been caused by previous or existing owners or operators of the properties.

Potential Profitability Depends Upon Factors Beyond the Control of Invictus MD

The potential profitability of Invictus MD's properties is dependent upon many factors beyond Invictus MD's control. For instance, real estate prices are unpredictable, volatile, potentially subject to governmental regulations, taxation, and/or controls, and respond to changes in political, social and economic environments. Profitability depends not only on the selling price or products, which is highly competitive, but also on the costs of operations, including costs of labour, equipment, fertilizer, electricity, environmental compliance, or other production inputs. Such costs will fluctuate in ways Invictus MD cannot predict and are beyond Invictus MD's control, and such fluctuations will impact on profitability and may eliminate profitability altogether. Additionally, due to worldwide economic uncertainty, the availability and cost of funds for development and other costs have become increasingly difficult, if not impossible, to project. These changes and events may materially affect the financial performance of Amalco.

Recent Global Financial Conditions

Recent global financial conditions have been subject to increased volatility and numerous financial institutions have either gone into bankruptcy or have had to be rescued by governmental authorities. Access to public financing has been negatively impacted by both sub-prime mortgages and the liquidity crisis affecting the asset-backed commercial paper market. These factors may impact the ability of Invictus MD to obtain equity or debt financing in the future and, if obtained, on terms favourable to it. If these increased levels of volatility and market turmoil continue, Invictus MD's operations could be adversely impacted and the value and the price of the Invictus MD Shares could continue to be adversely affected.

Regulatory Requirements

Cannabis farming activities may be affected in varying degrees by political stability and government regulations relating to the farming industry and investors therein. There is no assurance that the political and investment climate of will continue to be favourable. Any changes in regulations or shifts in political conditions are beyond the control of Invictus MD and may adversely affect its business. Operations may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, export controls, income taxes, expropriation of property, environmental legislation, and health and safety.

Price Volatility and Lack of Active Market

There is currently no established market for the Amalco Shares and one is unlikely to develop. In addition, Amalco's Securities are also subject to the CTO, and may not be traded in Canada until the CTO is rescinded or partially revoked. Invictus MD has no plans to apply for a full revocation of the CTO and the Amalco Securities will continue to be subject to the CTO.

In recent years, the securities markets in Canada and elsewhere have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced significant fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. It may be anticipated that any quoted market for Amalco's Securities will be subject to such market trends, and that the value of such securities may be affected accordingly.

Currency Fluctuations

Amalco will maintain its accounts in Canadian dollars. Amalco's operations in any foreign country will make it subject to foreign currency fluctuations, and such fluctuations may materially affect its financial position and results. Invictus MD does not plan to engage in currency hedging activities.

Key Executives

Amalco will be dependent on the services of key executives and a small number of highly skilled and experienced consultants and personnel, whose contributions to the immediate future operations of Invictus Sub are likely to be of importance. Successful farming operations depend on a number of factors, not the least of which is the technical skill of the personnel involved. Due to the relatively small size of Amalco, the loss of these persons or Amalco's inability to attract and retain additional highly skilled employees or consultants may adversely affect its business and future operations. Invictus MD does not currently carry any key man life insurance on any of its executives, and none is proposed for the directors or officers of Amalco. The directors and officers of Amalco will only devote part of their time to the affairs of Amalco.

Conflicts of Interest

Certain of the directors and officers of Invictus Sub will be engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies and, as a result of these and other activities, such directors and officers of Invictus Sub may become subject to conflicts of interest. The BCBCA provides that if a director has a material interest in a contract or proposed contract or agreement that is material to the issuer, the director must disclose his interest in such contract or agreement and must refrain from voting on any matter in respect of such contract or agreement, subject to and in accordance with the BCBCA. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the BCBCA. To the knowledge of proposed management of Invictus Sub, as at the date hereof there are no existing or potential material conflicts of interest between Invictus Sub and a proposed director or officer of Invictus Sub except as otherwise disclosed herein.

Dilution

Issuances of additional securities under future financings will result in dilution of the equity interests of persons who are currently shareholders or who become shareholders of Invictus Sub.

Dividends

Invictus MD has no earnings or dividend record and is unlikely to pay any dividends in the foreseeable future as it intends to employ available funds for further business development. Any future determination to pay dividends will be at the discretion of the board of directors of Amalco and will depend on Amalco's financial condition, results of operations, capital requirements and such other factors as the board of directors of Amalco deem relevant.

Nature of the Securities

The purchase of Amalco's securities involves a high degree of risk and should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks. Amalco's securities should not be purchased by persons who cannot afford the possibility of the loss of their entire investment. Furthermore, an investment in Amalco's securities should not constitute a major portion of an investor's portfolio.

History of Net Losses

Invictus MD has not received any revenue to date from commercial production their activities on its properties. Invictus MD incurred losses during their most recently completed financial years. Neither Invictus MD nor Invictus Sub have achieved commercially profitable production from any of their properties. There is no certainty that Amalco will produce revenue, operate profitably or provide a return on investment in the future.

Uninsured Risks

Amalco, as a former participant in farming activities, may become subject to liability for hazards that cannot be insured against or against which it may elect not to be so insured because of high premium costs. Furthermore, Amalco may potentially incur a liability to third parties (in excess of any insurance coverage) arising from negative environmental impacts or any other damage or injury.

BUSINESS OF THE MEETING

Arrangement

Invictus Sub and Invictus MD entered into the Arrangement Agreement providing for the completion of the Arrangement. The Arrangement is subject to certain other conditions set forth in the Arrangement Agreement, a copy of which is available to be viewed on SEDAR at www.sedar.com.

At the Meeting, the Securityholders will be asked to consider and, if deemed advisable, approve the Arrangement Resolution set forth in Schedule "A" hereto to approve the Arrangement.

The Arrangement Resolution must be approved by two-thirds of votes cast at the Meeting. **It is the intention of the persons named in the enclosed proxy, in the absence of instructions to the contrary, to vote the proxy in favour of the Arrangement Resolution.**

INFORMATION CONCERNING INVICTUS MD

The following information reflects the current business, financial and share capital position of Invictus MD. The financial position and share capital information of Amalco following the conclusion of the Arrangement will be the same as Invictus MD, since its financial statements are presented on a consolidated basis with Invictus Subco. The following information should be read in conjunction with the information concerning Invictus MD appearing elsewhere in this Circular and incorporated by reference in this Circular.

Corporate Structure

Invictus MD was incorporated under the BCBCA on September 5, 2006 under the name "Invictus MD Resources Ltd."

Invictus MD is a reporting issuer in the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, and Newfoundland, and the Shares are not listed for trading on any stock exchange or quotation system. Invictus MD's registered address is located at 3200 – 650 West Georgia Street, Vancouver, BC, V6B 4P7, and its head office is located at 3855 – 159A Street, Surrey, BC, V3Y 0Y3.

The authorized capital of Invictus MD consists of an unlimited number of common shares without par value (i.e., the Shares), of which 1,245,831,630 common shares are outstanding.

Invictus MD has one (1) wholly-owned Delaware subsidiary, namely, Invictus Sub.

General Development of the Business

Invictus MD is an investment holding company with investments in cash, marketable securities, private companies, and loans receivable, one of which is secured by a mortgage over real property.

Three Year History

During the last three years, and since the CCAA Proposal, Invictus MD has been an investment holding company.

Invictus MD's main goal includes the management of private and public investments.

CCAA Proposal

During the financial year ended January 31, 2021, Invictus MD completed the CCAA Proposal by issuance of 1,121,248,467 Shares common shares to raise gross proceeds of \$1,350,000, which was used to repay the secured creditor in full, and certain unsecured creditors participating in the CCAA Proposal agreed to accept 75% of their proven claims, without interest; (a) \$300,760 of which became due and payable on January 26, 2022 and is an accrued payable, and (b) the balance of \$4,210,644 to be paid without interest on January 26, 2026.

Narrative Description of the Business

Stated Business Objectives

The principal business carried on and intended to be carried on by Invictus MD is to invest in early stage companies with the purpose of providing a return to its shareholders. The properties in which Invictus MD currently has an interest are cash, marketable securities, private companies, and loans receivable, one of which is secured by a mortgage over real property.

Material Properties

Invictus MD's principal project is managing a public and private investment portfolio. The remaining projects of Invictus MD are not material for purposes of this Circular.

Dividends

Invictus MD has not declared or paid any dividends on the Shares since its incorporation and does not intend to pay any prior to completion of the Arrangement.

Selected Financial Information and Management's Discussion and Analysis

The following table sets out certain selected financial information of Invictus MD which was extracted from annual unaudited consolidated financial statements for the fiscal year ended December 31, 2021, January 31, 2021 and January 31, 2020, and the unaudited quarterly consolidated financial statements ended June 30, 2022 (expressed in Canadian dollars, except for issued and outstanding share figures):

Annual and Most Recent Quarter Data

	6 Months Ended June 30, 2022	Year ended December 31, 2021	Year ended January 31, 2021	Year ended January 31, 2020
Gross Margin	-	-	-	103,105
Total Expenses	(164,149)	(520,066)	(3,824,170)	(17,762,100)
Net Loss	(164,149)	(520,066)	(3,824,170)	(17,658,995)
Total Assets	8,622,139	8,729,538	7,813,185	124,031,528
Total Liabilities	4,568,155	4,511,405	4,554,711	32,060,162
Working Capital (Deficit)	4,264,629	4,428,778	3,469,119	(2,877,178)
Weighted Average Common Shares Issues and Outstanding (end of period)	1,245,831,630	1,245,831,630	1,245,831,630	124,583,163

Management's Discussion and Analysis

MD&A of financial condition and results of operations should be read in conjunction with Invictus MD's annual unaudited financial statements and notes thereto for the years ended December 31, 2021, and January 31, 2021, and 2020, and most recent unaudited quarterly report dated June 30, 2022, and related MD&A for the period ended June 30, 2022 and fiscal year ended January 31, 2021, respectively, all of which are included as Schedule "G" hereto.

Trends and Business Risks

Invictus MD is in the early developmental stage, and has no revenue or income from operations. Invictus MD has limited capital resources, and has to rely upon the sale of equity securities in order to secure the cash required for farming and development purposes, for maintenance of its properties, for acquisitions, and to fund the administration of Invictus MD. Since Invictus MD does not expect to generate any revenues from operations in the near future, it must continue to rely upon the sales of its equity securities or joint venture agreements to raise capital. It follows that there can be no assurance that financing, whether debt or equity, will be available to Invictus MD in the amount required by Invictus MD at any particular time or for any period and that such financing can be obtained on terms satisfactory to Invictus MD.

The continuing operations of Invictus MD are dependent upon its ability to obtain the necessary financing to meet its ongoing commitments and fund its activities. The ability to obtain financing for its business activities is dependent on the cultivation, production and sale of produce from its properties, as well as market conditions beyond the control of Invictus MD. Please see also "*Risk Factors*" below.

Description of the Securities

The authorized share capital of Invictus MD consists of an unlimited number of common shares without par value. As of the date of this Circular, 1,245,831,630 Shares were issued and outstanding as fully paid and non-assessable shares. The holders of the Shares are entitled to receive notice of and to attend and vote at all meetings of the Shareholders, and each Share confers the right to one vote in person or by proxy at all meetings of the Shareholders. The holders of the Shares, subject to the prior rights, if any, of any other class of shares of Invictus MD, are entitled to receive such dividends in any financial year as the Board may by resolution determine. In the event of the liquidation, dissolution or winding-up of Invictus MD, whether voluntary or involuntary, the holders of the Shares are entitled to receive, subject to the prior rights, if any, of the holders of any other class of shares of Invictus MD, the remaining property and assets of Invictus MD.

Consolidated Capitalization

The following table sets forth the consolidated capitalization of Invictus MD as at the Record Date:

Type of Security	Authorized	Outstanding as at dated of this Circular	Outstanding as at June 30, 2022	Outstanding as at December 31, 2021
Shares ⁽¹⁾	Unlimited	1,245,831,630	1,245,831,630	1,245,831,630
Options	10% of issued and outstanding share capital ⁽³⁾	Nil	Nil	Nil
Warrants	Nil	Nil	Nil	Nil

(1) As at the date hereof, Invictus MD had estimated working capital of \$8.7 million.

(2) The number of stock options Invictus MD may grant is limited by the terms of the Option Plan, and is also prohibited by the CTO. See “*Information Concerning Invictus MD – Stock Option Plan*”.

Invictus MD has no loan capital outstanding.

Stock Option Plan

Invictus MD has adopted the Option Plan, as described under at “*Executive Compensation – Description of the Stock Option Plan*” that provides for the granting of incentive options to Directors, officers, employees and consultants of up to 10% of the issued and outstanding Shares as at the date of grant. The purpose of the stock option plan is to attract, retain and motivate those persons and to closely align their personal interest with that of Invictus MD and its Shareholders.

Outstanding Options

There are no outstanding stock options to purchase common shares of Invictus MD.

Prior Sales

During the twelve month period preceding this Circular, Invictus MD has not issued any securities.

Stock Exchange Price

The Shares are not currently listed or posted for trading on any recognized stock exchange or quotation system, and there is no established trading market in Canada. The Shares are subject to the CTO in Canada. The following table shows the high, low and closing prices and average trading volume of the Invictus MD Shares on the Over-the-Counter Market in the US (OTCQX) on a monthly basis for each of the twelve months preceding this Circular, until all trading stopped.

Month	High	Low	Close	Monthly Volume
November 2022 ⁽¹⁾	0.0001	\$0.0000	\$0.0000	0
October 2022	0.0001	\$0.0000	\$0.0000	0
September 2022	0.0001	\$0.0000	\$0.0000	0
August 2022	0.0001	\$0.0000	\$0.0000	0
July 2022	0.0001	\$0.0000	\$0.0000	0
June 2022	0.0001	\$0.0000	\$0.0000	0
May 2022	0.0001	\$0.0000	\$0.0000	0
April 2022	0.0001	0.0000	0.0000	5,346
March 2022	0.0001	0.0000	0.0000	32,030
February 2022	0.0001	0.0001	0.0001	90,056
January 2022	0.0010	0.0001	0.0001	61,501
December 2021	0.0010	0.0001	0.0001	468,132

(1) Up to the date of this Circular; and trading shown occurred on the over-the-counter market in the United States of America.

Escrowed Securities

Invictus MD has no securities held in escrow.

Principal Shareholders

To the knowledge of the Directors and executive officers of Invictus MD, no person beneficially owns, directly or indirectly, or exercises control or direction over shares carrying more than 10% of the voting rights attached to all outstanding Shares, as of the date hereof.

Directors and Officers

The following table sets out the names of Directors and officers, the positions and offices which they presently hold with Invictus MD, their respective principal occupations within the five preceding years and the number of shares of Invictus MD which each beneficially owns, directly or indirectly, or over which control or direction is exercised as of the Record Date:

Name, Jurisdiction of Residence⁽¹⁾	Position	Principal Occupation during the past 5 years	Period as Director and/or Officer	Number of Common Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly⁽²⁾
Trevor Dixon Alberta	Director of Invictus MD	Director of Invictus MD	Since February 14, 2021	116,078,864
Greg Macdonald British Columbia	Director of Invictus MD	Self-employed technician	Since January 26, 2021	Nil

- (1) The information as to principal occupation, business or employment and Shares beneficially owned or controlled is not within the knowledge of the management of Invictus MD and has been furnished by the respective nominees. Each nominee has held the same or similar principal occupation with the organization indicated or a predecessor thereof for the last five years.
- (2) The approximate number of Shares carrying the right to vote in all circumstances beneficially owned directly or indirectly, or over which control or direction is exercised by each proposed nominee as at the date hereof is based on information furnished by the transfer agent of Invictus MD and by the nominees themselves.

Corporate Cease Trade Orders or Bankruptcies

To the knowledge of Invictus MD, other than Trevor Dixon and Greg Macdonald who are the directors of Invictus MD which is subject to the CTO, and Greg Macdonald who was a director of Invictus MD at the time of its CCAA Proposal, neither Director is, as at the date of this Circular, or has been, within 10 years before the date of this Circular, a Director, Chief Executive Officer (“CEO”) or Chief Financial Officer (“CFO”) of any other company (excluding Invictus MD) that:

- (a) was the subject, while the proposed Director was acting in the capacity as Director, CEO or CFO of such company, of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days;
- (b) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the proposed Director ceased to be a Director, CEO or CFO but which resulted from an event that occurred while the proposed Director was acting in the capacity as Director, CEO or CFO of such company; or

- (c) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Personal Bankruptcies

To the knowledge of management of Invictus MD, there has been no Director or officer, or any Shareholder holding a sufficient number of securities of Invictus MD to affect materially the control of Invictus MD, or a personal holding company of any such person that has, within the 10 years before the Record Date, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the Director or officer.

Penalties or Sanctions

To the knowledge of management of Invictus MD, no Director or officer, or any Shareholder holding a sufficient number of securities of Invictus MD to affect materially the control of Invictus MD, has been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority; or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

There are potential conflicts of interest to which the Directors and officers of Invictus MD will be subject in connection with the operations of Invictus MD. In particular, certain of the Directors and officers of Invictus MD are involved in managerial or Director positions with other companies whose operations may, from time to time, be in direct competition with those of Invictus MD or with entities which may, from time to time, provide financing to, or make equity investments in, competitors of Invictus MD. Conflicts, if any, will be subject to the procedures and remedies available under the BCBCA. The BCBCA provides that if a Director has a material interest in a contract or proposed contract or agreement that is material to Invictus MD, the Director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement, subject to and in accordance with, the BCBCA.

Indebtedness of Directors, Executive Officers and Senior Officers

No person who is or at any time since the commencement of Invictus MD's last completed financial year was a Director, executive officer or senior officer of Invictus MD, and no associate of any of the foregoing persons has been indebted to Invictus MD at any time since the commencement of Invictus MD's last completed financial year. No guarantee, support agreement, letter of credit or other similar arrangement or understanding has been provided by Invictus MD at any time since the beginning of the most recently completed financial year with respect to any indebtedness of any such person.

Interest of Management and Others in Material Transaction

Other than as disclosed herein or in Invictus MD's MD&A for the year ended January 31, 2021, and the last fiscal quarter ended June 30, 2022, the Directors, executive officers and principal shareholders of Invictus MD or any associate or affiliate of the foregoing have had no material interest, direct or indirect, in any transactions in which Invictus MD has participated within the three year period prior to the Record Date, which has materially affected or will materially affect Invictus MD.

Description of Stock Option Plan

The Board of Directors of Invictus MD (the "Board") has established an incentive stock option plan (the "Option Plan"). The purpose of the Option Plan is to attract and motivate the directors, officers and employees of Invictus MD

(and any of its subsidiaries), employees of any management company and consultants to Invictus MD (collectively the “Optionees”) and thereby advance Invictus MD’s interests by providing them an opportunity to acquire an equity interest in Invictus MD through the exercise of stock options granted to them under the Option Plan.

Pursuant to the Option Plan, and subject to obtaining a partial revocation order to permit any grants, the Board may grant options to Optionees in consideration of them providing their services to Invictus MD or a subsidiary. The number of shares subject to each option is determined by the Board within the guidelines established by the Option Plan. The options enable the Optionees to purchase shares of Invictus MD at a price fixed pursuant to such guidelines. The options are exercisable by the Optionee giving Invictus MD notice and payment of the exercise price for the number of shares to be acquired.

Assuming a partial revocation order permits, the Plan authorizes the Board to grant stock options to the Optionees on the following terms:

1. The number of shares subject to issuance pursuant to outstanding options, in the aggregate, cannot exceed 10% of Invictus MD’s issued shares.
2. Assuming a partial revocation order permits, the number of shares subject to issuance upon the exercise of options granted under the Option Plan by one Optionee or all Optionees providing investor relations services is subject to the following limitations:
 - (a) no Optionee can be granted options during a 12 month period to purchase more than
 - (i) 5% of the issued shares of Invictus MD unless disinterested shareholder approval has been obtained (such approval has not been sought), or
 - (ii) 2% of the issued shares of Invictus MD, if the Optionee is a consultant, and
 - (b) the aggregate number of shares subject to options held by all Optionees providing investor relations services cannot exceed 2% in the aggregate.
3. Unless the Option Plan has been approved by disinterested shareholders (such approval has not been obtained), options granted under the Option Plan, together with all of Invictus MD’s previously established and outstanding stock options, stock option plans, employee stock purchase plans or any other compensation or incentive mechanisms involving the issuance or potential issuance of its shares, shall not result, at any time, in:
 - (a) the number of shares reserved for issuance pursuant to stock options granted to insiders exceeding 10% of the shares outstanding at the time of granting,
 - (b) the grant to insiders as a group, within an one-year period, of options to purchase that number of shares exceeding 10% of the outstanding shares, or
 - (c) the issuance to any one insider and such insider’s associates, within an one-year period, of shares totaling in excess of 5% of the outstanding shares.
4. Assuming a partial revocation order permits, the exercise price of the options cannot be set at less than the closing trading price of Invictus MD’s shares on the day before the granting of the stock options.
5. Assuming a partial revocation order permits, the options may be exercisable for up to five years.
6. There are no vesting requirements unless the Optionee is a consultant providing investor relations services to Invictus MD, in which case the options must vest over at least 12 months with no more than one-quarter vesting in any three month period. However, the Board may impose additional vesting requirements and, subject to obtaining any required approval from the Exchange, may authorize all unvested options to vest immediately. If there is a ‘change of control’ of Invictus MD (due to a take-over bid being made for Invictus MD or similar events), all unvested options, subject to obtaining any required approval from the Exchange, shall vest immediately.

7. Assuming a partial revocation order permits, the options can only be exercised by the Optionee (to the extent they have already vested) for so long as the Optionee is a director, officer or employee of, or consultant to, Invictus MD or any subsidiary or is an employee of Invictus MD's management corporation and within a period thereafter not exceeding the earlier of:

- (a) the original expiry date;
- (b) 90 days after ceasing to be a director, officer or employee of, or consultant to, Invictus MD due to early retirement, to termination by Invictus MD other than for cause, or to voluntary resignation; and
- (c) if the Optionee dies or becomes disable, within one year from the Optionee's death or disability.

If the Optionee is terminated 'for cause' the options will terminate concurrently.

8. The options are not assignable except to a wholly-owned holding company.
9. Disinterested shareholder approval must be obtained prior to the reduction of the exercise price of options granted to insiders of Invictus MD.

Any amendments to the Option Plan or outstanding stock options are subject to the approval of the Exchange and, if required by the Exchange, of the shareholders of Invictus MD, possibly with only 'disinterested shareholders' being entitled to vote. The amendment to an outstanding stock option will also require the consent of the Optionee.

No options have been granted under the Option Plan which are subject to shareholder approval. The Plan does not permit stock options to be transformed into stock appreciation rights.

Invictus MD has no plans to issue any stock options.

Management Contracts

No management functions of Invictus MD are performed to any substantial degree by a person or persons other than the Directors or executive officers of Invictus MD.

Securities Authorized for Issuance Under Equity Compensation Plans

The only equity compensation plan which Invictus MD has in place is the Option Plan. The Option Plan has been established to attract and retain employees, consultants, officers or Directors to Invictus MD and to motivate them to advance the interests of Invictus MD by affording them with the opportunity to acquire an equity interest in Invictus MD. The Option Plan is administered by the Directors of Invictus MD. The Option Plan provides that the number of Shares issuable under the Option Plan, together with all of Invictus MD's other previously established or proposed share compensation arrangements may not exceed 10% of the total number of issued and outstanding Shares.

The following table sets forth Invictus MD's compensation plans under which equity securities are authorized for issuance as at the end of the most recently completed financial year.

Equity Compensation Plan Information

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights (\$)	Number of shares remaining available for issuance under equity compensation plans⁽¹⁾
Equity compensation plans approved by shareholders	Nil	N/A	124,583,163

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights (\$)	Number of shares remaining available for issuance under equity compensation plans ⁽¹⁾
Equity compensation plans not approved by shareholders	N/A	N/A	N/A
Total	Nil		124,583,163

(1) Due to the outstanding CTO, no stock options may be granted in the absence of a partial revocation order permitting the grants.

Promoters

Other than its Directors and officers, there is no person who is or who has been within the two years immediately preceding the Record Date, a ‘promoter’ of Invictus MD as defined under applicable Canadian securities laws.

Legal Proceedings

Invictus MD is not a party to any legal proceedings currently material to it or of which any of Invictus MD’s properties is the subject matter, and no such proceedings are known by Invictus MD to be contemplated.

Auditor, Transfer Agent and Registrar

Invictus MD does not currently have an auditor.

The registrar and transfer agent of the Invictus MD Shares is Computershare Investor Services Inc., 3rd Floor, 510 Burrard Street, Vancouver, British Columbia, V6C 3B9.

Material Contracts

Except for contracts entered into in the ordinary course of business, the only contracts entered into by Invictus MD or Invictus Sub in the two years immediately prior to the date hereof that can reasonably be regarded as presently material to Invictus MD or Invictus Sub is the Arrangement Agreement. See “*Information Concerning the Arrangement.*”

The contract specified above may be inspected at 3200 – 650 West Georgia Street, Vancouver, British Columbia, V6B 4P7, during normal business hours up to the date of the Meeting.

INFORMATION CONCERNING INVICTUS SUB

The following information reflects the current business, financial and share capital position of Invictus Sub. The following information should be read in conjunction with the information concerning Invictus Sub appearing elsewhere in this Circular and incorporated by reference in this Circular.

Corporate Structure

Invictus Sub was incorporated in the State of Delaware under the name “Gene-Etics Strains Co.”. It is proposed under the Arrangement to continue Invictus Sub under the laws of British Columbia, so that it can be amalgamated with Invictus MD.

Invictus Sub is a non-reporting issuer in the United States. Invictus Sub’s registered and records offices address is located at National Registered Agents, Inc., of 160 Greentree Drive, Suite 101, Dover, DE 19904, County of Kent, USA, and its head office is located at 3855 – 159A Street, Surrey, BC, V3Y 0Y3.

The authorized capital of Invictus Sub consists of 200 common shares without par value (i.e., the Invictus Sub Shares) all of which are held by Invictus MD.

Invictus Sub has no subsidiaries.

General Development of the Business

Invictus Sub has no active business operations and no assets, and owes the sum of US\$2,985,059 to Invictus MD for advances.

Directors and Officers

The only director of Invictus Sub is Trevor Dixon. Invictus Subco has no officers.

Dividends

Invictus Sub has not declared or paid any dividends on the Invictus Sub Shares since its incorporation.

GENERAL INFORMATION

Experts

Evans & Evans, Inc. was retained by Invictus MD to provide the Fairness Opinion with respect to the Arrangement. The Fairness Opinion is referenced at “*The Arrangement – Fairness Opinion*”.

Harper Grey LLP was retained by Invictus MD to provide the disclosure contained under “*Canadian Federal Income Tax Considerations*”.

Lewis Bribois LLP was retained by Invictus MD to provide the disclosure contained under “*United States Income Tax Considerations*”.

MNP LLP were the auditors for Invictus MD and prepared the auditors’ report for the audited annual financial statements of Invictus MD for the years ended January 31, 2019 and 2018, but are not expected to be appointed the auditors of Amalco. The former auditors were independent in accordance with the Rules of Professional Conduct of the Institute of Chartered Professional Accountants of British Columbia.

Except as described above, to the knowledge of Invictus MD, none of the above-described experts holds securities of Invictus MD or will hold securities of Amalco following the Arrangement, representing more than 1% of the issued and outstanding common shares of such entity on a partially diluted basis, and none of the above-described experts or their respective associates or affiliates has received or will receive any direct or indirect interests in the property of Invictus MD or Amalco or is expected to be elected, appointed or employed as a director, officer or employee of Amalco.

Other Material Facts

Securityholders of Amalco Shares must complete an acknowledgment confirming that the securities of Amalco acquired by the shareholder under the Arrangement will remain subject to the failure-to-file CTO.

To management of Invictus MD’s knowledge, there are no other material facts relating to the Arrangement that are not otherwise disclosed in this Circular or are necessary for the Circular to contain full, true and plain disclosure of all material facts relating to the Arrangement.

Additional Information – Invictus MD

Additional historical information relating to Invictus MD is on SEDAR at www.sedar.com. Securityholders may contact Invictus MD at its head office at 3855 – 159A Street, Surrey, BC, V3Y 0Y3, to request copies of Invictus MD's financial statements and MD&As, or a copy of this Circular.

Other Business

As of the date of this Circular, the Board does not know of any other matters to be brought to the Meeting, other than those set forth in the Notice of Meeting. If other matters are properly brought before the Meeting, the persons named in the enclosed proxy will vote the proxy on such matters in accordance with their best judgment.

Board Approval

The contents and sending of this Circular have been approved by the Board.

SCHEDULE “A”

ARRANGEMENT RESOLUTION

BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. The Arrangement under Part 9, Division 5 of the *Business Corporations Act* (British Columbia) (the “Arrangement”) substantially as set forth in the Plan of Arrangement attached as Schedule A to the Arrangement Agreement between Invictus MD Strategies Corp. (“Invictus MD”) and Gene-Etic Strains Co. (“Invictus Sub”) dated as of October 18, 2022 (the “Arrangement Agreement”) and as described in the Information Circular of Invictus MD dated November 1, 2022 is hereby approved and authorized and the Board of Directors of Invictus MD (“Board”) be and is hereby authorized to amend or revise the Arrangement in its discretion to the extent permitted by the Arrangement Agreement without further approval of the Shareholders of Invictus MD;
2. The Arrangement Agreement between Invictus MD and Invictus Sub is hereby confirmed, ratified and approved and the Board be and is hereby authorized to amend or revise the Arrangement Agreement in its discretion to the extent permitted therein without further approval of the Shareholders of Invictus MD;
3. Notwithstanding that the Arrangement has received the approval of the Supreme Court of British Columbia and the Shareholders of Invictus MD, the Board may, subject to the terms of the Arrangement, amend or decide not to proceed with the Arrangement or revoke this resolution at any time prior to the filing of documents giving effect to the Arrangement without further notice to or approval of Shareholders of Invictus MD; and
4. Any one director or officer of Invictus MD is hereby authorized to do all such acts and things and execute and file all other documents and instruments necessary or desirable to carry out this resolution including the filing of all documents with regulatory authorities, and the Supreme Court of British Columbia.

SCHEDULE "B"

Plan of Arrangement

ARTICLE ONE Interpretation

Definitions

1.01 In this Plan of Arrangement, unless something in the subject matter or context is inconsistent therewith:

- (a) **"Agreement"** means the Arrangement Agreement dated as of October 18, 2022, made among Invictus MD and Invictus Sub including the schedules thereto as the same may be supplemented or amended from time to time;
- (b) **"Amalco"** means the merged company continuing after the Amalgamation;
- (c) **"Amalco Shares"** means the common shares in the capital of Amalco;
- (d) **"Amalgamation Application"** means the Form 13 Amalgamation Application attached hereto as Appendix "II", which is required to be filed with the Registrar along with the Final Order and the Plan of Arrangement in order to effect the Amalgamation under the BCBCA;
- (e) **"Amalgamation"** means the amalgamation of the Invictus MD and Invictus Sub;
- (f) **"Arrangement"** means an arrangement under the provisions of under Part 9, Division 5 of the BCBCA, on the terms and conditions set forth in this Plan of Arrangement;
- (g) **"BCBCA"** means the *Business Corporations Act* (British Columbia), as may be amended from time to time, including the regulations promulgated thereunder;
- (h) **"business day"** means a day that is not a civic or statutory holiday in Vancouver, British Columbia;
- (i) **"Certificate of Amalgamation"** means the certificate giving effect to the Amalgamation issued under the BCBCA;
- (j) **"Court"** means the Supreme Court of British Columbia;
- (k) **"CTO"** means the cease trade order issued by the British Columbia and Ontario Securities Commissions on February 4, 2021, prohibiting the trading of any securities of Invictus MD;
- (l) **"Dissenting Shareholder"** means a registered holder of Invictus MD Shares who dissents in respect of the Arrangement in strict compliance with the Dissent Rights, and who is ultimately entitled to be paid fair value for their Invictus MD Shares;
- (m) **"Dissent Right"** has the meaning ascribed thereto in Section 4.01;
- (n) **"Effective Date"** means the effective date set forth in the Certificate of Amalgamation as specified in the Amalgamation Application;
- (o) **"Effective Time"** means the effective time of the Arrangement appearing on the Certificate of Amalgamation;
- (p) **"Exchange Ratio"** means one (1) Invictus MD Share to 0.005 of an Amalco Share;

- (q) **"Final Order"** means the final order of the Court approving the Arrangement;
- (r) **"Holder"** means a registered holder of Invictus MD Shares;
- (s) **"Interim Order"** means the order of the Court pursuant to the application therefore contemplated by Section 2.3 of the Agreement;
- (t) **"Invictus MD"** means Invictus MD Strategies Corp., a company existing under the laws of the Province of British Columbia;
- (u) **"Invictus MD Meeting"** means the special meeting of holders of Invictus MD Shares to be held to consider and, if thought fit, to approve the Arrangement, among other things;
- (v) **"Invictus MD Shares"** or **"Shares"** means the common shares without par value in the capital of Invictus MD;
- (w) **"Invictus Sub"** means Gene-Etics Strains Co., a company incorporated under the laws of the State of Delaware;
- (x) **"Invictus Sub Shares"** means the common shares without par value in the capital of Invictus Sub;
- (y) **"Person"** shall be broadly interpreted and includes any natural person, partnership, limited partnership, joint venture, syndicate, sole proprietorship, body corporate with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative;
- (z) **"Plan of Arrangement"** means this plan of arrangement and any amendment or variation thereto made in accordance with Article Six hereof;
- (aa) **"Registrar"** means the Registrar of Companies under the BCBCA; and
- (bb) **"Tax Act"** means the *Income Tax Act* (Canada), and the regulations promulgated thereunder, as now in effect and as it may be amended from time to time prior to the Effective Date.

Headings

1.02 The division of this Plan of Arrangement into Articles, Sections and Subsections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Plan of Arrangement. The terms "this Plan of Arrangement", "hereof" and "hereunder" and similar expressions refer to this Plan of Arrangement and not to any particular Article, Section or Subsection hereof and include any agreement or instrument supplemental therewith, references herein to Articles, Sections and Subsections are to Articles, Sections and Subsections of this Plan of Arrangement.

Number

1.03 In this Plan of Arrangement, unless something in the context is inconsistent therewith, words importing the singular number only shall include the plural and vice versa, words importing the masculine gender shall include the feminine and neuter genders and vice versa, words importing persons shall include individuals, partnerships, associations, trusts, unincorporated organizations and corporations and vice versa and words importing shareholders shall include members.

ARTICLE TWO Arrangement Agreement

Arrangement Agreement

2.01 This Plan of Arrangement is made pursuant and subject to the provisions of the Agreement.

ARTICLE THREE The Arrangement

Plan of Arrangement

3.01 This Plan of Arrangement will become effective at, and be binding at and after, the Effective Time on (i) Invictus MD, (ii) Invictus Sub, and (iii) all registered and beneficial holders of Invictus MD Shares.

3.02 Commencing at the Effective Time, the following events or transactions shall occur sequentially in the order set out unless otherwise noted and shall be deemed to occur without any further act or formality required on the part of any Person, except as expressly provided herein:

- (a) each Invictus MD Share held by a Dissenting Shareholder will be deemed to be transferred by the holder thereof, without any further act or formality on its part, free and clear of all liens, claims and encumbrances, to Invictus MD in consideration for a debt claim against Invictus MD in an amount determined and payable in accordance with Article Four hereof, and the name of such holder will be removed from the register of holders of Invictus MD Shares and the Invictus MD Shares cancelled;
- (b) Invictus Sub will continue from the State of Delaware under the laws of the Province of British Columbia;
- (c) Invictus MD and Invictus Sub will merge to form one corporate entity with the same effect as if they had amalgamated under the provisions of Section 288 to Section 299 of the BCBCA, except that the separate legal existence of Invictus MD will not cease and Invictus MD will survive the merger as Amalco;
- (d) without limiting the generality of Subsection 3.02(c), the separate legal existence of Invictus Sub will cease without Invictus Sub being liquidated or wound-up; Invictus MD and Invictus Sub will continue as one company; and the property and liabilities of Invictus Sub will become the property and liabilities of Amalco;
- (e) from and after the Effective Date, at the time of, and because of, the merger described in Subsection 3.02(c):
 - (i) all of the property of Invictus MD and all of the property of Invictus Sub will become the property of Amalco, and, without limiting the provisions hereof, all rights of creditors or others will be unimpaired by such merger, and all obligations of Invictus MD and Invictus Sub, whether arising by contract or otherwise, may be enforced against Amalco, to the same extent as if such obligations had been incurred or contracted by it;
 - (ii) Amalco will continue to be liable for the obligations of Invictus MD and Invictus Sub;

- (iii) all rights, contracts, permits and interests of Invictus MD and Invictus Sub will continue as rights, contracts, permits and interests of Amalco as if Invictus MD and Invictus Sub continued and, for greater certainty, the merger will not constitute a transfer or assignment of the rights or obligations of either of Invictus MD or Invictus Sub under any such rights, contracts, permits and interests;
- (iv) any existing cause of action, claim or liability to prosecution will be unaffected and a legal proceeding being prosecuted or pending by or against either Invictus MD or Invictus Sub may be continued by or against Amalco;
- (v) a conviction against, or ruling, order or judgment in favour of or against either Invictus MD or Invictus Sub may be enforced by or against Amalco;
- (vi) each Invictus Sub Share will be cancelled;
- (vii) every Invictus MD Share held by a Holder (other than an Invictus MD Share held by a Dissenting Shareholder) will be exchanged for 0.005 of an Amalco Share;
- (viii) holders of Amalco Shares then holding a "small lot" (being less than 1,250 Amalco Shares) will receive a cash payment equal to their fair value, estimated at \$1.60 per Amalco Share;
- (ix) the stated capital of the common shares of Amalco, will be equal to the stated capital of the common shares of Amalco, will be an amount equal to the aggregate of the "paid up capital", as that term is defined in the Tax Act, of the Invictus Sub Shares and the Invictus MD Shares immediately prior to the merger;
- (x) the name of Amalco, will be "Invictus MD Strategies Corp.";
- (xi) the address of the registered and records office of Amalco, will be 3200 – 650 West Georgia Street, Vancouver, British Columbia V6B 4P7;
- (xii) Amalco, will be authorized to issue an unlimited number of common shares without par value;
- (xiii) there will be no restrictions on the transfer of common shares of Amalco (other than as provided for under the CTO until it is rescinded);
- (xiv) the number of directors of Amalco, will be a minimum of one and a maximum of ten;
- (xv) the first directors of Amalco, following the merger will be Trevor Dixon and Greg Macdonald;
- (xvi) there will be no restrictions on the business of Amalco;
- (xvii) the Articles of Amalco, will be substantially in the form attached as Appendix I to this Plan of Arrangement; and
- (xviii) the Amalgamation Application will be substantially in the form attached as Appendix II to this Plan of Arrangement;

provided that none of the foregoing will occur or be deemed to occur unless all of the foregoing occurs.

3.03 After the Effective Date, and upon request, Invictus MD shall deliver or arrange to be delivered to the former shareholders of Invictus MD, certificates representing the requisite Amalco Shares required to be issued in accordance with the provisions of Subsection 3.02(e) hereof, which certificates shall be held by Amalco as agent and nominee for former shareholders of Invictus MD for distribution to such former shareholders in accordance with the provisions of Article Five hereof.

3.04 Any transfer of any securities pursuant to the Arrangement shall be free and clear of any hypothecs, liens, claims, encumbrances, charges, adverse interests or security interests.

3.05 No fractional Amalco Shares will be issued to the former shareholders of Invictus MD. The number of Amalco Shares to be issued to former shareholders of Invictus MD will be rounded up to the nearest whole Amalco Share in the event that a former shareholder of Invictus MD is entitled to a fractional share representing 0.5 or more of an Amalco Share and shall be rounded down to the nearest whole Amalco Share in the event that a former shareholder of Invictus MD is entitled to a fractional share representing less than 0.5 of an Amalco Share.

ARTICLE FOUR

Rights of Dissent

Rights of Dissent

4.01 The holders of Invictus MD Shares may exercise rights of dissent ("**Dissent Rights**") conferred by the Interim Order in the manner set forth in Part 8, Division 2 of the BCBCA as modified by the Interim Order, the Final Order and this Plan of Arrangement, provided that the notice of dissent is received by 4:30 p.m. (Vancouver time) on the date which is two business days prior to the date of the Invictus MD Meeting or any adjournment thereof. Without limiting the generality of the foregoing, holders who duly exercise such Dissent Rights and who are:

- (a) ultimately determined to be entitled to be paid fair value for their Invictus MD Shares which fair value, notwithstanding anything to the contrary contained in Part 8, Division 2 of the BCBCA, will be determined as of the close of business on the day before the Effective Date, will be deemed to have transferred such Invictus MD Shares, as of the Effective Time, without any further act or formality, to Invictus MD in consideration for a debt claim against Invictus MD to be paid the fair value of the Invictus MD Shares under the Dissent Rights and will not be entitled to any other payment or consideration, including any payment that would be payable under the Arrangement had such Holders not exercised their Dissent Rights; or
- (b) ultimately are not entitled to be paid their fair value for any reason for their Invictus MD Shares shall be deemed to have participated in the Arrangement on the same basis as non-dissenting holders of Invictus MD Shares and shall receive Amalco Shares on the basis determined in accordance with Subsection 3.02(e) of this Plan of Arrangement.

ARTICLE FIVE

Certificates and Documentation

Entitlement

5.01 As soon as practicable after the Effective Date, Invictus MD, in accordance with the terms of this Arrangement, shall forward a letter to each holder of Invictus MD Shares to which Subsection 3.02(e)

applies who are entitled to receive Amalco Shares confirming the number of Amalco Shares held as recorded in the central securities register of Amalco, or a cash payment for their “small lot” Amalco Shares, at the address of each shareholder as it appeared in the register of Invictus MD. The former shareholders of Invictus MD are not required to deliver the certificates representing their Invictus MD Shares, which will be deemed automatically exchanged for Amalco Shares hereunder and cancelled for all purposes. No physical certificates representing Amalco Shares will be delivered unless specifically requested.

Withholding Rights

5.02 The Merged Company, Invictus Sub, Invictus MD and Amalco shall be entitled to deduct and withhold from the consideration payable to any shareholder under this Arrangement such amounts as the Merged Company, Invictus Sub, or Invictus MD or Amalco is required, entitled or permitted to deduct and withhold with respect to such payment under the Tax Act, the United States Internal Revenue Code of 1986 or any provision of any applicable federal, provincial, state, local or foreign tax law, in each case, as amended. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes hereof as having been paid to the shareholder in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate taxing authority.

ARTICLE SIX Amendment

Plan of Arrangement Amendment

6.01 The parties reserve the right to amend, modify and/or supplement this Plan of Arrangement at any time and from time to time, provided that any such amendment, modification or supplement must be contained in a written document which is filed with the Court and, if made following the Invictus MD Meeting, approved by the Court and communicated to the shareholders of Invictus MD in the manner required by the Court (if applicable).

6.02 Any amendment, modification or supplement to this Plan of Arrangement, if agreed to by all of the parties may be made at any time prior to or at the Invictus MD Meeting with or without any other prior notice or communication and, if so proposed and accepted by the persons voting at the Invictus MD Meeting shall become part of this Plan of Arrangement for all purposes.

6.03 Any amendment, modification or supplement to this Plan of Arrangement that is approved or directed by the Court following the Invictus MD Meeting shall be effective only if it is consented to by each of the parties.

SCHEDULE “C”

SECTIONS 237- 247 OF THE BCBCA

Division 2 — Dissent Proceedings

Definitions and application

237 (1) In this Division:

“dissenter” means a shareholder who, being entitled to do so, sends written notice of dissent when and as required by section 242;

“notice shares” means, in relation to a notice of dissent, the shares in respect of which dissent is being exercised under the notice of dissent;

“payout value” means,

- (a) in the case of a dissent in respect of a resolution, the fair value that the notice shares had immediately before the passing of the resolution,
- (b) in the case of a dissent in respect of an arrangement approved by a court order made under section 291 (2) (c) that permits dissent, the fair value that the notice shares had immediately before the passing of the resolution adopting the arrangement, or
- (c) in the case of a dissent in respect of a matter approved or authorized by any other court order that permits dissent, the fair value that the notice shares had at the time specified by the court order,

excluding any appreciation or depreciation in anticipation of the corporate action approved or authorized by the resolution or court order unless exclusion would be inequitable.

(2) This Division applies to any right of dissent exercisable by a shareholder except to the extent that

- (a) the court orders otherwise, or
- (b) in the case of a right of dissent authorized by a resolution referred to in section 238 (1) (g), the court orders otherwise or the resolution provides otherwise.

Right to dissent

238 (1) A shareholder of a company, whether or not the shareholder's shares carry the right to vote, is entitled to dissent as follows:

- (a) under section 260, in respect of a resolution to alter the articles to alter restrictions on the powers of the company or on the business it is permitted to carry on;
- (b) under section 272, in respect of a resolution to adopt an amalgamation agreement;
- (c) under section 287, in respect of a resolution to approve an amalgamation under Division 4 of Part 9;
- (d) in respect of a resolution to approve an arrangement, the terms of which arrangement permit dissent;
- (e) under section 301 (5), in respect of a resolution to authorize or ratify the sale, lease or other disposition of all or substantially all of the company's undertaking;
- (f) under section 309, in respect of a resolution to authorize the continuation of the company into a jurisdiction other than British Columbia;
- (g) in respect of any other resolution, if dissent is authorized by the resolution;
- (h) in respect of any court order that permits dissent.

(2) A shareholder wishing to dissent must

- (a) prepare a separate notice of dissent under section 242 for

- (i) the shareholder, if the shareholder is dissenting on the shareholder's own behalf, and
 - (ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is dissenting,
 - (b) identify in each notice of dissent, in accordance with section 242 (4), the person on whose behalf dissent is being exercised in that notice of dissent, and
 - (c) dissent with respect to all of the shares, registered in the shareholder's name, of which the person identified under paragraph (b) of this subsection is the beneficial owner.
- (3) Without limiting subsection (2), a person who wishes to have dissent exercised with respect to shares of which the person is the beneficial owner must
- (a) dissent with respect to all of the shares, if any, of which the person is both the registered owner and the beneficial owner, and
 - (b) cause each shareholder who is a registered owner of any other shares of which the person is the beneficial owner to dissent with respect to all of those shares.

Waiver of right to dissent

- 239** (1) A shareholder may not waive generally a right to dissent but may, in writing, waive the right to dissent with respect to a particular corporate action.
- (2) A shareholder wishing to waive a right of dissent with respect to a particular corporate action must
- (a) provide to the company a separate waiver for
 - (i) the shareholder, if the shareholder is providing a waiver on the shareholder's own behalf, and
 - (ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is providing a waiver, and
 - (b) identify in each waiver the person on whose behalf the waiver is made.
- (3) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on the shareholder's own behalf, the shareholder's right to dissent with respect to the particular corporate action terminates in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and this Division ceases to apply to
- (a) the shareholder in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and
 - (b) any other shareholders, who are registered owners of shares beneficially owned by the first mentioned shareholder, in respect of the shares that are beneficially owned by the first mentioned shareholder.
- (4) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on behalf of a specified person who beneficially owns shares registered in the name of the shareholder, the right of shareholders who are registered owners of shares beneficially owned by that specified person to dissent on behalf of that specified person with respect to the particular corporate action terminates and this Division ceases to apply to those shareholders in respect of the shares that are beneficially owned by that specified person.

Notice of resolution

- 240** (1) If a resolution in respect of which a shareholder is entitled to dissent is to be considered at a meeting of shareholders, the company must, at least the prescribed number of days before the date of the proposed meeting, send to each of its shareholders, whether or not their shares carry the right to vote,
- (a) a copy of the proposed resolution, and
 - (b) a notice of the meeting that specifies the date of the meeting, and contains a statement advising of the right to send a notice of dissent.

- (2) If a resolution in respect of which a shareholder is entitled to dissent is to be passed as a consent resolution of shareholders or as a resolution of directors and the earliest date on which that resolution can be passed is specified in the resolution or in the statement referred to in paragraph (b), the company may, at least 21 days before that specified date, send to each of its shareholders, whether or not their shares carry the right to vote,
- (a) a copy of the proposed resolution, and
 - (b) a statement advising of the right to send a notice of dissent.
- (3) If a resolution in respect of which a shareholder is entitled to dissent was or is to be passed as a resolution of shareholders without the company complying with subsection (1) or (2), or was or is to be passed as a directors' resolution without the company complying with subsection (2), the company must, before or within 14 days after the passing of the resolution, send to each of its shareholders who has not, on behalf of every person who beneficially owns shares registered in the name of the shareholder, consented to the resolution or voted in favour of the resolution, whether or not their shares carry the right to vote,
- (a) a copy of the resolution,
 - (b) a statement advising of the right to send a notice of dissent, and
 - (c) if the resolution has passed, notification of that fact and the date on which it was passed.
- (4) Nothing in subsection (1), (2) or (3) gives a shareholder a right to vote in a meeting at which, or on a resolution on which, the shareholder would not otherwise be entitled to vote.

Notice of court orders

- 241** If a court order provides for a right of dissent, the company must, not later than 14 days after the date on which the company receives a copy of the entered order, send to each shareholder who is entitled to exercise that right of dissent
- (a) a copy of the entered order, and
 - (b) a statement advising of the right to send a notice of dissent.

Notice of dissent

- 242** (1) A shareholder intending to dissent in respect of a resolution referred to in section 238 (1) (a), (b), (c), (d), (e) or (f) must,
- (a) if the company has complied with section 240 (1) or (2), send written notice of dissent to the company at least 2 days before the date on which the resolution is to be passed or can be passed, as the case may be,
 - (b) if the company has complied with section 240 (3), send written notice of dissent to the company not more than 14 days after receiving the records referred to in that section, or
 - (c) if the company has not complied with section 240 (1), (2) or (3), send written notice of dissent to the company not more than 14 days after the later of
 - (i) the date on which the shareholder learns that the resolution was passed, and
 - (ii) the date on which the shareholder learns that the shareholder is entitled to dissent.
- (2) A shareholder intending to dissent in respect of a resolution referred to in section 238 (1) (g) must send written notice of dissent to the company
- (a) on or before the date specified by the resolution or in the statement referred to in section 240 (2) (b) or (3)
 - (b) as the last date by which notice of dissent must be sent, or
 - (b) if the resolution or statement does not specify a date, in accordance with subsection (1) of this section.
- (3) A shareholder intending to dissent under section 238 (1) (h) in respect of a court order that permits dissent must send written notice of dissent to the company
- (a) within the number of days, specified by the court order, after the shareholder receives the records referred to in section 241, or

- (b) if the court order does not specify the number of days referred to in paragraph (a) of this subsection, within 14 days after the shareholder receives the records referred to in section 241.
- (4) A notice of dissent sent under this section must set out the number, and the class and series, if applicable, of the notice shares, and must set out whichever of the following is applicable:
 - (a) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner and the shareholder owns no other shares of the company as beneficial owner, a statement to that effect;
 - (b) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner but the shareholder owns other shares of the company as beneficial owner, a statement to that effect and
 - (i) the names of the registered owners of those other shares,
 - (ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and
 - (iii) a statement that notices of dissent are being, or have been, sent in respect of all of those other shares;
 - (c) if dissent is being exercised by the shareholder on behalf of a beneficial owner who is not the dissenting shareholder, a statement to that effect and
 - (i) the name and address of the beneficial owner, and
 - (ii) a statement that the shareholder is dissenting in relation to all of the shares beneficially owned by the beneficial owner that are registered in the shareholder's name.
- (5) The right of a shareholder to dissent on behalf of a beneficial owner of shares, including the shareholder, terminates and this Division ceases to apply to the shareholder in respect of that beneficial owner if subsections (1) to (4) of this section, as those subsections pertain to that beneficial owner, are not complied with.

Notice of intention to proceed

- 243** (1) A company that receives a notice of dissent under section 242 from a dissenter must,
- (a) if the company intends to act on the authority of the resolution or court order in respect of which the notice of dissent was sent, send a notice to the dissenter promptly after the later of
 - (i) the date on which the company forms the intention to proceed, and
 - (ii) the date on which the notice of dissent was received, or
 - (b) if the company has acted on the authority of that resolution or court order, promptly send a notice to the dissenter.
- (2) A notice sent under subsection (1) (a) or (b) of this section must
- (a) be dated not earlier than the date on which the notice is sent,
 - (b) state that the company intends to act, or has acted, as the case may be, on the authority of the resolution or court order, and
 - (c) advise the dissenter of the manner in which dissent is to be completed under section 244.

Completion of dissent

- 244** (1) A dissenter who receives a notice under section 243 must, if the dissenter wishes to proceed with the dissent, send to the company or its transfer agent for the notice shares, within one month after the date of the notice,
- (a) a written statement that the dissenter requires the company to purchase all of the notice shares,
 - (b) the certificates, if any, representing the notice shares, and
 - (c) if section 242 (4) (c) applies, a written statement that complies with subsection (2) of this section.
- (2) The written statement referred to in subsection (1) (c) must

- (a) be signed by the beneficial owner on whose behalf dissent is being exercised, and
- (b) set out whether or not the beneficial owner is the beneficial owner of other shares of the company and, if so, set out
 - (i) the names of the registered owners of those other shares,
 - (ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and
 - (iii) that dissent is being exercised in respect of all of those other shares.
- (3) After the dissenter has complied with subsection (1),
 - (a) the dissenter is deemed to have sold to the company the notice shares, and
 - (b) the company is deemed to have purchased those shares, and must comply with section 245, whether or not it is authorized to do so by, and despite any restriction in, its memorandum or articles.
- (4) Unless the court orders otherwise, if the dissenter fails to comply with subsection (1) of this section in relation to notice shares, the right of the dissenter to dissent with respect to those notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares.
- (5) Unless the court orders otherwise, if a person on whose behalf dissent is being exercised in relation to a particular corporate action fails to ensure that every shareholder who is a registered owner of any of the shares beneficially owned by that person complies with subsection (1) of this section, the right of shareholders who are registered owners of shares beneficially owned by that person to dissent on behalf of that person with respect to that corporate action terminates and this Division, other than section 247, ceases to apply to those shareholders in respect of the shares that are beneficially owned by that person.
- (6) A dissenter who has complied with subsection (1) of this section may not vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, other than under this Division.

Payment for notice shares

- 245** (1) A company and a dissenter who has complied with section 244 (1) may agree on the amount of the payout value of the notice shares and, in that event, the company must
- (a) promptly pay that amount to the dissenter, or
 - (b) if subsection (5) of this section applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.
- (2) A dissenter who has not entered into an agreement with the company under subsection (1) or the company may apply to the court and the court may
- (a) determine the payout value of the notice shares of those dissenters who have not entered into an agreement with the company under subsection (1), or order that the payout value of those notice shares be established by arbitration or by reference to the registrar, or a referee, of the court,
 - (b) join in the application each dissenter, other than a dissenter who has entered into an agreement with the company under subsection (1), who has complied with section 244 (1), and
 - (c) make consequential orders and give directions it considers appropriate.
- (3) Promptly after a determination of the payout value for notice shares has been made under subsection (2) (a) of this section, the company must
- (a) pay to each dissenter who has complied with section 244 (1) in relation to those notice shares, other than a dissenter who has entered into an agreement with the company under subsection (1) of this section, the payout value applicable to that dissenter's notice shares, or
 - (b) if subsection (5) applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.
- (4) If a dissenter receives a notice under subsection (1) (b) or (3) (b),

- (a) the dissenter may, within 30 days after receipt, withdraw the dissenter's notice of dissent, in which case the company is deemed to consent to the withdrawal and this Division, other than section 247, ceases to apply to the dissenter with respect to the notice shares, or
 - (b) if the dissenter does not withdraw the notice of dissent in accordance with paragraph (a) of this subsection, the dissenter retains a status as a claimant against the company, to be paid as soon as the company is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the company but in priority to its shareholders.
- (5) A company must not make a payment to a dissenter under this section if there are reasonable grounds for believing that
- (a) the company is insolvent, or
 - (b) the payment would render the company insolvent.

Loss of right to dissent

- 246** The right of a dissenter to dissent with respect to notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares, if, before payment is made to the dissenter of the full amount of money to which the dissenter is entitled under section 245 in relation to those notice shares, any of the following events occur:
- (a) the corporate action approved or authorized, or to be approved or authorized, by the resolution or court order in respect of which the notice of dissent was sent is abandoned;
 - (b) the resolution in respect of which the notice of dissent was sent does not pass;
 - (c) the resolution in respect of which the notice of dissent was sent is revoked before the corporate action approved or authorized by that resolution is taken;
 - (d) the notice of dissent was sent in respect of a resolution adopting an amalgamation agreement and the amalgamation is abandoned or, by the terms of the agreement, will not proceed;
 - (e) the arrangement in respect of which the notice of dissent was sent is abandoned or by its terms will not proceed;
 - (f) a court permanently enjoins or sets aside the corporate action approved or authorized by the resolution or court order in respect of which the notice of dissent was sent;
 - (g) with respect to the notice shares, the dissenter consents to, or votes in favour of, the resolution in respect of which the notice of dissent was sent;
 - (h) the notice of dissent is withdrawn with the written consent of the company;
 - (i) the court determines that the dissenter is not entitled to dissent under this Division or that the dissenter is not entitled to dissent with respect to the notice shares under this Division.

Shareholders entitled to return of shares and rights

- 247** If, under section 244 (4) or (5), 245 (4) (a) or 246, this Division, other than this section, ceases to apply to a dissenter with respect to notice shares,
- (a) the company must return to the dissenter each of the applicable share certificates, if any, sent under section 244 (1) (b) or, if those share certificates are unavailable, replacements for those share certificates,
 - (b) the dissenter regains any ability lost under section 244 (6) to vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, and
 - (c) the dissenter must return any money that the company paid to the dissenter in respect of the notice shares under, or in purported compliance with, this Division.



SCHEDULE "D"

No. S228678
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

IN THE MATTER OF SECTION 291 OF THE
BUSINESS CORPORATIONS ACT, S.B.C. 2002, CHAPTER 57, AS AMENDED

AND

IN THE MATTER OF A PROPOSED ARRANGEMENT AMONG
INVICTUS MD STRATEGIES CORP., ITS SHAREHOLDERS,
AND GENE-ETICS STRAINS CO.

INVICTUS MD STRATEGIES CORP.

PETITIONER

INTERIM ORDER

BEFORE

)
)
)

MASTER HUIR

) Monday, the
) 31st day of
) October, 2022

THIS WITHOUT NOTICE APPLICATION of the Petitioner, Invictus MD Strategies Corp. ("Invictus MD"), for an Interim Order pursuant to its Petition filed on October 27, 2022 coming on for hearing at Vancouver, British Columbia, on the 31st day of October, 2022, AND ON HEARING Daniel L.R. Yaverbaum, counsel for Invictus MD, AND UPON READING the Petition herein and the First Affidavit of Trevor Dixon sworn on October 24, 2022 and filed herein, AND UPON being advised that it is the intention of Invictus MD at the final hearing of the Petition to rely upon Section 3(a)(10), of the United States Securities Act of 1933, as amended (the "1933 Act") as a basis for an exemption from the registration requirements of the 1933 Act with respect to the issuance of securities under the proposed Plan of Arrangement based on the Court's approval of the Arrangement and determination that the Arrangement is substantively and procedurally fair to those who will receive consideration and securities pursuant to the Arrangement:

THIS COURT ORDERS THAT

DEFINITIONS

1. As used in this Interim Order, unless otherwise defined, terms beginning with capital letters have the respective meanings set out in the Notice of Special Meeting and

Information Circular for the Special Meeting of Shareholders of Invictus MD dated November 1, 2022 (the "Circular") attached as Exhibit "A" to the First Affidavit of Trevor Dixon sworn on October 24, 2022 (the "First Dixon Affidavit").

SPECIAL MEETING

2. Pursuant to Section 291 of the *Business Corporations Act*, S.B.C. 2002, Chapter 47 (as amended, the "BCBCA"), Invictus MD is authorized and directed to call, hold and conduct a special meeting (the "Meeting") of the holders of common shares of Invictus MD ("Shareholders") to be held at 10:00 a.m. (Vancouver time) on December 12, 2022 at 3200 – 650 West Georgia Street, Vancouver, British Columbia, to:
 - (a) consider and, if thought advisable, to pass a special resolution (the "Arrangement Resolution") to approve an arrangement (the "Arrangement") involving Invictus MD, its Shareholders, and Gene-Etics Strains Co., as more particularly described in the plan of arrangement ("Plan of Arrangement") substantially in the form attached as Schedule "B" to the Circular; and
 - (b) transact such other business as may properly come before the Meeting or any adjournment thereof.
3. The Meeting shall be called, held and conducted in accordance with the BCBCA, the Circular and the articles of Invictus MD, subject to the terms of this Interim Order, and any further Order of this Court, and the rulings and directions of the Chair of the Meeting, such rulings and directions not to be inconsistent with this Interim Order.

ADJOURNMENT

4. Invictus MD, if it deems advisable, is specifically authorized to adjourn or postpone the Meeting on one or more occasions, without the necessity of first convening the Meeting or first obtaining any vote of the Shareholders respecting the adjournment or postponement and without the need for approval of the Court. Notice of any such adjournments or postponements shall be given by press release, news release, newspaper advertisement, or by notice sent to Shareholders by one of the methods specified in paragraph 8 of this Interim Order.

AMENDMENTS

5. Prior to the Meeting, Invictus MD is authorized to make such amendments, revisions or supplements to the Arrangement and the Plan of Arrangement in accordance with the Arrangement Agreement without any additional notice to the Shareholders, and the Arrangement and the Plan of Arrangement as so amended, revised and supplemented shall be the Arrangement and Plan of Arrangement submitted to the Meeting, and the subject of the Arrangement Resolution.

RECORD DATE

6. The record date for determining the Shareholders entitled to receive notice of, attend and vote at the Meeting shall be November 1, 2022 (the "Record Date"), as previously

approved by the Board of Directors of Invictus MD, or such other date as the Board of Directors of Invictus MD may determine and as disclosed to Shareholders in the manner they see fit.

NOTICE OF SPECIAL MEETING

7. The Circular is hereby deemed to represent sufficient and adequate disclosure, including for the purpose of Section 290 of the BCBCA, and Invictus MD shall not be required to send to the Shareholders any other or additional statement pursuant to Section 290 of the BCBCA.
8. The Circular and form of proxy (collectively, the "Meeting Materials") in substantially the same form as contained in Exhibits "A" and "C" to the First Dixon Affidavit, with such deletions, amendments or additions thereto as counsel for the Petitioner may advise are necessary or desirable, provided that such deletions, amendments or additions are not inconsistent with the terms of this Interim Order, shall be sent to:
 - (a) the Shareholders, such Meeting Materials to be sent at least 21 days prior to the date of the Meeting by one or more of the following methods:
 - (i) by prepaid ordinary or air mail addressed to the Shareholder at his, her or its address as it appears on the applicable securities registers of Invictus MD as at the Record Date;
 - (ii) by delivery in person to the addressee specified in paragraph 8(a)(i) above; or
 - (iii) by email or facsimile transmission to any Shareholder who identifies himself, herself or itself to the satisfaction of Invictus MD, acting through its representatives, who requests such email or facsimile transmission and then in accordance with such request; and
 - (b) the directors and auditors of Invictus MD by sending the Meeting Materials by prepaid ordinary mail, or by email or facsimile transmission, to such persons at least 21 days prior to the date of the Meeting, excluding the date of mailing or transmittal and the date of the Meeting; and
 - (c) in the case of non-registered Shareholders, by providing copies of the Meeting Materials to intermediaries and registered nominees for sending to both non-objecting beneficial owners and objecting beneficial owners in accordance with National Instrument 54-101 – Communications with Beneficial Owners of Securities of a Reporting Issuer of the Canadian Securities Administrators at least three business days prior to the 21st day prior to the date of the Meeting;and substantial compliance with this paragraph shall constitute good and sufficient notice of the Meeting.
9. The Circular, including the Notice of Hearing of Petition to be attached as Schedule "E" thereto (the "Notice Materials") in substantially the same form as contained in Exhibit

"A" to the First Dixon Affidavit, with such deletions, amendments or additions thereto as counsel for the Petitioner may advise are necessary or desirable, provided that such amendments are not inconsistent with the terms of this Interim Order, shall be sent to the Shareholders in accordance with the methods of delivery set out at paragraph 8 of this Interim Order, not later than 21 days prior to the date of the Meeting and that such mailing, delivery and distribution shall constitute good and sufficient notice of Invictus MD's application for the Final Order.

10. Accidental failure of, or omission, or delay by Invictus MD to give notice to any one or more Shareholders or delay, or the non-receipt of such notice by one or more Shareholders, or delay, shall not constitute a breach of this Interim Order and shall not invalidate any resolution passed or proceeding taken at the Meeting, but if any such failure or omission is brought to the attention of Invictus MD then it shall use reasonable best efforts to rectify it by the method and in the time most reasonably practicable in the circumstances.

DEEMED RECEIPT OF NOTICE

11. The Meeting Materials and Notice Materials shall be deemed, for the purposes of this Interim Order, to have been received:
 - (a) in the case of mailing, the day, Saturdays and holidays excepted, following the date of mailing;
 - (b) in the case of delivery in person, the day following personal delivery or the day following delivery to the person's address in paragraph 8 above; and
 - (c) in the case of any means of transmitted, recorded or electronic communication, when dispatched or delivered for dispatch.

UPDATING MEETING MATERIALS

12. Notice of any amendments, updates or supplement to any of the information provided in the Meeting Materials or Notice Materials may be communicated to the Shareholders by press release, news release, newspaper advertisement or by notice sent to the Shareholders by any of the means set forth in paragraph 8 herein, as determined to be the most appropriate method of communication by the board of directors of Invictus MD.

QUORUM AND VOTING

13. The quorum for the Meeting shall be the quorum for the transaction of business at a meeting of Shareholders pursuant to the constating documents of Invictus MD.
14. The votes taken at the Meeting shall be taken on the basis of one vote per common share and the vote required to pass the Arrangement Resolution shall be the affirmative vote of at least 66 $\frac{2}{3}$ % of the aggregate votes cast by the Shareholders, voting as a single class, present in person or represented by proxy at the Meeting.

15. In all other respects, the terms, restrictions and conditions of the articles of Invictus MD will apply in respect of the Meeting.

PERMITTED ATTENDEES

16. The only persons entitled to attend the Meeting shall be the registered Shareholders or their respective proxyholders as of the Record Date, Invictus MD's directors, officers, auditors, advisors and any other person admitted on the invitation of the Chair or with the consent of the Meeting, and the only persons entitled to be represented and to vote at the Meeting shall be the registered Shareholders or their respective proxyholders as at the close of business on the Record Date, or their respective proxyholders.

SCRUTINEERS

17. A representative of Invictus MD's registrar and transfer agent (or any agent thereof) is authorized to act as scrutineer for the Meeting.

SOLICITATION OF PROXIES

18. Invictus MD is authorized to use the form of proxy in connection with the Meeting in substantially the same form as attached as Exhibit "C" to the First Dixon Affidavit and Invictus MD may in its discretion waive generally the time limits for deposit of proxies by Shareholders if the Chair of the Meeting deems it reasonable to do so. Invictus MD is authorized, at its expense, to solicit proxies, directly and through its officers, directors and employees, and through such agents or representatives as it may retain for the purpose, and by mail or such other forms of personal or electronic communication as it may determine.
19. The procedure for the use of proxies at the Meeting shall be as set out in the Meeting Materials.

DISSENT RIGHTS

20. Each registered Shareholder shall have the right to dissent in respect of the Arrangement Resolution in accordance with the provisions of Sections 237 to 247 of the BCBCA provided that written notice of dissent must be received by Invictus MD, at its head office address for such purpose, 3855 – 159A Street, Surrey, BC, V3Y 0Y3, Attention: Trevor Dixon, by or before 4:30 p.m. (Vancouver time) on December 8, 2022, or no later than 4:30 p.m. (Vancouver time) on the day that is two business days prior to any postponed or adjourned Meeting.

APPLICATION FOR FINAL ORDER

21. Upon the approval, with or without variation, by the Shareholders of the Arrangement, in the manner set forth in this Interim Order, the Petitioner may apply to this Court for, inter alia, an Order pursuant to Section 291 of the BCBCA:

- (a) approving the Arrangement; and

- (b) declaring that the terms and conditions of the Arrangement are fair and reasonable.

(collectively, the “Final Order”);

and that the hearing of the Final Order will be held on December 15, 2022 at 9:45 a.m. (Vancouver time) at the Courthouse at 800 Smithe Street, Vancouver, British Columbia or as soon thereafter as the hearing of the Final Order can be heard or at such other date and time as this Court may direct.

- 22. The form of Notice of Hearing of Petition is hereby approved as the form of Notice of Proceedings for such approval. Any Shareholder or creditor of Invictus MD has the right to appear (either in person or by counsel) and make submissions at the hearing of the application for the Final Order.
- 23. Any Shareholder or creditor of Invictus MD seeking to appear at the hearing of the application for the Final Order shall:
 - (a) file an Appearance, in the form prescribed by the Supreme Court Civil Rules, and
 - (b) deliver a copy of the filed Appearance together with a copy of all materials upon which they intend to rely, to Invictus MD’s solicitors at:

HARPER GREY LLP
3200 – 650 West Georgia Street
Vancouver, B.C. V6B 4P7
Attention: Daniel L.R. Yaverbaum

by or before 5:00 p.m. (Vancouver time) on December 13, 2022, or as the Court may otherwise direct.

- 24. Sending the Notice of Hearing of Petition and this Interim Order in accordance with paragraphs 8 and 9 of this Order shall constitute good and sufficient service of this proceeding and no other form of service need be made and no other material need be served on persons in respect of these proceedings and service of the affidavits in support is dispensed with.
- 25. In the event the hearing for the Final Order is adjourned, only those persons who have filed and delivered an Appearance in accordance with this Interim Order need be provided with notice of the adjourned hearing date and any filed materials.

VARIANCE

- 26. The Petitioner shall be entitled, at any time, to apply to vary this Interim Order or for such further order or orders as may be appropriate.

27. Rules 16-1(3), 16-1(8) and 16-1(12) of the Rules of Court will not apply to any further applications in respect of this proceeding, including the application for the Final Order and any application to vary this Interim Order.

By the Court

Registrar

APPROVED AS TO FORM



HARPER GREY LLP
(Per: Daniel L.R. Yaverbaum)
Lawyer for the Petitioner



SCHEDULE “E”

NOTICE OF HEARING OF PETITION AND PETITION

**NO. S-228678
VANCOUVER REGISTRY**

NOTICE OF HEARING OF THE PETITION

In the Supreme Court of British Columbia

IN THE MATTER OF SECTION 291 OF THE *BUSINESS CORPORATIONS ACT*
S.B.C. 2002, c.57 AND AMENDMENTS THERETO

AND IN THE MATTER OF AN ARRANGEMENT AMONG
INVICTUS MD STRATEGIES CORP., ITS SHAREHOLDERS,
AND GENE-ETICS STRAINS CO.

INVICTUS MD STRATEGIES CORP., PETITIONER

NOTICE OF HEARING OF PETITION

TO: THE SHAREHOLDERS OF THE PETITIONER

NOTICE IS HEREBY GIVEN that a Petition will be filed by the Petitioner in the Supreme Court of British Columbia for an order approving the proposed arrangement of the Petitioner (the “Final Order”), pursuant to section 291 of the *Business Corporations Act*, S.B.C. 2002, Chapter 57, as amended (the “Arrangement”);

AND NOTICE IS FURTHER GIVEN that an application for the Final Order approving the Arrangement shall be made to the presiding Judge in Chambers at the Courthouse, 800 Smithe Street, Vancouver, British Columbia on December 15, 2022, at 9:45 a.m. (Vancouver time), or so soon thereafter as counsel may be heard (the “Application”).

IF YOU WISH TO BE HEARD, any person affected by the Final Order sought may appear (either in person or by counsel) and make submissions at the hearing of the Application if such person has filed with the Court at the Court Registry, 800 Smithe Street, Vancouver, British Columbia, a Response to Petition in the form prescribed by the Civil Rules of Court of the Supreme Court of British Columbia and delivered a copy of the filed Response to Petition, together with all material on which such person intends to rely at the hearing of the Application, including an outline of such person’s proposed submissions, to the Petitioner at their address for delivery set out below by or before 5:00 p.m. (Vancouver time) on December 13, 2022.

The address for delivery of the Petitioner is:

HARPER GREY LLP
3200 – 650 West Georgia Street
Vancouver, B.C. V6B 4P7

Attention: Daniel L.R. Yaverbaum, Esq.

IF YOU WISH TO BE NOTIFIED OF ANY ADJOURNMENT OF THE APPLICATION, YOU MUST GIVE NOTICE OF YOUR INTENTION by filing and delivering the form of “Appearance” as aforesaid. You may obtain a form of “Appearance” at the Court Registry, 800 Smithe Street, Vancouver, British Columbia, V6Z 2E1.

AT THE HEARING OF THE APPLICATION the Court may approve the Arrangement as presented, or may approve it subject to such terms and conditions as the Court deems fit.

IF YOU DO NOT FILE A RESPONSE TO PETITION and attend either in person or by counsel at the time of such hearing, the Court may approve the Arrangement, as presented, or may approve it subject to such terms and conditions as the Court shall deem fit, all without any further notice to you. If the Arrangement is approved, it will significantly affect the rights of the Shareholders of the Petitioner.

DATED at Vancouver, British Columbia, this 1st day of November, 2022.

s/“Daniel L.R. Yaverbaum”

Solicitors for the Petitioner
Harper Grey LLP

S-228678

No. _____
Vancouver Registry

SUPREME COURT
OF BRITISH COLUMBIA
VANCOUVER REGISTRY

OCT 27 2022
BETWEEN:

IN THE SUPREME COURT OF BRITISH COLUMBIA



IN THE MATTER OF SECTION 291 OF THE
BUSINESS CORPORATIONS ACT, S.B.C. 2002, CHAPTER 57, AS AMENDED

AND

IN THE MATTER OF A PROPOSED ARRANGEMENT AMONG
INVICTUS MD STRATEGIES CORP., ITS SHAREHOLDERS,
AND GENE-ETICS STRAINS CO.

INVICTUS MD STRATEGIES CORP.

PETITIONER

PETITION TO THE COURT

FORM 66 (RULES 16-1(2) AND 21-5(14))
[AM. B.C. REG. 65/2013, SCH. A, S. 6]

This proceeding is brought for the relief set out in Part 1 below, by

☒ the person named as petitioner in the style of proceedings above

If you intend to respond to this petition, you or your lawyer must

- (a) file a response to petition in Form 67 in the above-named registry of this court within the time for response to petition described below, and
- (b) serve on the petitioners
 - (i) 2 copies of the filed response to petition, and
 - (ii) 2 copies of each filed affidavit on which you intend to rely at the hearing.

Orders, including orders granting the relief claimed, may be made against you, without any further notice to you, if you fail to file the response to petition within the time for response.

Time for response to petition

A response to petition must be filed and served on the petitioner,

- (a) if you were served with the petition anywhere in Canada, within 21 days after that service,
- (b) if you were served with the petition anywhere in the United States of America, within 35 days after that service,
- (c) if you were served with the petition anywhere else, within 49 days after that service, or

- (d) if the time for response has been set by order of the court, within that time.

- (1) The address of the registry is:

800 Smithe Street
Vancouver, BC V6Z 2E1

- (2) The petitioner's address for service is:

c/o Daniel L.R. Yaverbaum
HARPER GREY LLP
Barristers and Solicitors
3200 - 650 West Georgia Street
Vancouver, BC V6B 4P7
Telephone: 604 687 0411
Fax No: 604 669 9385
Attn: DY/JZ/153636

E-mail address for service (if any) of the petitioner:
dyaverbaum@harpergrey.com

- (3) The name and office address of the petitioner's lawyer is:

Daniel L.R. Yaverbaum
HARPER GREY LLP
Barristers & Solicitors
3200 - 650 West Georgia Street
Vancouver, BC V6B 4P7
Telephone: 604 687 0411
Fax No: 604 669 9385
Attn: DY/JZ/153636

CLAIM OF THE PETITIONER

PART 1: ORDERS SOUGHT

1. An interim order in the form attached as Appendix "A" to this Petition (the "**Interim Order**"), and described in Part 2 paragraph 40 of this Petition below;
2. A final order in the form attached as Appendix "B" to this Petition (the "**Final Order**") pursuant to section 291 of the *Business Corporations Act*, S.B.C. 2002, Chapter 57, as amended (the "**BCBCA**") approving an arrangement (the "**Arrangement**") more particularly described in the plan of arrangement (the "**Plan of Arrangement**") attached as Schedule "A" to the Final Order, and also attached as Schedule "B" to the Notice of

Special Meeting and Information Circular (the “**Circular**”) for the Special Meeting of Shareholders of Invictus MD Strategies Corp. (the “**Company**”), which is attached as Exhibit “A” to the First Affidavit of Trevor Dixon sworn on October 24, 2022 and filed herein (the “**First Dixon Affidavit**”), and a declaration that the terms and conditions of the Arrangement and the consideration and exchange of securities to be effected thereby are fair and reasonable to the Shareholders of the Petitioner; and

3. Such further and other relief as counsel for the Petitioner may advise and the Court may deem just.

PART 2: FACTUAL BASIS

DEFINITIONS

1. As used in this Petition, unless otherwise defined, terms beginning with capital letters have the respective meanings set out in the Circular.

THE PETITIONER

2. The Petitioner (sometimes referred to below as “**Invictus MD**” or the “**Company**”) is a company amalgamated under the laws of the Province of British Columbia. The head office of the Company is located at 3855 – 159A Street, Surrey, British Columbia, V3Z 0Y3, and its registered and records offices are located at 3200 – 650 West Georgia Street, Vancouver, British Columbia, V6B 4P7.
3. The Petitioner is an investment company that formerly was in business as a medical marijuana farming operation.
4. The Petitioner is a reporting issuer in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador, but its securities are not listed or quoted on any exchange or marketplace in Canada.
5. The Petitioner is in good standing with the Registrar of Companies for British Columbia, and has one wholly-owned Delaware, U.S.A. subsidiary, Gene-Etics Strains Co. (the “**Invictus Sub**”).

6. On January 21, 2021, the Petitioner completed a proposal with creditors (the “**CCAA Proposal**”) pursuant to the *Companies Creditors Arrangements Act*, R.S.C., 1985, C-36 (the “**CCAA**”). Pursuant to the CCAA Proposal, the Petitioner had \$4,511,404 in outstanding debt owed to its unsecured creditors, of which \$300,760.33 was due and payable on January 26, 2022, and the balance of \$4,210,644 is due and payable on January 26, 2026.
7. On February 4, 2021, a cease trade order was issued by the British Columbia and Ontario Securities Commissions that prohibited the trading of any securities of the Petitioner (the “**Cease Trade Order**”). The Cease Trade Order was issued because the Petitioner had failed to file the periodic disclosure required by securities legislation. On September 7, 2022, the British Columbia and Ontario Securities Commissions issued a partial revocation of the Cease Trade Order to permit this arrangement to proceed.
8. The authorized share capital of the Company currently consists of an unlimited number of Common Shares. As of the close of business on October 24, 2022, the following securities of the Company were outstanding:
 - (a) 1,245,831,630 common shares without par value (the “**Common Shares**”, and a holder thereof, a “**Common Shareholder**”); and
 - (b) no options to purchase Common Shares.
9. The Common Shareholders are collectively referred to as the “**Invictus MD Shareholders**”.
10. There are no share purchase warrants of the Company outstanding.
11. The assets of the Company as of June 30, 2022 total \$8,622,139. The Invictus Sub has no assets.
12. The liabilities of the Company as of June 30, 2022 total \$4,568,155. The liabilities of the Invictus Sub as of June 30, 2022 total US\$2,985,059 due entirely to the Company.

OVERVIEW OF THE ARRANGEMENT

13. The Company proposes, in accordance with Sections 288 – 299 of the BCBCA, to call, hold and conduct a special meeting on December 12, 2022 (the “**Meeting**”) of the Invictus MD Shareholders, whereat, among other things, they will be asked to consider, and if deemed advisable, pass, with or without variation, a special resolution substantially in the form attached as Schedule “A” to the Circular (the “**Arrangement Resolution**”) adopting and approving, with or without variation, the Arrangement.
14. Under the Arrangement, the Invictus Sub will continue from Delaware under the laws of British Columbia, and then amalgamate with Invictus MD to form a merged company (“**Amalco**”), whereby the Invictus MD Shareholders will receive 0.005 common shares of Amalco (“**Amalco Shares**”) in exchange for each Common Share of Invictus MD held, and the issued and outstanding shares of Invictus Sub will be cancelled. In addition, holders of “small lots” (being less than 1,250 Amalco Shares), will receive a cash payment equal to their fair value.
15. The purpose of the Arrangement is to amalgamate the Petitioner and the Invictus Sub, consolidate the issued share capital of Amalco, and reduce the number of shareholders of Amalco so that Amalco can apply to cease to be a reporting issuer and thereby reduce its regulatory compliance costs.
16. The Arrangement does not contemplate any compromise between the Company and its creditors. There are no secured creditors of the Company, and the rights of unsecured creditors, including under the CCAA Proposal, will not be prejudiced by the Arrangement.

FAIRNESS OF THE ARRANGEMENT

17. The board of directors of Invictus MD (the “**Board**”) consulted with its professional advisors and after considering the financial position, operations and prospects of the Petitioner, and the financial position, operations and prospects of the Petitioner, and after considering the independent fairness opinion provided by Evans & Evans, Inc., Chartered Business Valuators, the Board has unanimously determined that the Arrangement and all other transactions contemplated by it, are fair to the Shareholders and in the best interests

of the Petitioner, and unanimously recommended to the Shareholders that they vote in favour of the Arrangement Resolution.

18. The Board resolved unanimously to enter into the Arrangement Agreement with Invictus Sub. In reaching its conclusions and formulating its unanimous recommendation, the Board consulted with legal, tax and other advisors and considered a number of factors (including the interests of affected stakeholders), and including, among others:
 - (a) *Combined Administration.* Combining Invictus MD and Invictus Sub will simplify the administration of Amalco and lower administrative costs;
 - (b) *Procedural Matters.* The Acquisition has been structured as a Plan of Arrangement which: (a) must be approved by at least 66²/₃% of the votes cast by Shareholders represented by proxy at the Invictus MD Meeting; (b) registered Shareholders who do not vote in favour of the Arrangement Resolution will have the ability to exercise Dissent Rights and, if validly exercised, to receive fair value for their Common Shares; and (c) requires approval by the Court after a hearing upon the procedural and substantive fairness of the terms and conditions of the Arrangement;
 - (c) *Liquidity.* The terms of the Arrangement will permit the Shareholders holding a “small lot” of Amalco Shares (i.e., less than 1,250 Amalco Shares) an exit and liquidity not otherwise available to them due to the Cease Trade Order; and
 - (d) *Consolidation.* The Arrangement will enable the Petitioner to consolidate its issued share capital, and reduce the number of its Shareholders, so that Amalco can then apply to cease to be a reporting issuer in Canada (although no assurance can be given that such an order will be granted).
19. The completion of the Arrangement is subject to various conditions, including approval by the Shareholders in accordance with the terms of the Interim Order and approval by the Court, including that Invictus MD Shareholders who have exercised Dissent Rights shall hold not more than 2% of the issued and outstanding Invictus MD Shares.

THE MEETING AND APPROVALS

20. At a meeting of the Board, it was resolved that the record date for determining the Shareholders entitled to receive notice of, attend and vote at the Meeting be fixed as November 1, 2022.
21. In connection with the Meeting, the Company intends to send to each Company Shareholder, a copy of the following material and documentation substantially in the form as attached as Exhibits “A” to “C” respectively to the First Dixon Affidavit:
 - (a) a letter from myself as a Director of the Company, explaining the Arrangement;
 - (b) the Circular which includes, among other things:
 - (i) notice of the Meeting;
 - (ii) an explanation of the effect of the Arrangement;
 - (iii) a summary of the reasons for the Board’s recommendation;
 - (iv) the text of the Arrangement Resolution;
 - (v) the Plan of Arrangement;
 - (vi) a copy of the Interim Order;
 - (vii) a copy of the Notice of Hearing of Petition and Petition; and
 - (c) the form of proxy for the Meeting.
22. The Circular, which includes the Notice of Hearing of Petition (the “**Notice Materials**”), will be sent to all Shareholders not later than 21 days before the Meeting, as required by the Articles of the Company.
23. All such documents may contain such amendments thereto as the Petitioner may advise are necessary or desirable, provided such amendments are not inconsistent with the terms of the Interim Order.

QUORUM AND VOTING

24. It is proposed that the requisite vote at the Meeting to pass the Arrangement Resolution be at least $66\frac{2}{3}\%$ of the aggregate votes cast on the Arrangement Resolution by the Shareholders, voting as a single class, present in person, or represented by proxy at the Meeting.
25. As set forth in the Articles of the Company, the quorum required at the Meeting is proposed to be two persons who are Invictus MD Shareholders, or who represent by proxy, Invictus MD Shareholders who, in the aggregate, hold at least 5% of the issued Common Shares entitled to be voted at the Meeting.

DISSENT RIGHTS

26. Registered Invictus MD Shareholders shall have the right to dissent (“**Dissenting Shareholders**”) in respect of the Arrangement Resolution in respect of their Invictus MD Shares (“**Dissenting Shares**”) in accordance with the provisions of sections 237 – 247 of the BCBCA, as amended by this Order, the Final Order and the Plan of Arrangement provided that written notice of dissent must be received by the Company, at its head office address for such purpose, 3855 – 159A Street, Surrey, BC, V3Y 0Y3, Attention: Trevor Dixon, by or before 4:30 p.m. (Vancouver time) on December 8, 2022, or no later than 4:30 p.m. (Vancouver time) on the day that is two business days prior to any postponed or adjourned Meeting.

UNITED STATES SECURITIES LAWS

27. Section 3(a)(10) of the United States Securities Act of 1933, as amended, (the “**1933 Act**”) provides an exemption from the registration requirements of the 1933 Act for the issue of securities in exchange for other outstanding securities where the terms and conditions of the issue and exchange are approved by a court of competent jurisdiction after a hearing upon the fairness of such terms and conditions at which all persons to whom it is proposed to issue such securities shall have the right to appear.

28. In order to ensure securities issued or made issuable to Shareholders in the United States pursuant to the Arrangement will be exempt from the registration requirements of the 1933 Act pursuant to Section 3(a)(10) of the 1933 Act, it is necessary that:
- (a) the Court is advised of the intention of the parties to rely on Section 3(a)(10) of the 1933 Act prior to the hearing required to approve the Arrangement;
 - (b) the Interim Order of the Court approving the relevant meeting or meetings to approve the Arrangement specifies that each Invictus MD Shareholder will have the right to appear before the Court so long as the Invictus MD Shareholder enters an appearance within a reasonable time;
 - (c) all the Invictus MD Shareholders are given adequate notice advising them of their rights to attend the hearing of the Court to approve of the Arrangement and provide Invictus MD Shareholders with sufficient information necessary for them to exercise that right;
 - (d) the Court is required to satisfy itself as to the fairness of the Arrangement to the Invictus MD Shareholders;
 - (e) the Court has determined, prior to approving the final order, that the terms and conditions of the exchanges of securities comprising the Arrangement are fair to the Invictus MD Shareholders; and
 - (f) the order of the Court approving the Arrangement expressly states that the Arrangement is approved by the Court as being fair to the Invictus MD Shareholders.
29. Since the completion of the Arrangement involves issuances of securities by a Canadian amalgamated corporation to Invictus MD Shareholders in the United States and Canada, the Petitioner hereby gives notice to the Court of its intention to rely on Section 3(a)(10) of the 1933 Act in completing the Arrangement.
30. Counsel for the Petitioner has advised that the Invictus MD Shareholders to whom securities will be issued or made issuable under the Arrangement shall receive such

securities in reliance on the exemption from the registration requirements of the 1933 Act, contained in Section 3(a)(10) thereof based on the Court's approval of the Arrangement.

INTERIM ORDER

31. The Petitioner request that the Interim Order contain the following provisions:
- (a) that the Shareholders will be provided notice in respect of the Arrangement and the Meeting and for the manner in which such notice is to be provided;
 - (b) that the Shareholders will be the only persons who may vote on the Arrangement Resolution at the Meeting;
 - (c) that the Meeting may be adjourned or postponed from time to time by the Petitioner without the need for additional approval of the Court;
 - (d) that the requisite approval for the Arrangement Resolution be the affirmative vote of at least 66⅔% of the aggregate votes cast on the Arrangement Resolution by Shareholders, voting together as a single class, present in person, or represented by proxy at the Meeting;
 - (e) that, in all other respects, the terms, restrictions and conditions of the Articles of the Company, including quorum requirements and all other matters, apply in respect of the Meeting; and
 - (f) that the Invictus MD Shareholders may exercise rights of dissent with respect to their Invictus MD Shares in connection with the Arrangement pursuant to, and in the manner set forth in, the Plan of Arrangement.

PART 3: LEGAL BASIS


1. Sections 288 – 299 of the BCBCA; and
2. Rule 16-1 of the *Supreme Court Civil Rules*.

PART 4: MATERIAL TO BE RELIED ON

1. Affidavit #1 of Trevor Dixon made October 24, 2022.
2. Such further and other material as the counsel may advise and this Honourable Court may permit

The petitioner estimates that the hearing of the petition will take 15 minutes.

Dated: 27 October 2022



HARPER GREY LLP
(Per Daniel L.R. Yaverbaum)
Lawyer for the Petitioner

Name and address of lawyer:

HARPER GREY LLP
Barristers & Solicitors
3200 - 650 West Georgia Street
Vancouver, BC V6B 4P7
Telephone: 604 687 0411
Fax: 604 669 9385
Attn: DY/JZ/153636

To be completed by the court only:

Order made

☐ in the terms requested in paragraphs _____ of

Part 1 of this petition

☐ with the following variations and additional terms:

Dated: _____

Signature of ☐ Judge ☐ Master

APPENDIX “A”

No. _____
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

IN THE MATTER OF SECTION 291 OF THE
BUSINESS CORPORATIONS ACT, S.B.C. 2002, CHAPTER 57, AS AMENDED

AND

IN THE MATTER OF A PROPOSED ARRANGEMENT AMONG
INVICTUS MD STRATEGIES CORP., ITS SHAREHOLDERS,
AND GENE-ETICS STRAINS CO.

INVICTUS MD STRATEGIES CORP.

PETITIONER

INTERIM ORDER

BEFORE)) Monday, the
)) 31 st day of
)) October, 2022

THIS WITHOUT NOTICE APPLICATION of the Petitioner, Invictus MD Strategies Corp. (“Invictus MD”), for an Interim Order pursuant to its Petition filed on October 27, 2022 coming on for hearing at Vancouver, British Columbia, on the 31st day of October, 2022, AND ON HEARING Daniel L.R. Yaverbaum, counsel for Invictus MD, AND UPON READING the Petition herein and the First Affidavit of Trevor Dixon sworn on October 24, 2022 and filed herein, AND UPON being advised that it is the intention of Invictus MD at the final hearing of the Petition to rely upon Section 3(a)(10), of the United States Securities Act of 1933, as amended (the “1933 Act”) as a basis for an exemption from the registration requirements of the 1933 Act with respect to the issuance of securities under the proposed Plan of Arrangement based on the Court’s approval of the Arrangement and determination that the Arrangement is substantively and procedurally fair to those who will receive consideration and securities pursuant to the Arrangement:

THIS COURT ORDERS THAT

DEFINITIONS

1. As used in this Interim Order, unless otherwise defined, terms beginning with capital letters have the respective meanings set out in the Notice of Special Meeting and

APPENDIX “B”

No. _____
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

IN THE MATTER OF SECTION 291 OF THE
BUSINESS CORPORATIONS ACT, S.B.C. 2002, CHAPTER 57, AS AMENDED

AND

IN THE MATTER OF A PROPOSED ARRANGEMENT AMONG
INVICTUS MD STRATEGIES CORP., ITS SHAREHOLDERS,
AND GENE-ETICS STRAINS CO.

INVICTUS MD STRATEGIES CORP.

PETITIONER

ORDER

BEFORE)	THE HONOURABLE JUSTICE)	Thursday, the
))	15 th day of
))	December, 2022

UPON THE APPLICATION of the Petitioner, coming on for hearing at Vancouver, British Columbia, on this day; AND ON HEARING Daniel L.R. Yaverbaum, counsel for the Petitioner, and no one else appearing though duly served, and upon reading the material filed.

AND UPON IT APPEARING that notice of the time and place of the hearing of this application was given to each Shareholder of the Petitioner.

AND UPON CONSIDERING the fairness of the terms and conditions of the plan of arrangement (the “Plan of Arrangement” and the transactions contemplated therein, the “Arrangement”), a copy of which is attached as Schedule “A” to this Order, and the rights and interests of the Shareholders of the Petitioner thereunder.

AND UPON FINDING that the terms of the transactions contemplated by the Arrangement are fair and reasonable, both procedurally and substantively, to the Shareholders of the Petitioner.

AND UPON BEING ADVISED by counsel for the Petitioner that the declaration by this Court of the fairness of and approval of the Arrangement contemplated in the Plan of Arrangement attached as Schedule “A” to this Order will serve as the basis for an exemption, pursuant to section 3(a)(10) of the United States Securities Act of 1933, from the registration requirements

of that statute for the issuance and exchange of securities contemplated in connection with the Arrangement.

THIS COURT DECLARES that the Arrangement as set out in the Plan of Arrangement attached as Schedule "A" to this Order, including the exchange of securities contemplated in connection with the Plan of Arrangement, is fair and reasonable to the Petitioner and to each Shareholder of the Petitioner and that, upon implementation of the Plan of Arrangement and other matters provided for therein, the Plan of Arrangement shall be binding upon the Petitioner and its successors and assigns, in accordance with its terms.

THIS COURT ORDERS that the Plan of Arrangement attached as Schedule "A" to this Order is approved pursuant to section 291(4) of the Business Corporations Act, SBC 2002, c. 57.

By the Court

Registrar

APPROVED AS TO FORM

HARPER GREY LLP
(Per: Daniel L.R. Yaverbaum)
Lawyer for the Petitioner

SCHEDULE “A”

PLAN OF ARRANGEMENT UNDER DIVISION 5 OF PART 9 OF THE BUSINESS CORPORATIONS ACT (BRITISH COLUMBIA)

ARTICLE 1 INTERPRETATION

Definitions

1.01 In this Plan of Arrangement, unless something in the subject matter or context is inconsistent therewith:

- (a) “**Agreement**” means the Arrangement Agreement dated as of October 18, 2022, made among Invictus MD and Invictus Sub including the schedules thereto as the same may be supplemented or amended from time to time;
- (b) “**Amalco**” means the merged company continuing after the Amalgamation;
- (c) “**Amalco Shares**” means the common shares in the capital of Amalco;
- (d) “**Amalgamation Application**” means the Form 13 Amalgamation Application attached as Appendix “II” to the Agreement, which is required to be filed with the Registrar along with the Final Order and the Plan of Arrangement in order to effect the Amalgamation under the BCBCA;
- (e) “**Amalgamation**” means the amalgamation of the Invictus MD and Invictus Sub;
- (f) “**Arrangement**” means an arrangement under the provisions of under Part 9, Division 5 of the BCBCA, on the terms and conditions set forth in this Plan of Arrangement;
- (g) “**BCBCA**” means the *Business Corporations Act* (British Columbia), as may be amended from time to time, including the regulations promulgated thereunder;
- (h) “**business day**” means a day that is not a civic or statutory holiday in Vancouver, British Columbia;
- (i) “**Certificate of Amalgamation**” means the certificate giving effect to the Amalgamation issued under the BCBCA;
- (j) “**Court**” means the Supreme Court of British Columbia;
- (k) “**CTO**” means the cease trade order issued by the British Columbia and Ontario Securities Commissions on February 4, 2021, prohibiting the trading of any securities of Invictus MD;
- (l) “**Dissenting Shareholder**” means a registered holder of Invictus MD Shares who dissents in respect of the Arrangement in strict compliance with the Dissent

SCHEDULE "F"

EVANS & EVANS, INC.

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October 13, 2022

INVICTUS MD STRATEGIES CORP.

16th Floor 595 Burrard Street
Vancouver, British Columbia V7X 1J1

Attention: Board of Directors

Dear Sirs / Mesdames:

Subject: Fairness Opinion

1.0 Introduction

- 1.01 Evans & Evans, Inc. ("Evans & Evans" or the "authors of the Opinion") was engaged by the Board of Directors (the "Board") of Invictus MD Strategies Corp. ("Invictus" or the "Company") of Vancouver, British Columbia to prepare a Fairness Opinion (the "Opinion") with respect to Invictus's proposed plan of arrangement (the "Arrangement") with its wholly owned Delaware subsidiary Gene-Etics Strains Co. (the "Invictus Sub" and together with Invictus, the "Companies") (the "Proposed Transaction"). Pursuant to the terms of the Proposed Transaction, Invictus and Invictus Sub will amalgamate (the amalgamated company being "Amalco") and the shareholders of Invictus (the "Invictus Shareholders") will receive common shares of Amalco in exchange for their common shares of Invictus. Invictus Shareholders holding fewer than 1,250 Amalco common shares ("Amalco Shares") will receive cash consideration. The Proposed Transaction is summarized in more detail in section 1.05 of this Opinion.

Evans & Evans has been requested by the Board to prepare the Opinion to provide an independent opinion as to the fairness of the Proposed Transaction, from a financial standpoint, to the shareholders of Invictus (the "Invictus Shareholders") as of October 13, 2022.

Invictus is currently subject to a failure-to-file cease trade order (the "CTO") issued by the British Columbia Securities Commission ("BCSC" and the Ontario Securities Commission ("OSC") respectively on February 4, 2021. Invictus is a reporting whose shares are listed on the NEX Board of the TSX Venture Exchange (the "Exchange") under the symbol GENE.H.

- 1.02 Unless otherwise noted, all monetary amounts referenced herein are Canadian dollars.
- 1.03 The Company was incorporated under the *Business Corporations Act* (British Columbia) on February 11, 2014 under the name "BioAB Strategies Ltd.". The Company completed a name change to "Invictus MD Strategies Corp." on December 19, 2014. The Company

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was originally formed to operate in the Canadian cannabis industry and held investments in a number of cannabis companies. As of the date of the Opinion, the Company was still operating as an investment holding company, but its investment strategy now focuses on early-stage companies in a variety of industries.

On February 13, 2020, the Supreme Court of British Columbia (the “Court”) issued an order granting the Company’s application for creditor protection under the *Companies’ Creditors Arrangement Act* (Canada) (“CCAA”). The order also extended protection to Greener Pastures MD Ltd., Acreage Pharms Ltd. (“Acreage”), and 2015059 Alberta Ltd. (together with the Company, the “Invictus Group”).

The Company sought creditor protection for the Invictus Group to stabilize its business, pursue strategic alternatives and address near term liquidity issues as a result of a demand and a notice of intention to enforce security received by Acreage (the primary operating entity of the Invictus Group) from its secured lender ATB Financial. The total amount demanded was \$10,618,207.95, together with legal and professional fees, premium, make-whole, costs, charges, disbursements and expenses incurred by ATB Financial.

On January 26, 2021, the Company announced the completion of the issuance of 1,121,248,467 Invictus common shares (the “Subscribed Shares”). The Subscribed Shares are equal to 90% of Invictus’ issued share capital on completion of the transaction, resulting in existing shareholders retaining an aggregate 10% interest in the Company. The subscription proceeds were used to repay existing secured creditors of the Company, to pay costs associated with the CCAA proceedings involving the Company and its subsidiaries and to fund a plan of compromise and arrangement with the unsecured creditors of the Company.

Pursuant to the CCAA Proposal, the Company repaid its secured creditor, and arranged with its with unsecured creditors to pay them \$4,511,404 in two instalments over four years, of which the first instalment was due on or before January 26, 2022. A total of \$4,511,404 continues to remain outstanding to the unsecured creditors as the Company continues to negotiate final terms, and the Company has until January 26, 2026 to pay this balance.

On August 24, 2022, Invictus applied to the BCSC and OSC for a partial revocation order (the “Partial Revocation Order”) to permit it to proceed with a proposed plan of arrangement (an “Arrangement”).

Financial Results & Position

As an investment holding company, Invictus does not generate revenues directly, its results are driven by unrealized and realized gains (loss) on its investments (collectively the “Invictus Investments”). As of the date of the Opinion, the Company had approximately \$9.0 million in cash \$4.5 million in long- and short-term debt. The most significant investment aside from cash relates to AB Laboratories Inc. (“AB Labs”) and AB Ventures

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Inc. (“AB Ventures”). In addition to the investments in AB Labs and AB Ventures, the Company holds small investments in several private and public companies.

AB Labs was incorporated under the laws of Ontario pursuant to the *Business Corporations Act* (Ontario) on October 2, 2013. AB Labs became a Licensed Producer of cannabis on October 21, 2016 and received its first sales license in January 2018. AB Labs is based near Hamilton, Ontario. AB Labs continues to generate revenues but has not yet reached a stage where earnings before interest, taxes, depreciation and amortization (“EBITDA”) is positive. The Company owns 49% of the issued and outstanding shares of AB Labs and has two loans outstanding to the firm. Invictus has not generated any dividends from its holdings in AB Labs.

AB Ventures was formed to acquire land and build an expansion facility for AB Labs. The expansion did not move forward.

The Company is involved in litigation with respect to its investments in AB Labs. With respect to AB Ventures, Invictus does anticipate a recovery of a loan from the proposed sale of an investment property.

The authorized capital of Invictus consists of an unlimited number of common shares, and as at the date hereof, 1,245,831,630 common shares are issued and outstanding.

- 1.04 Invictus Sub is a corporation duly organized and validly existing under the laws of the State of Delaware. The authorized and issued share capital of Invictus Sub consists of 200 authorized common shares without par value, all of which are held by Invictus MD. As of the date of the Opinion, Invictus Sub had no material assets or liabilities and no ongoing operations.
- 1.05 As of the date of the Opinion, Evans & Evans had been provided with a draft of the Arrangement Agreement (the “Agreement”) between the Company and the Invictus Sub which set out the key terms of the Proposed Transaction. Assuming the Partial Revocation Order is granted, the Company proposes to complete an Arrangement with its shareholders whereby:
 - Invictus Sub, wholly owned by Invictus MD, will be continued into British Columbia;
 - the Company and Invictus Sub will then amalgamate under the laws of British Columbia to form an amalgamated company (i.e., Amalco);
 - the current issued common shares of the Company will be effectively consolidated by share exchange on the basis of 0.005 common share of Amalco (the “Amalco Shares”) for every common share of the Company (the “Exchange Ratio”);
 - the number of Amalco Shares to be issued to any shareholder will be rounded up to the nearest whole Amalco Share in the event that the shareholder is entitled to a fractional share representing 0.5 or more of an Amalco Share, and shall be rounded down to the

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nearest whole Amalco Share in the event that the shareholder is entitled to a fractional share representing less than 0.5 of an Amalco Share; and

- Invictus Shareholders holding a “small lot” (being 1,250 Amalco Shares or less) will receive a cash payment, of \$1.60 per Amalco Share (the “Consideration”).

The Company announced the Proposed Transaction on August 24, 2022.

- 1.05 The Board retained Evans & Evans to act as an independent advisor to the Board and to prepare and deliver the Opinion to the Board to provide an independent opinion as to the fairness of the Proposed Transaction, from a financial point of view, to the Invictus Shareholders as at the date of the Opinion.

2.0 Engagement of Evans & Evans, Inc.

- 2.01 Evans & Evans was formally engaged by the Board pursuant to an engagement letter signed September 13, 2022 (the “Engagement Letter”) to prepare the Opinion.
- 2.02 The Engagement Letter provides the terms upon which Evans & Evans has agreed to provide the Opinion to the Board. The terms of the Engagement Letter provide that Evans & Evans is to be paid a fixed professional fee for its services. In addition, Evans & Evans is to be reimbursed for its reasonable out-of-pocket expenses and to be indemnified by Invictus in certain circumstances. The fee established for the Opinion is not contingent upon the opinions presented.
- 2.03 Evans & Evans has no present or prospective interest in Invictus or the Invictus Sub, or any entity that is the subject of this Opinion, and we have no personal interest with respect to the parties involved.

3.0 Scope of Review

- 3.01 In connection with preparing the Opinion, Evans & Evans has reviewed and relied upon, or carried out, among other things, the following:
- Interviewed Dan Kriznic, Financial Advisor to the Company, to gain an understanding of the operations of the Company.
 - Reviewed drafts of the Plan or Arrangement and Arrangement Agreement.
 - Reviewed a management-prepared calculation of the net asset value of the Company as of June 30, 2022.
 - Reviewed a management-prepared balance sheet of Invictus as of June 30, 2022, December 31, 2021 and January 31, 2021. Also reviewed the trial balance for the period ended June 30, 2022.

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- Reviewed the management-prepared income statement for AB Labs for the period October 1, 2021 to December 31, 2021.
- Reviewed the Shareholders' Register for AB Ventures.
- Reviewed the Certificate of Amalgamation dated January 1, 2022 confirming the amalgamation of 1339527 BC Ltd., 1339533 BC Ltd., Greener Pastures MD Ltd., Invictus MD and Prestige Worldwide Holdings Inc. were amalgamated under the name Invictus MD Strategies Corp.
- Reviewed the Articles of Incorporation of the Company.
- Reviewed the Company's consolidated financial statements for the years ended January 31, 2018 and 2019 as audited by Manning Elliott LLP, Chartered Professional Accountants of Vancouver, British Columbia.
- Reviewed the Company's draft unaudited condensed interim consolidated financial statements for the six months ended June 30, 2022.
- Reviewed the Company's unaudited condensed interim consolidated financial statements for the nine months ended October 31, 2019.
- Reviewed the Offer Summary Document related to the property at 240 Butter Rd W, Ancaster, Ontario dated February 7, 2017, the purchase price was \$1,650,000. The property relates to the Company's loan to AB Labs.
- Reviewed the "Narrative Appraisal Report and Valuation Analysis of a Residentially Improved Property Known as 240 Butter Road, Ancaster Ontario and Par of Lot 40, Concession 6" prepared by D. Bottero & Associates Ltd. dated April 26, 2022 setting out the market value of the property as of March 30, 2022.
- Reviewed the Loan Agreement dated November 5, 2018 between Invictus MD and AB Labs. The Company provided an operating line of credit in the amount of \$2.0 million. The loan bears interest at 8% per annum. The loan matures on the last day of the first quarter in which AB Labs achieves positive EBITDA. The loan is secured by AB Labs' facility.
- Reviewed publicly available information on AB Labs. Evans & Evans found the company's website to provide little information. Evans & Evans did confirm via the Health Canada website that AB Labs' license was still in good standing.
- Reviewed the Company's broker statement and account summary from Haywood Securities Inc. dated September 19, 2022.
- Reviewed the Subscription Agreement for Unsecured Convertible Notes Units in Revitalist Lifestyle and Wellness Ltd. ("Revitalist"). In April of 2022, the Company

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subscribed for 300 units with a value of 1,000 per unit (the “Revitalist Notes”). The Revitalist Notes bear interest at 8% per annum, paid quarterly. The Revitalist Notes are convertible, at the option of Invictus MD, into common shares or Revitalist at a conversion price of \$0.15 per common share. The Revitalist Notes mature in April of 2025.

- Reviewed trading data for Revitalist for the 30 days preceding the date of the Opinion.
- Reviewed the Revitalist unaudited condensed interim consolidated financial statements for the six months ended June 30, 2022. For the six months ended June 30, 2022, Revitalist had reported revenues of approximately \$2.4 million, up from approximately \$520,000 in the six months ended June 30, 2021. Revitalist generated a net loss of approximately \$4.9 million in the first six months of 2022, which was similar to the loss for the same period in 2021.
- Searched for publicly available information on AB Ventures. Evans & Evans could find no publicly available data on AB Ventures. Management of Invictus noted AB Ventures was incorporated to build additional space for AB Labs, however the expansion was never undertaken.
- Reviewed Invictus MD press releases for the 24 months preceding the date of the Opinion.
- Reviewed data on the market price for non-performing loans.
- Reviewed trading and financial data on the following companies: Quinsam Capital Corporation, RIV Capital Inc., SOL Global Investments Corp., Auxly Cannabis Group Inc., Northfield Capital Corporation, Gladstone Investment Corporation, Pinetree Capital Ltd., Monroe Capital Corporation, Rand Capital Corporation, Firsthand Technology Value Fund, Inc., Acreage Holdings, Inc., Blackhawk Growth Corp., Copland Road Capital Corporation, Elixer Ltd., Global Care Capital Inc., Plant-Based Investment Corp. and Zimtu Capital Corp.
- Reviewed information on the Company’s market from a variety of sources.
- **Limitation and Qualification:** Evans & Evans did not visit the Company’s office.

4.0 **Prior Valuations**

- 4.01 Invictus represented to Evans & Evans that there have been no formal valuations or appraisals relating to Invictus or any affiliate or any of its material assets or liabilities made in the preceding two years which are in the possession or control of Invictus. Evans & Evans advises the reader to review section 3.0 of the Opinion for certain appraisals related to Invictus Investments.

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5.0 Conditions and Restrictions

- 5.01 The Opinion may be shared with the Board's legal advisors, and management of Invictus at the discretion of the Board. The Opinion is intended for placement on Invictus's file. The final Opinion may be included in any materials provided to the Company's shareholders. The final Opinion may be shared with the court approving the Arrangement.
- 5.02 The Opinion may not be issued to any international stock exchange and/or regulatory authority beyond the Exchange, the BCSC and the OSC.
- 5.03 The Opinion may not be issued and/or used to support any type of value with any other third parties, legal authorities, nor stock exchanges, or other regulatory authorities, nor any tax authority. Nor can it be used or relied upon by any of these parties or relied upon in any legal proceeding and/or court matter.
- 5.04 Any use beyond that defined above is done so without the consent of Evans & Evans and readers are advised of such restricted use as set out above.
- 5.05 The Opinion should not be construed as a formal valuation or appraisal of Invictus or its securities or assets. Evans & Evans, has, however, conducted such analyses as we considered necessary in the circumstances.
- 5.06 In preparing the Opinion, Evans & Evans has relied upon and assumed, without independent verification, the truthfulness, accuracy and completeness of the information and the financial data provided by the Company. Evans & Evans has therefore relied upon all specific information as received and declines any responsibility should the results presented be affected by the lack of completeness or truthfulness of such information. Publicly available information deemed relevant for the purpose of the analyses contained in the Opinion has also been used.
- The Opinion is based on: (i) our interpretation of the information which Invictus, as well as its representatives and advisers, have supplied to-date; (ii) our understanding of the terms of the Proposed Transaction; and (iii) the assumption that the Proposed Transaction will be consummated in accordance with the expected terms.
- 5.07 The Opinion is necessarily based on economic, market and other conditions as of the date hereof, and the written and oral information made available to us until the date of the Opinion. It is understood that subsequent developments may affect the conclusions of the Opinion, and that, in addition, Evans & Evans has no obligation to update, revise or reaffirm the Opinion.
- 5.08 Evans & Evans denies any responsibility, financial, legal, or other, for any use and/or improper use of the Opinion however occasioned.
- 5.09 Evans & Evans is expressing no opinion as to the price at which any securities of Invictus will trade on any stock exchange at any time.

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- 5.10 Evans & Evans is expressing no opinion as to whether any alternative transaction might have been more beneficial to the Invictus Shareholders.
- 5.11 Evans & Evans reserves the right to review all information and calculations included or referred to in the Opinion and, if it considers it necessary, to revise part and/or its entire Opinion and conclusion in light of any information which becomes known to Evans & Evans during or after the date of this Opinion.
- 5.12 In preparing the Opinion, Evans & Evans has relied upon a letter from management of Invictus confirming to Evans & Evans in writing that the information and management's representations made to Evans & Evans in preparing the Opinion are accurate, correct, and complete, and that there are no material omissions of information that would affect the conclusions contained in the Opinion.
- 5.13 Evans & Evans has based its Opinion upon a variety of factors. Accordingly, Evans & Evans believes that its analyses must be considered as a whole. Selecting portions of its analyses or the factors considered by Evans & Evans, without considering all factors and analyses together, could create a misleading view of the process underlying the Opinion. The preparation of a fairness opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. Any attempt to do so could lead to undue emphasis on any particular factor or analysis. Evans & Evans' conclusions as to the fairness, from a financial point of view, to the Invictus Shareholders of the Proposed Transaction were based on its review of the Proposed Transaction taken as a whole, in the context of all of the matters described under "Scope of Review", rather than on any particular element of the Proposed Transaction or the Proposed Transaction outside the context of the matters described under "Scope of Review". The Opinion should be read in its entirety.
- 5.14 Evans & Evans was not requested to, and we did not, solicit indications of interest or proposals from third parties regarding a possible acquisition of or merger with the Company. Our opinion also does not address the relative merits of the Proposed Transaction as compared to any alternative business strategies or transactions that might exist for the Company, the underlying business decision of the Company to proceed with Proposed Transaction, or the effects of any other transaction in which the Company will or might engage.
- 5.15 Evans & Evans expresses no opinion or recommendation as to how any Invictus Shareholder should vote or act in connection with the Proposed Transaction, any related matter, or any other transactions. We are not experts in, nor do we express any opinion, counsel, or interpretation with respect to, legal, regulatory, accounting or tax matters. We have assumed that such opinions, counsel, or interpretation have been or will be obtained by the Company from the appropriate professional sources. Furthermore, we have relied, with the Company's consent, on the assessments by the Company and its advisors, as to all legal, regulatory, accounting and tax matters with respect to the Company and the Proposed

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Transaction, and accordingly we are not expressing any opinion as to the value of the Company's tax attributes or the effect of the Proposed Transaction thereon.

- 5.16 Evans & Evans and all of its Principal's, Partner's, staff or associates' total liability for any errors, omissions, or negligent acts, whether they are in contract or in tort or in breach of fiduciary duty or otherwise, arising from any professional services performed or not performed by Evans & Evans, its Principal, Partner, any of its directors, officers, shareholders or employees, shall be limited to the fees charged and paid for the Opinion. No claim shall be brought against any of the above parties, in contract or in tort, more than two years after the date of the Opinion.

6.0 Assumptions

- 6.01 In preparing the Opinion, Evans & Evans has made certain assumptions as outlined below.
- 6.02 With the approval of Invictus and as provided for in the Engagement Letter, Evans & Evans has relied upon, and has assumed the completeness, accuracy and fair presentation of, all financial information, business plans, forecasts and other information, data, advice, opinions and representations obtained by it from public sources or provided by the Company or its affiliates or any of their respective officers, directors, consultants, advisors or representatives (collectively, the "Information"). The Opinion is conditional upon such completeness, accuracy, and fair presentation of the Information. In accordance with the terms of the Engagement Letter, but subject to the exercise of its professional judgment, and except as expressly described herein, Evans & Evans has not attempted to verify independently the completeness, accuracy, or fair presentation of any of the Information.
- 6.03 Senior officers of Invictus represented to Evans & Evans that, among other things: (i) the Information (other than estimates or budgets) provided orally by an officer or employee of Invictus or in writing by Invictus (including, in each case, affiliates and their respective directors, officers, consultants, advisors and representatives) to Evans & Evans relating to Invictus, its affiliates or the Proposed Transaction, for the purposes of the Engagement Letter, including in particular preparing the Opinion was, at the date the Information was provided to Evans & Evans, fairly and reasonably presented and complete, true and correct in all material respects, and did not, and does not, contain any untrue statement of a material fact in respect of Invictus, its affiliates or the Proposed Transaction and did not and does not omit to state a material fact in respect of Invictus, its affiliates or the Proposed Transaction that is necessary to make the Information not misleading in light of the circumstances under which the Information was made or provided; (ii) with respect to portions of the Information that constitute financial estimates or budgets, they have been fairly and reasonably presented and reasonably prepared on bases reflecting the best currently available estimates and judgments of management of Invictus or its associates and affiliates as to the matters covered thereby and such financial estimates and budgets reasonably represent the views of management of Invictus; and (iii) since the dates on which the Information was provided to Evans & Evans, except as disclosed in writing to Evans & Evans, there has been no material change, financial or otherwise, in the financial condition,

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assets, liabilities (contingent or otherwise), business, operations or prospects of the Company or any of its affiliates and no material change has occurred in the Information or any part thereof which would have, or which would reasonably be expected to have, a material effect on the Opinion.

- 6.04 In preparing the Opinion, we have made several assumptions, including that all final or executed versions of documents will conform in all material respects to the drafts provided to us, all of the conditions required to implement the Proposed Transaction will be met, all consents, permissions, exemptions or orders of relevant third parties or regulating authorities will be obtained without adverse condition or qualification, the procedures being followed to implement the Proposed Transaction are valid and effective and that the disclosure provided or (if applicable) incorporated by reference in any documents provided to shareholders with respect to Invictus and the Proposed Transaction will be accurate in all material respects and will comply with the requirements of applicable law. Evans & Evans also made numerous assumptions with respect to industry performance, general business, market and economic conditions and other matters, many of which are beyond the control of Evans & Evans and any party involved in the Proposed Transaction. Although Evans & Evans believes that the assumptions used in preparing the Opinion are appropriate in the circumstances, some or all of these assumptions may nevertheless prove to be incorrect.
- 6.05 The Company and all of its related parties and their principals had no contingent liabilities, unusual contractual arrangements, or substantial commitments, other than in the ordinary course of business, nor litigation pending or threatened, nor judgments rendered against, other than those disclosed by management and included in the Opinion that would affect the evaluation or comment.
- 6.06 As of June 30, 2022 all assets and liabilities of Invictus, have been recorded in their accounts and financial statements and follow International Financial Reporting Standards.
- 6.07 There were no material changes in the financial position of the Company between the date of the financial statements and the date of the Opinion unless noted in the Opinion.
- 6.08 Representations made by the Company as to the number of shares outstanding and the share structure of the Company are accurate.
- 6.09 The Invictus Shareholders with less than 1,250 Amalco Shares will be paid in cash at closing of the Proposed Transaction, subject to statutory requirements.
- 7.0 Exchange Ratio**
- 7.01 As outlined above, the Consideration is \$1.60 per Amalco Share, implying an equity value for Invictus of approximately \$9.97 million.

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8.0 Analysis of Invictus

8.01 In assessing the fairness of the Proposed Transaction, Evans & Evans considered the following analyses and factors, amongst others: (1) guideline company analysis; (2) net asset value (“NAV”); and (3) other considerations.

8.02 Evans & Evans reviewed the financial position of Invictus as of the date of the Opinion. Invictus was in a strong cash position and had remaining debt associated with the CCAA process. As an investment holding company, Invictus generates realized and unrealized returns when investments are sold or valued at market prices, respectively.

Invictus has no direct revenue generating investments. As of the date of the Opinion, the Company’s primary asset was approximately \$9.0 million in cash. The balance of its investments had a book value of \$6.0 million as of the date of the Opinion and Invictus had approximately \$4.5 million in debt.

8.03 Evans & Evans attempted to assess the reasonableness of the implied \$9.97 million equity value based on the last round of financing secured by the Company. The last financing undertaken by the Company was related to the CCAA process and settlement and was not indicative of the current value of Invictus in the view of Evans & Evans.

8.04 Evans & Evans assessed the reasonableness of the implied \$9.97 million equity value by calculating the NAV of the Company as of the date of the Opinion. An Asset Approach was deemed relevant as the fair market value of holding companies is measured by the investment in operating or financial assets. In determining the NAV of Invictus as of the date of the Opinion, Evans & Evans made the following adjustments to the Company’s June 30, 2022 balance sheet.

1. Adjusted the cash balance upwards to approximately \$9.0 million to reflect the cash position as of the Valuation Date. The cash was largely the result of a special dividend and return of capital related to the shares held in Idle Lifestyle Inc. (“Idle”). In July of the Board of Directors of Idle, formerly Poda Holdings, Inc., declared the payment of a special dividend, and approved the return of capital, on its subordinate voting shares (“SVS”) and multiple voting shares (“MVS”) together amounting to a distribution of \$0.41 per SVS, and \$0.41 per MVS on an as converted to SVS basis. The Company continues to hold approximately 10.4 million SVS in Idle.
2. Adjusted the book value of shares held in publicly traded companies to their market value as of the date of the Opinion. Evans & Evans deemed the use of trading price as appropriate given the number of shares held in public companies did not represent significant positions in those entities.
3. Calculated the value of warrants held in publicly traded companies using the Black-Scholes Option Pricing Model using volatility and interest rate assumptions as of the Valuation Date.

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4. Adjusted the book value of investments in private entities based on a review of such companies' financial results, as available, management commentary and guideline companies in the space. For shares held in private entities, Evans & Evans applied a 20% to 30% discount for lack of marketability.
5. Adjusted the book value of loans and interest receivable by calculating the net present value based on a risk-adjusted rate of return and an expected timeline of repayment.
6. Deducted the value of promissory notes payable as of the date of the Opinion in the amount of approximately \$4.5 million.

In the view of Evans & Evans, the calculated NAV of the Company was supportive of the equity value implied by the Proposed Transaction.

- 8.05 Evans & Evans assessed the reasonableness of the implied \$9.97 million equity value by comparing certain of the related valuation metrics to the metrics indicated for referenced guideline public companies. The identified guideline companies selected were considered reasonably comparable to Invictus. In the table below we have summarized the market capitalization to NAV of selected public companies.

Evans & Evans identified 19 companies initially as potential comparable companies to Invictus. The companies selected were investment holding companies. Evans & Evans found that investment holding companies such as Invictus often trade at a discount to NAV given the risk associated with the underlying investments and the ability to realize gains on the sale of investments. Further, the sale of any investments can result in fees and taxes that reduce the realizable proceeds relative to the fair value of the investment as recorded on a company's balance sheet.

The reader of the Opinion should note that although the guideline companies may not be direct competitors to the Company, they do or may offer similar products and/or services to their target markets and embody similar business, technical and financial risk/reward characteristics that a notional investor would consider as being comparable

Of the 19 investment holding companies initially identified by Evans & Evans, 14 were considered to be truly comparable. The Proposed Transaction pricing implies a price to NAV (as calculated by Evans & Evans above) of 0.97x to 1.03x which is above the average and the median. The high price / NAV multiple is not unusual given the Company's cash as a percentage of NAV is much higher than most of the identified companies.

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CS Millions Company Name	Ticker: Exchange	Market Capitalization	Enterprise Value	Net Asset Value	TTM Revenue	TTM EBITDA	EV/ NAV	Market Cap / NAV
Quinsam Capital Corporation	CNSX:QCA	9.37	7.98	24.15	-10.50	n/a	0.33 (x)	0.39 (x)
RIV Capital Inc.	CNSX:RIV	83.56	29.54	396.38	3.62	-15.99	0.07 (x)	0.21 (x)
SOL Global Investments Corp.	CNSX:SOL	26.68	75.49	175.96	-202.68	-281.99	0.43 (x)	0.15 (x)
Northfield Capital Corporation	TSXV:NFD.A	82.75	90.04	77.60	-15.54	-26.19	1.16 (x)	1.07 (x)
Gladstone Investment Corporation	NASDAQGS:GAIN	582.19	877.51	605.34	95.09	n/a	1.45 (x)	0.96 (x)
Pinetree Capital Ltd.	TSX:PNP	28.91	23.58	37.64	-0.60	n/a	0.63 (x)	0.77 (x)
Monroe Capital Corporation	NASDAQGS:MRCC	228.58	654.41	314.76	69.22	n/a	2.08 (x)	0.73 (x)
Rand Capital Corporation	NASDAQCM:RAND	50.05	48.44	82.70	6.09	n/a	0.59 (x)	0.61 (x)
Firsthand Technology Value Fund, Inc.	NASDAQGS:SVVC	12.06	23.77	67.52	2.25	n/a	0.35 (x)	0.18 (x)
Acreage Holdings, Inc.	CNSX:ACRG.A.U	106.29	342.86	244.13	289.14	19.31	1.40 (x)	0.44 (x)
Blackhawk Growth Corp.	CNSX:BLR	5.85	7.43	26.59	-2.22	n/a	0.28 (x)	0.22 (x)
Copland Road Capital Corporation	CNSX:CRCC	1.17	0.12	0.96	n/a	-0.35	0.13 (x)	1.22 (x)
Global Care Capital Inc.	CNSX:HLTH	2.16	2.73	2.26	-0.21	n/a	1.21 (x)	0.96 (x)
Plant-Based Investment Corp.	CNSX:PBIC	2.89	3.90	12.22	-16.09	n/a	0.32 (x)	0.24 (x)
Minimum							0.07 (x)	0.15 (x)
Average							0.74 (x)	0.58 (x)
Median							0.51 (x)	0.52 (x)
Maximum							2.08 (x)	1.22 (x)

In assessing the reasonableness of the above, we considered the following:

- there are a limited number of directly comparable public companies, when one considers differentiating factors such as size and market niche;
- no company considered in the analysis is identical to Invictus; and
- an analysis of the results of the foregoing necessarily involves complex considerations and judgments concerning the differences in the financial and operating characteristics of Invictus, the Invictus Investments, the Proposed Transaction and other factors that could affect the trading value and aggregate transaction values of the companies to which they are being compared.

Given the above-noted factors and our analysis of the observed multiples of selected public companies, Evans & Evans considered this approach with the NAV analysis in making the final determination of the reasonableness of the consideration and the fairness of the Proposed Transaction.

10.0 Fairness Conclusions

10.01 In considering fairness, from a financial point of view, Evans & Evans considered the Proposed Transaction from the perspective of the Invictus Shareholders as a group and did not consider the specific circumstances of any particular shareholder, including with regard to income tax considerations.

10.02 Based upon and subject to the foregoing and such other matters as we consider relevant, it is our opinion, as of the date of the Opinion, that the Arrangement and Consideration are fair, from a financial point of view, to the Invictus Shareholders. In arriving at this conclusion, Evans & Evans considered the following.

- a. The implied value of Invictus is supported by Evans & Evans calculation of the NAV per share.

EVANS & EVANS, INC.

INVICTUS MD STRATEGIES CORP.

October 13, 2022

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- b. The implied value of Invictus under the guideline company analysis is significantly above the average and median of the guideline companies identified by Evans & Evans.
- c. Trading in the shares of Invictus has been halted since February 2021. Accordingly, the Proposed Transaction does offer Invictus Shareholders an exit and liquidity not currently available to them.

11.0 Qualifications & Certification

- 11.01 The Opinion preparation was carried out by Jennifer Lucas and thereafter reviewed by Michael Evans.

Mr. Michael A. Evans, MBA, CFA, CBV, ASA, Principal, founded Evans & Evans, Inc. in 1988. For the past 36 years, he has been extensively involved in the financial services and management consulting fields in Vancouver, where he was a Vice-President of two firms, The Genesis Group (1986-1989) and Western Venture Development Corporation (1989-1990). Over this period, he has been involved in the preparation of over 3,000 technical and assessment reports, business plans, business valuations, and feasibility studies for submission to various Canadian stock exchanges and securities commissions as well as for private purposes.

Mr. Michael A. Evans holds: a Bachelor of Business Administration degree from Simon Fraser University, British Columbia (1981); a Master's degree in Business Administration from the University of Portland, Oregon (1983) where he graduated with honors; the professional designations of Chartered Financial Analyst (CFA), Chartered Business Valuator (CBV) and Accredited Senior Appraiser. Mr. Evans is a member of the CFA Institute, the Canadian Institute of Chartered Business Valuators ("CICBV") and the American Society of Appraisers ("ASA").

Ms. Jennifer Lucas, MBA, CBV, ASA, Partner, joined Evans & Evans in 1997. Ms. Lucas possesses several years of relevant experience as an analyst in the public and private sector in British Columbia and Saskatchewan. Her background includes working for the Office of the Superintendent of Financial Institutions of British Columbia as a Financial Analyst. Ms. Lucas has also gained experience in the Personal Security and Telecommunications industries. Since joining Evans & Evans Ms. Lucas has been involved in writing and reviewing over 1,500 valuation and due diligence reports for public and private transactions.

Ms. Lucas holds: a Bachelor of Commerce degree from the University of Saskatchewan (1993), a Masters in Business Administration degree from the University of British Columbia (1995). Ms. Lucas holds the professional designations of Chartered Business Valuator and Accredited Senior Appraiser. She is a member of the CICBV and the ASA.

- 11.02 The analyses, opinions, calculations and conclusions were developed, and this Opinion has been prepared in accordance with the standards set forth by the Canadian Institute of Chartered Business Valuators.

EVANS & EVANS, INC.

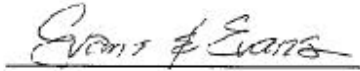
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11.03 The authors of the Opinion have no present or prospective interest in the Company, Invictus Sub or any entity that is the subject of this Opinion, and we have no personal interest with respect to the parties involved.

Yours very truly,

A handwritten signature in cursive script, appearing to read "Evans & Evans", is written over a horizontal line.

EVANS & EVANS, INC.

EVANS & EVANS, INC.

SCHEDULE "G"

Invictus MD Strategies Corp.

Consolidated Financial Statements
For the Years Ended January 31, 2021 and 2020
(Expressed in Canadian dollars)
(Unaudited)

Invictus MD Strategies Corp.

Consolidated statements of financial position

(Expressed in Canadian dollars)

(Unaudited)

	Notes	January 31, 2021 (\$)	January 31, 2020 (\$)
Assets			
Current Assets			
Cash and cash equivalents		236,389	412,909
Accounts receivable	3	592,362	408,442
Promissory note receivable	20	-	425,000
Prepaid expenses and other assets	4	119,434	618,897
Biological assets	5	-	409,176
Inventory	6	-	2,746,141
Current portion of loan receivable	7	2,865,000	5,686,193
		3,813,185	10,706,758
Investment in associates	8	-	24,862,930
Property, plant and equipment	9	-	31,503,514
Intangible assets	10	-	38,338,777
Goodwill	11	-	14,619,549
Loans receivable	7	4,000,000	4,000,000
Total Assets		7,813,185	124,031,528
Liabilities and Shareholders' Equity			
Current Liabilities			
Accounts payable and accrued liabilities	12	43,306	10,815,128
Current portion of lease obligation	14	-	28,795
Current portion of long-term debt	15	-	2,740,013
Promissory notes payable	13	300,760	-
		344,066	13,583,936
Long term debt	15	-	7,690,226
Lease obligation	14	-	60,565
Promissory notes payable	13	4,210,645	-
Shareholder loan	17	-	1,205,000
Contingent consideration	16	-	1,562,329
Deferred tax liability	18	-	7,958,106
Total Liabilities		4,554,711	32,060,162
Shareholders' Equity			
Share capital	19	158,835,129	157,485,129
Contributed surplus		28,850,453	24,524,414
Deficit		(184,427,108)	(90,038,177)
Total Shareholders' Equity		3,258,474	91,971,366
Total Liabilities and Shareholders' Equity		7,813,185	124,031,528

Subsequent events (Note 22)

The accompanying notes form an integral part of these unaudited consolidated financial statements

Invictus MD Strategies Corp.

Consolidated statements of operations and comprehensive loss

(Expressed in Canadian dollars)

(Unaudited)

		Year ended January 31,	
	Notes	2021	2020
		(\$)	(\$)
Revenue		-	3,270,496
Production costs		-	6,397,053
Gross Margin Before Fair Value Adjustment		-	(3,126,557)
Fair value changes included in inventory sold		-	(3,319,061)
Unrealized gain on changes in fair value of biological assets		-	6,548,723
Gross Margin		-	103,105
Operating Expenses			
Sales and marketing		-	8,045,949
General and administrative		3,824,170	7,195,518
Share-based compensation		-	1,025,851
Depreciation and amortization		-	1,494,782
		3,824,170	17,762,100
Loss From Operations		(3,824,170)	(17,658,995)
Other Income (Expense)			
Equity loss on investments		-	(622,205)
Foreign exchange loss		(158,000)	(35,236)
Forgiveness of debt		1,887,584	-
Impairment of goodwill	11	(14,619,549)	-
Impairment of Intangible assets	10	(38,338,777)	(4,615,003)
Impairment of Investment in associates	8	(24,862,930)	-
Interest expense		(5,257)	(48,630)
Interest income		443,301	582,995
		(75,653,628)	(4,738,079)
Net Loss Before Income Tax From Continuing Operations		(79,477,798)	(22,397,074)
Deferred income tax recovery		7,958,106	456,109
Net Loss and Comprehensive Loss From Continuing Operations		(71,519,692)	(21,940,965)
Net loss from discontinued operations	20	(2,511,958)	(821,024)
Loss on disposition of subsidiary	20	(20,357,281)	(2,967,393)
Net Loss and Comprehensive Loss		(94,388,931)	(25,729,382)

The accompanying notes form an integral part of these unaudited consolidated financial statements

Invictus MD Strategies Corp.

Consolidated statements of changes in shareholders' equity
(Expressed in Canadian dollars)
(Unaudited)

	Number of shares	Share capital (\$)	Contributed surplus (\$)	Non- controlling interest (\$)	Deficit (\$)	Total (\$)
Balance, January 31, 2019	120,055,503	153,516,641	26,300,302	1,663,424	(64,308,795)	117,171,572
Shares issued for Gene-Etics acquisition	1,973,355	1,401,082	(1,716,819)	-	-	(315,737)
Spinout of Poda	607,566	783,760	(771,609)	-	-	12,151
Shares issued for services	146,739	438,586	-	-	-	438,586
Exercise of stock options	550,000	910,470	(375,471)	-	-	534,999
Share-based compensation	-	-	1,025,851	-	-	1,025,851
Private placement	1,250,000	434,590	62,160	-	-	496,750
Net loss and comprehensive loss	-	-	-	-	(25,729,382)	(25,729,382)
Derecognition of NCI related to Future Harvest	-	-	-	(1,663,424)	-	(1,663,424)
Balance, January 31, 2020	124,583,163	157,485,129	24,524,414	-	(90,038,177)	91,971,366
Shares issued	1,121,248,467	1,350,000	-	-	-	1,350,000
Net loss and comprehensive loss	-	-	-	-	(94,388,931)	(94,388,931)
Disposition of subsidiary	-	-	4,326,039	-	-	4,326,039
Balance, January 31, 2021	1,245,831,630	158,835,129	28,850,453	-	(184,427,108)	3,258,474

The accompanying notes form an integral part of these unaudited consolidated financial statements

Invictus MD Strategies Corp.

Consolidated statements of cash flows
(Expressed in Canadian dollars)
(Unaudited)

		Year ended January 31,	
	Notes	2021	2020
		(\$)	(\$)
Cash Flow From Operating Activities:			
Net loss from continuing operations		(71,519,692)	(21,940,965)
Items not affecting cash:			
Share-based compensation		-	1,025,851
Equity on investments		-	622,205
Fair value changes included in inventory sold		-	3,319,061
Unrealized gain on changes in fair value of biological assets		-	(6,548,723)
Loss on disposal of Canandia		-	4,435,362
Loss on disposal of Acreage Pharms Ltd.	20	(20,357,281)	-
Gain on disposition of Future Harvest Development Ltd.		-	1,467,969
Shares issued for Gene-Etics acquisition		-	(315,737)
Shares issued for Poda spin-out		-	12,151
Shares issued for services		-	438,586
Forgiveness of debt		(1,887,584)	-
Impairment of investments	8	24,862,930	-
Impairment of goodwill	11	14,619,549	-
Impairment of intangible	10	38,338,777	4,615,003
Depreciation and amortization		-	1,494,782
Inventory adjustment included in production cost		-	4,056,226
Deferred income tax		(7,958,106)	(456,109)
Changes in non-cash working capital:			
Accounts receivable		-	738,293
Prepaid expenses and other assets		315,543	993,132
Inventory		-	(928,408)
Accounts payable and accrued liabilities		21,750,109	975,039
Net Cash Used in Operating Activities From Continuing Operations		(1,835,755)	(5,996,282)
Net Cash Used in Discontinued Operation	20	(2,511,958)	(821,024)
Net Cash Used in Operating Activities		(4,347,713)	(6,817,306)
Cash Flows From Investing Activities			
Purchase of property, plant and equipment		-	(5,083,126)
Proceeds on disposition of Future Harvest Development Ltd		-	1,000,000
Collection of (issuance of) loans receivable	7	2,821,193	(1,545,000)
Net Cash Provided by (Used in) Investing Activities		2,821,193	(5,628,126)
Cash Flow From Financing Activities:			
Private placements	19	1,350,000	496,750
Exercise of stock options		-	534,999
Lease payments		-	(82,789)
Proceeds from long-term debt		-	872,101
Repayment of long-term debt		-	(4,000,000)
Proceeds from shareholder loan		-	1,205,000
Net Cash Provided by (Used in) Financing Activities		1,350,000	(973,939)
Net Decrease in Cash and Cash Equivalents		(176,520)	(13,419,371)
Cash and Cash Equivalents, Beginning of Year		412,909	13,832,280
Cash and Cash Equivalents, End of Year		236,389	412,909

The accompanying notes form an integral part of these unaudited consolidated financial statements

Invictus MD Strategies Corp.

Notes to the consolidated financial statements
For the years ended January 31, 2021 and 2020
(Expressed in Canadian dollars)
(Unaudited)

1. NATURE OF OPERATIONS

Invictus MD Strategies Corp. is a reporting issuer in Canada, and was a publicly-traded company listed on the TSX Venture Exchange ("TSXV") under the symbol "GENE", as well as "8IS2" on the Frankfurt Stock Exchange and "IVITF" on the OTCQX. Invictus is currently subject to a failure-to-file cease trade order issued by the BCSC and OSC respectively on February 4, 2021.

The Company is primarily engaged in the investment, acquisition, and development of synergistic businesses to increase and sustain growth, value, and profits.

The unaudited consolidated financial statements as at and for the year ended January 31, 2021, and 2020, include Invictus MD Strategies Corp. and its subsidiaries (together referred to as "Invictus" or the "Company") and the Company's interest in affiliated companies. The Company's most active subsidiaries include Acreage Pharms Ltd. ("Acreage Pharms") and 2015059 Alberta Ltd. ("Leaf Wise"). The Company's most active investments include an ownership interest in AB Laboratories Inc. ("AB Labs") and AB Ventures Inc. ("AB Ventures").

Acreage Pharms and AB Labs are licensed producers and sellers of cannabis in Canada under the Cannabis Act and Cannabis Regulations. Leaf Wise operates a group of medical clinics in Alberta and AB Ventures is in the application phase for a license to produce cannabis under the Cannabis Act and Cannabis Regulations.

The Company was incorporated on February 11, 2014, under the Business Corporations Act (British Columbia). The head office is located at 16th floor, 595 Burrard Street, Vancouver, British Columbia, Canada, V7X 1L4, and the registered and records office is located at 10th floor, 595 Howe Street, Vancouver, British Columbia, Canada, V6C 2T5.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

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

These consolidated financial statements were authorized for issue by the Board of Directors on October 13, 2022.

Basis of Presentation and Measurement

These consolidated financial statements include the accounts of the Company and its subsidiaries and have been presented in Canadian dollars on a historical cost basis, except for biological assets and certain financial instruments, which are measured at fair value. Historical cost is generally based upon the fair value of the consideration given in exchange for assets. The expenses within the consolidated statements of operations and comprehensive loss are presented by function.

Basis of Consolidation

These consolidated financial statements comprise the financial statements of the Company and its Canadian subsidiaries, as presented below. Subsidiaries are those entities which the Company controls by having the power to govern the financial and operational policies of the entity. This control is generally evidenced through owning more than 50% of the voting rights or currently exercisable potential voting rights of a company's share capital. All intercompany transactions and balances have been eliminated.

Invictus MD Strategies Corp.

Notes to the consolidated financial statements
For the years ended January 31, 2021 and 2020
(Expressed in Canadian dollars)
(Unaudited)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Consolidation (continued)

	Percentage ownership interest January 31,	
	2021	2020
Greener Pastures MD Ltd. (holding company)	100%	100%
Prestige Worldwide Holdings Inc. ("Prestige")	100%	100%
Acreage Pharms Ltd.	0%	100%
Future Harvest Development Ltd.	0%	82.5%
Vitaleaf Management Inc. (inactive)	100%	100%
2102168 Alberta Ltd. (holding company)	100%	100%
2015059 Alberta Ltd. ("Leaf Wise")	100%	100%
0989561 B.C. Ltd. ("Canandia")	0%	100%
Gene-Etics Strains Co. (inactive)	100%	100%

Effective January 31, 2021, the Company has disposed of its wholly-owned subsidiaries 0989561 B.C. Ltd. ("Canandia") and Acreage Pharms Ltd. and its 82.5% interest in Future Harvest Development Ltd.

Biological Assets

The Company measures biological assets consisting of cannabis plants at fair value less cost to sell up to the point of harvest, which becomes the basis for the cost of finished goods inventories after harvest. Seeds are measured at fair market value. Unrealized gains or losses arising from changes in fair value less cost to sell during the year are included in the results of operations of the related year.

Inventory

The Company values inventories at the lower of cost and net realizable value. Inventories of harvested cannabis are transferred from biological assets at their fair value at harvest, which becomes the initial deemed cost. Any subsequent post-harvest costs are capitalized to inventory to the extent that cost is less than net realizable value. Inventories of fertilizers and nutrients include costs of purchases net of vendor allowances plus other costs, such as transportation, that are directly incurred to bring the inventories to their present location and condition. Net realizable value is determined as the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The cost of inventories is determined using the weighted average cost basis.

Inventories are written down to net realizable value when the cost of inventories is estimated to be unrecoverable due to obsolescence, damage, or declining market prices. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is apparent evidence of an increase in selling price then the amount of the write down previously recorded is reversed. Storage costs, indirect administrative overhead, and certain other selling costs related to inventories are expensed in the period incurred.

Investments in Associates

The Company has interests in associates. Associates are entities over which the Company exercises significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but without control or joint control over those policies. The Company accounts for associates using the equity method of accounting. Interests in associates are initially recognized at cost. Subsequent to initial recognition, the carrying value of the Company's interest in an associate is adjusted for the Company's share of comprehensive income and distributions of the investee. The carrying value of associates is assessed for impairment at each statement of financial position date.

Invictus MD Strategies Corp.

Notes to the consolidated financial statements
For the years ended January 31, 2021 and 2020
(Expressed in Canadian dollars)
(Unaudited)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, Plant, and Equipment

Property, plant, and equipment is measured at cost less accumulated depreciation and impairment losses. Depreciation is provided on a straight-line basis over the following terms:

Buildings	25-50 years
Manufacturing and facility equipment	8 years
Office equipment	5 years
Computer hardware and software	2 years
Leasehold improvements	Term of the lease

Estimates of residual values or useful lives and depreciation methods are reassessed annually and any changes in estimates are accounted for prospectively and amounts of depreciation are adjusted accordingly.

An asset's residual value, useful life, and depreciation method are reviewed during each financial year and adjusted if appropriate. When parts of an item of equipment have different useful lives, they are accounted for as separate items (major components) of property, plant, and equipment.

Gains and losses on disposal of an item are determined by comparing the proceeds from disposal with the carrying amount of the item and recognized in profit or loss. Assets under construction are not subject to depreciation until they are available for use and depreciation of the assets commences at that point.

Intangible Assets

Intangible assets with finite useful lives are recorded at cost less accumulated amortization and accumulated impairment losses. Amortization is provided on a straight-line basis. The Health Canada license for Acreage Pharms is amortized over the 20 year lease term of the facility. The Health Canada license for Canandia is amortized over the 10 year lease term of the facility. The Gene-Etics IP is amortized over 5 years. The other intangible assets are amortized over their expected useful lives.

The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets with indefinite useful lives are comprised of trademarks and similar intangibles, including certain intellectual property, which are carried at cost less accumulated impairment losses.

Impairment of Non-Current Assets

Non-current assets, including property, plant, and equipment and intangible assets are reviewed for 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 (the cash-generating unit, or "CGU"). The recoverable amount of an asset or a CGU is the higher of its fair value, less costs to sell, and its value in use. If the carrying amount of an asset exceeds its recoverable amount, an impairment charge is recognized immediately in profit or loss by the amount by which the carrying amount of the asset exceeds the recoverable amount. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the lesser of the revised estimate of recoverable amount, and the carrying amount that would have been recorded had no impairment loss been recognized previously.

Invictus MD Strategies Corp.

Notes to the consolidated financial statements
For the years ended January 31, 2021 and 2020
(Expressed in Canadian dollars)
(Unaudited)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Business Combinations and Goodwill

Acquisitions of businesses are accounted for using the acquisition method. At the acquisition date the identifiable assets acquired and the liabilities assumed are recognized at their fair value, except deferred tax assets or liabilities, which are recognized and measured in accordance with IAS 12 – Income Taxes. Subsequent changes in fair values are adjusted against the cost of acquisition if they qualify as measurement period adjustments. The measurement period is the period between the date of the acquisition and the date where all significant information necessary to determine the fair values is available and cannot exceed 12 months. All other subsequent changes are recognized in the consolidated statements of operations and comprehensive loss.

The purchase price allocation process resulting from a business combination requires management to estimate the fair value of identifiable assets acquired including intangible assets and liabilities assumed including any contingently payable purchase price obligation due over time. The Company uses valuation techniques, such as forecasted future net cash flows discounted to present value and the mergers and acquisitions method. These valuations are closely linked to the assumptions used by management on the future performance of the related assets and the discount rates applied. The determination of fair value involves making estimates relating to acquired property, plant and equipment, intangible assets and contingent consideration.

In certain situations, goodwill or a bargain purchase gain may result from a business combination. Goodwill is measured as the excess of the consideration transferred over the net amounts of the identifiable assets acquired and the liabilities assumed. Goodwill is measured at historical cost and is evaluated for impairment annually or more often if events or circumstances indicate there may be an impairment. Impairment is determined for goodwill by assessing if the carrying value of a CGU, including the allocated goodwill, exceeds its recoverable amount determined as the greater of the estimated fair value less costs to sell and the value in use. Impairment losses recognized in respect of a CGU are first allocated to the carrying value of goodwill and any excess is allocated to the carrying amount of assets in the CGU. Any goodwill impairment is recorded in income in the period in which the impairment is identified. Impairment losses on goodwill are not subsequently reversed. Acquisition related costs are recognized in the consolidated statements of comprehensive loss as incurred.

Revenue Recognition

Revenue is recognized at the point in time when control over the goods has been transferred to the customer. For cannabis sales, the Company satisfies its performance obligation and transfers control to the customer upon delivery and acceptance by the customer. For fertilizer sales, the Company satisfies its performance obligation and transfers control to the customer upon shipment of the product.

Payments received from customers in advance of meeting the performance obligations are recorded as deferred revenue and subsequently recognized as revenue when the performance obligations are satisfied.

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 development to use or sell the asset. Other development expenditures are recognized in profit or loss as incurred.

Invictus MD Strategies Corp.

Notes to the consolidated financial statements
For the years ended January 31, 2021 and 2020
(Expressed in Canadian dollars)
(Unaudited)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Share Capital

Common shares are classified as equity. Transaction costs directly attributable to the issuance of common shares and common share warrants are recognized as a deduction from equity. Common shares issued for non-monetary consideration are measured based on their market value at the date the common shares are issued.

The Company has adopted the relative fair value method with respect to the measurement of common shares and warrants issued as equity units. The relative fair value method requires an allocation of the net proceeds received based on the pro rata relative fair value of the components. If and when the warrants are ultimately exercised, the applicable amounts are transferred from reserve for warrants to share capital.

Share-Based Compensation

The Company measures equity settled share-based payments based on their fair value at the grant date and recognizes compensation expense over the vesting period based on the Company's estimate of equity instruments that will eventually vest. Expected forfeitures are estimated at the date of grant and subsequently adjusted if further information indicates actual forfeitures may vary from the original estimate. The impact of the revision of the original estimate is recognized in profit or loss such that the cumulative expense reflects the revised estimate. For share-based payments granted to non-employees the compensation expense is measured at the fair value of the good and services received except where the fair value cannot be estimated in which case it is measured at the fair value of the equity instruments granted. The fair value of share-based compensation to non-employees is periodically re-measured until counterparty performance is complete, and any change therein is recognized over the period and in the same manner as if the Company had paid cash instead of paying with or using equity instruments. Consideration paid by employees or non-employees on the exercise of stock options is recorded as share capital and the related share-based compensation is transferred from share-based reserve to share capital.

Income Taxes

The Company uses the liability method to account for income taxes. Deferred income tax assets and liabilities are recognized for the future tax consequences attributable to differences between the carrying amounts of existing assets and liabilities for accounting purposes, and their respective tax bases. Deferred income tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted applied to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred income tax assets and liabilities of a change in statutory tax rates is recognized in profit or loss in the year of change. Deferred income tax assets are recognized to the extent it is probable that future taxable profits of the relevant entity will be available against which the assets can be utilized and are reviewed at the end of each reporting period.

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Reclassifications

Certain reclassifications have been made to the prior year's consolidated financial statements to conform to the current year's presentation on the consolidated statements of operations and comprehensive loss.

Financial Instruments

The classification and measurement of financial assets is based on the Company's business models for managing its financial assets and whether the contractual cash flows represent solely payments of principal and interest ("SPPI"). Financial assets are initially measured at fair value plus, in the case of financial assets not at fair value through profit and loss ("FVTPL") transaction costs.

Financial assets are subsequently measured at either:

- (i) amortized cost;
- (ii) fair value through other comprehensive income ("FVTOCI"); or
- (iii) at fair value through profit or loss ("FVTPL").

Financial liabilities are generally classified and measured at fair value at initial recognition and subsequently measured at amortized cost.

The following table summarizes the classification of the Company's financial instruments under IAS 39 and the new measurement under IFRS 9:

	IAS 39 Classification	IFRS 9 Classification
Financial assets		
Cash and cash equivalents	FVTPL	FVTPL
Accounts receivable	Loans and receivables	Amortized cost
Promissory note receivable	Loans and receivables	Amortized cost
Loans receivable	Loans and receivables	Amortized cost
Financial liabilities		
Accounts payable and accrued liabilities	Amortized cost	Amortized cost
Promissory note payable	Amortized cost	Amortized cost
Long term debt	Amortized cost	Amortized cost
Liability for put-call lease agreement	FVTPL	FVTPL
Contingent consideration	FVTPL	FVTPL

IFRS 9 uses an expected credit loss impairment model as opposed to an incurred credit loss model under IAS 39. The impairment model is applicable to financial assets measured at amortized cost where any expected future credit losses are provided for, irrespective of whether a loss event has occurred as at the reporting date. The adoption of the new expected credit loss impairment model had a negligible impact on the carrying amounts of financial assets recognized at amortized cost.

Critical Accounting Estimates and Judgments

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Critical accounting estimates and judgments (continued)

Biological Assets and Inventory

In calculating the value of the biological assets and inventory, management is required to make a number of estimates, including estimating the stage of growth of the cannabis up to the point of harvest, harvesting costs, selling costs, sales price, wastage, and expected yields for the cannabis plant. In calculating final inventory values, management is required to determine an estimate of spoiled or expired inventory and compares the inventory cost to estimated net realizable value.

Estimated Useful Lives and Impairment Considerations

Depreciation and amortization of property, plant, and equipment and intangible assets are dependent upon estimates of useful lives, which are determined through the exercise of judgment. The assessment of impairment of these assets is dependent upon estimates of recoverable amounts that take into account factors such as economic and market conditions and the useful lives of assets.

Business Combinations

Judgment is used in determining whether an acquisition is a business combination or an asset acquisition. In a business combination, all identifiable assets, liabilities, and contingent liabilities acquired are recorded at their fair values. In determining the allocation of the purchase price in a business combination, including any acquisition related contingent consideration, estimates including market based and appraisal values are used. The contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity.

Share-Based Compensation and Warrants

In calculating the share-based compensation expense, key estimates such as the rate of forfeiture of options granted, the expected life of the option, the volatility of the Company's stock price, and the risk-free interest rate are used. In calculating the fair value of the warrants, the Company includes key estimates such as the volatility of the Company's stock price, the value of the common share, and the risk-free interest rate.

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

New Accounting Standards Adopted Effective February 1, 2020

Effect of adopting IFRS 16 - Leases

Effective February 1, 2020, the Company adopted IFRS 16 *Leases*. As permitted under IFRS 16, the Company chose not to apply the new standard retroactively and instead recognized the cumulative effect of initially applying IFRS 16 as an adjustment to opening equity at the date of initial application, February 1, 2020.

IFRS 16 *Leases* provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less, or the underlying asset has a low value. The Company has elected not to recognize short-term leases under one year and leases for which the underlying asset is of low value.

On adoption of IFRS 16, the Company recognized lease obligations that were previously classified as operating leases under IAS 17 *Leases*. Under IFRS 16, the liability was measured at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate, if the implicit lease rate could not be readily determined, as of February 1, 2020. In accordance with IFRS 16, lease payments are allocated between the lease liability and finance cost. The finance cost, or amortization of the discount, on the lease liability is charged to the unaudited consolidated statements of operations and comprehensive loss using the effective interest method so as to produce a constant periodic rate of interest on the remaining balance of the lease liability for each period.

On adoption of IFRS 16, the Company recognized right-of-use assets for leases which are disclosed in Property, plant and equipment in the unaudited consolidated statements of financial position. Initially, the right-of-use assets were measured at cost, being the initial measurement of the lease liabilities. Subsequently, the right-of-use assets are remeasured at cost less accumulated depreciation or impairment. Depreciation on the right-of-use assets is taken on a straight-line basis over the term of the leases and is recorded in the unaudited consolidated statement of operations and comprehensive loss. The adoption of IFRS 16 did not have a material impact to the financial statements.

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

IFRIC 23 - Uncertainty over Income Tax Treatments

IFRIC 23 provides guidance on the accounting for current and deferred tax liabilities and assets in circumstances in which there is uncertainty over income tax treatments. The adoption of IFRIC 23 did not have a material impact on the consolidated financial statements.

Other accounting standards or amendments to existing accounting standards that have been issued, but have future effective dates are either not applicable or are not expected to have a material impact on the Company's unaudited consolidated financial statements.

New Accounting Standards Issued But Not Yet Effective

Amendments to IFRS 3 - Definition of a Business

In October 2018, the IASB issued "Definition of a Business (Amendments to IFRS 3)". The amendments clarify the definition of a business, with the objective of assisting entities to determine whether a transaction should be accounted for as a business combination or as an asset acquisition. The amendment provides an assessment framework to determine when a series of integrated activities is not a business. The amendments are effective for business combinations occurring on or after the beginning of the first annual reporting period beginning on or after January 1, 2021. The Company is currently evaluating the potential impact of these amendments.

3. ACCOUNTS RECEIVABLE

	January 31, 2021 (\$)	January 31, 2020 (\$)
GST receivable	-	56,080
Interest receivable	592,362	352,362
	592,362	408,442

No provision for bad debts has been recorded by the Company. Bad debts are recognized in full when incurred.

4. PREPAID EXPENSES AND OTHER ASSETS

	January 31, 2021 (\$)	January 31, 2020 (\$)
Prepaid consulting and advisory fees	-	474,517
Other prepaid expenses	119,434	144,380
	119,434	618,897

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5. BIOLOGICAL ASSETS

	January 31, 2021 (\$)	January 31, 2020 (\$)
Balance, beginning of year	409,176	312,085
Purchases of seeds and clones	-	-
Changes in fair value less cost to sell due to biological transformation	-	6,548,723
Transferred to inventory upon harvest	(409,176)	(6,451,632)
Balance, end of year	-	409,176

Biological assets are valued in accordance with IAS 41 and are presented at their fair value less cost to sell up to the point of harvest. The Company's biological assets consist of cannabis plants, and because there is no actively traded commodity market for plants, the valuation of these biological assets is obtained using valuation techniques where the inputs are based upon unobservable market data. These inputs are Level 3 on the fair value hierarchy and are subject to volatility in market prices and several uncontrollable factors, which could significantly affect the fair value of biological assets in future periods.

The Company values cannabis plants at cost, which approximates fair value from the date of initial clipping from mother plants until the plants begin the propagation cycle. The number of weeks in the growth cycle is between nine and eleven weeks from propagation to harvest. The fair value of biological assets is determined using a valuation model to estimate expected harvest yield per plant applied to the estimated selling price per gram less processing and selling costs.

As at January 31, 2020, the selling price of dried flower is \$5.70 per gram and the harvest yield is between 45 and 70 grams per plant.

The selling price of dried flower used in the valuation of biological assets is based on the weighted average selling price of dried flower products and can vary based on strain, as well as the proportion derived from wholesale compared to retail. The expected yield is also subject to a variety of factors including strain and length of the growth cycle. Processing costs include post-harvest labour, lab testing, packaging and labelling, and allocated overhead. Selling costs include shipping, order fulfilment, customer service and point-of-sale costs.

The Company includes repairs and maintenance of the cultivation facilities in variable production overheads. Fixed production overheads include depreciation associated with cultivation equipment and buildings. The allocation of fixed production overheads is based on the normal capacity of the facilities. Normal capacity is defined as the production expected to be achieved on average over a number of periods or seasons under normal circumstances, and accounts for the loss of capacity resulting from planned maintenance.

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5. BIOLOGICAL ASSETS (continued)

The Company has quantified the sensitivity of the significant unobservable inputs used to calculate the fair value of biological assets recorded in the unaudited consolidated financial statements and determined the following:

As at January 31, 2020, a decrease in the average selling price per gram of 5% would result in a decrease in biological assets of \$20,458 and a decrease in inventory of \$137,307. A decrease in the harvest yield per plant of 5% would result in a decrease in biological assets of \$17,498.

The following inputs and assumptions are all categorized within Level 3 on the fair value hierarchy and were used in determining the fair value of biological assets:

Inputs and Assumptions	Descriptions	Correlation between inputs and fair value
Average selling price per gram	Represents the average selling price per gram of dried cannabis net of excise taxes, and includes all strains sold in that period. It is expected to estimate future selling prices.	If the average selling price per gram were higher (lower), estimated fair value would increase (decrease).
Average yield per plant	Represents the number of grams of dried cannabis inventory expected to be harvested from each cannabis plant using average historical room harvests per plant.	If the average yield per plant was higher (lower), estimated fair value would increase (decrease).
Total cycles per year	Calculated by 365 days divided by growth and processing days per cycle.	If the number of days in growth and processing was higher (lower), estimated fair value would decrease (increase).

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6. INVENTORY

	January 31, 2021 (\$)	January 31, 2020 (\$)
Dry cannabis		
Finished goods	-	2,206,648
Work-in-process	-	268,017
	-	2,474,665
Oil-Finished goods	-	189,223
	-	2,663,888
Supplies and consumables	-	82,253
	-	2,746,141

As at January 31, 2020, the Company held 608,985 grams of dried cannabis. Inventory production costs recognized for the year ended January 31, 2021, were \$6,397,053.

Inventories are stated at lower of cost or net realizable value. The Company periodically reviews the value of items in inventory based on its assessments of market conditions. Normal loss to inventory is recognized in production costs and abnormal losses charged to operating expenses as inventory adjustments. For the year ended January 31, 2021, the Company recognized an inventory write-down of \$4,056,226.

7. LOANS RECEIVABLE

- (a) As of January 31, 2021, the Company has a loan receivable of \$nil (January 31, 2020: \$2,086,193) from Poda Technologies Ltd. ("Poda"). Poda was spun-out of the Company on November 8, 2018. The amount is unsecured, non-interest bearing, and is due on demand.
- (b) As of January 31, 2021, the Company has a loan receivable of \$1,000,000 from AB Labs, an associated company (January 31, 2020: \$1,100,000). The amount due is unsecured, non-interest bearing, and is due on demand.
- (c) As of January 31, 2021, the Company has a loan receivable of \$4,000,000 from AB Labs, an associated company (January 31, 2020: \$4,000,000). The amount due is secured by a first mortgage over the AB Labs Secondary Facility and bears interest at 8% per annum. The loan shall become due and payable on the last day of the first fiscal quarter (the "Maturity Date") in which AB Labs achieves positive earnings before interest, taxes, depreciation, and amortization. Following the Maturity Date, the loan shall be repaid in installments on or before the last day of the month immediately following the end of each fiscal quarter, with each installment equal to seventy five percent (75%) of AB Labs' net change in operating cash flow during such fiscal quarter, provided a positive net change in operating cash flow has occurred. As of January 31, 2021, the loan receivable had accrued interest of \$592,362 (January 31, 2020: \$352,362).

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7. LOANS RECEIVABLE (continued)

- (d) As of January 31, 2021, the Company has a non-revolving convertible loan receivable of \$1,865,000 from GTEC Holdings Ltd. ("GTEC"), a non-related party (January 31, 2020: \$2,500,000). The amount due is unsecured and bears interest at 8% per annum. The loan shall become due and payable on October 23, 2021 (the "Maturity Date").

Subject to regulatory approvals, all or a portion of the principal and accrued interest on the loan facility may be convertible into common shares of GTEC, at the option of the Company, at any time prior to or on the last business day immediately preceding the Maturity Date at a conversion price equal to \$1.50 per common share (the "Conversion Price"). In conjunction with the loan, GTEC has provided the Company with a right of first refusal to fill up to 30% of any cannabis purchase orders that GTEC or its wholly owned subsidiaries are seeking to purchase from third-party Licensed Producers for a period of two years. Upon mutual agreement of both parties and prior to the Maturity Date, the Company may increase the amount of the loan facility up to \$6,000,000.

8. INVESTMENTS IN ASSOCIATES

On November 29, 2017, the Company entered into a binding letter of intent ("LOI") for an option to increase the Company's ownership interest in AB Labs from 33.33% to 50%, and on February 6, 2018, the Company exercised its option to acquire an additional 16.67% ownership in AB Labs. The exercise price of the option was \$10,000,001, and will be used by AB Labs as follows:

- (i) \$2,750,000 for the purchase of the "Primary Facility" building;
- (ii) \$5,200,000 for the purchase of the "Secondary Facility" land and building, and for the anticipated construction costs of the Secondary Facility; and
- (iii) \$2,050,001 for working capital purposes.

The increased investment in AB Labs results in the Company having 50% of the equity. However, the President of AB Labs holds the remaining 50% and retains power and control to manage operations without restriction. In addition to the payment of the purchase price for the Primary Facility and Secondary Facility, the use of the proceeds shall also include all closing costs related to the purchase of the properties.

On May 25, 2018, the Company paid \$3,000,000 to AB Ventures to increase its ownership to 24.99%. Upon payment of the remaining \$2,500,000 commitment the Company will have a 33.33% ownership interest in AB Ventures.

The following table summarizes the change in investment in associates for the year ended January 31, 2020:

AB Labs	(\$)
Balance, January 31, 2019	20,511,099
Equity loss on investment	(588,855)
Balance, January 31, 2020	19,922,244
AB Ventures	
Balance, January 31, 2019	4,974,036
Equity loss on investment	(33,350)
Balance, January 31, 2020	4,940,686
Total	24,862,930

As At January 31, 2021, the company recorded an impairment loss for the full value of both investments.

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9. PROPERTY, PLANT AND EQUIPMENT

	Buildings (\$)	Land (\$)	Computer Hardware/Software (\$)	Leasehold improvements (\$)	Manufacturing equipment (\$)	Office equipment (\$)	Facility equipment (\$)	Right-of- use property (\$)	Total (\$)
Cost									
Balance, January 31, 2020	29,005,520	350,000	438,456	295,601	20,486	25,594	2,478,290	614,055	33,228,002
Disposals	(29,005,520)	(350,000)	(438,456)	(295,601)	(20,486)	(25,594)	(2,478,290)	(614,055)	(33,228,002)
Balance, January 31, 2021	-	-	-	-	-	-	-	-	-
Accumulated depreciation									
Balance, January 31, 2020S	491,674	-	404,802	136,140	18,646	8,858	484,886	179,482	1,724,488
Disposals	(491,674)	-	(404,802)	(136,140)	(18,646)	(8,858)	(484,886)	(179,482)	(1,724,488)
Balance, January 31, 2021	-	-	-	-	-	-	-	-	-
Carrying amounts									
Balance, January 31, 2020	28,513,846	350,000	33,654	159,461	1,840	16,736	1,993,404	434,573	31,503,514
Balance, January 31, 2021	-	-	-	-	-	-	-	-	-

Included in property, plant and equipment is \$nil of assets under construction that were not subject to depreciation as at January 31, 2021 (January 31, 2020: \$17,260,209) and \$nil (January 31, 2020: \$nil) of borrowing costs associated with the asset under construction. The Company uses a capitalization rate of 5.45% to calculate the borrowing costs to be capitalized.

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10. INTANGIBLE ASSETS

	Licenses (\$)	Gene-Etics IP (\$)	Other (\$)	Total (\$)
Balance, January 31, 2020	36,629,832	-	1,708,945	38,338,777
Impairment	(36,629,832)	-	(1,708,945)	(38,338,777)
Balance, January 31, 2021	-	-	-	-
	Licenses (\$)	Gene-Etics IP (\$)	Other (\$)	Total (\$)
Balance, January 31, 2019	44,994,956	4,905,891	1,863,070	51,763,917
Disposals	(7,861,668)	-	(107,970)	(7,969,638)
Amortization	(503,456)	(290,888)	(46,155)	(840,499)
Impairment	-	(4,615,003)	-	(4,615,003)
Balance, January 31, 2020	36,629,832	-	1,708,945	38,338,777

For prior reporting periods, the Health Canada licenses were amortized over the life of the leased property under use by Acreage Pharms. On April 12, 2020, the Company purchased leased land for \$350,000 through its subsidiary Acreage Pharms, which converted the cultivation license of Acreage Pharms from definite to indefinite life.

As of January 31, 2020, the Company performed impairment testing and wrote off Gene-Etics IP to \$nil. Gene Simmons abdicated his position as the Company's Chief Evangelist Officer on August 12, 2020. The Company no longer has an advantageous management contract with Gene Simmons, nor it is going to utilize Gene Simmons' brand name.

As of January 31, 2021, the Company performed impairment testing and wrote off all remaining intangible assets to \$nil.

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10. INTANGIBLE ASSETS (continued)**Acquisition of Gene-Etics Strains Co.**

On March 13, 2018, the Company entered into an Amended and Restated Purchase and Sale Agreement (the "Agreement") with Gene Simmons and Gene-Etics Strains Co. ("Gene-Etics") and appointed Gene Simmons as its Chief Evangelist Officer. Pursuant to the terms of the Agreement, the Company acquired all the issued and outstanding shares of Gene-Etics Strains Co ("Gene-Etics"), a privately held company incorporated in the state of Delaware, which includes certain licensed characteristics, promotional materials and other intellectual property, personality rights and publicity rights (collectively "Gene-Etics IP"). Pursuant to the terms of the agreement, the Company acquired all of the issued and outstanding shares of Gene-Etics for:

- (i) \$3,299,423 (US\$2,500,000) on closing (paid);
- (ii) 2,631,141 common shares at closing (issued);
- (iii) 1,973,355 common shares issued on the date that is the later of (i) 180 days following the closing date, and (ii) the date on which the Management Services Agreement has been executed by each party (issued); and
- (iv) 1,973,355 common shares, issued on the date that is the later of (i) 240 days following the closing date, (ii) January 2, 2020, and (iii) the date on which the Management Services Agreement has been executed by each party.

On March 13, 2018, the Company and Gene Simmons entered into a Management Services Agreement to provide marketing and promotional services for five years at US \$200,000 per year. The Company determined that this transaction is an asset acquisition as the assets acquired did not constitute a business. The fair value of the intangible assets was determined using a combination of the comparative income differential method and the discounted cash flow method. In addition, the fair value of the management contract with Gene Simmons was calculated as the net present value of the savings over the term of the five-year contract. The unallocated difference between consideration paid and the fair value of the assets acquired was expensed to sales and marketing.

The fair value of the assets acquired are as follows:

	(\$)
Consideration paid	
Cash	3,299,423
Fair value of 2,631,141 common shares issued at closing	4,084,044
Fair value of 1,973,355 common shares issued on September 10, 2018	3,532,305
Fair value of 1,973,355 common shares issuable on January 2, 2020	1,716,819
	<u>12,632,591</u>
	(\$)
Fair value of assets acquired	
Intangible assets	5,964,858
Expensed to sales and marketing	6,667,733
	<u>12,632,591</u>

The 1,973,355 common shares issuable on January 2, 2020 were issued on April 25, 2019.

The Company incurred professional fees of \$315,912 in connection with the acquisition of Gene-Etics that were expensed to sales and marketing.

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11. BUSINESS COMBINATIONS AND GOODWILL

Acreage Pharms

On April 25, 2017, the Company acquired 100% of the issued and outstanding shares of Acreage Pharms (the "Acquisition") by exercising its share purchase option agreement that was entered into on February 24, 2017. As a result of the Acquisition, Acreage Pharms operates as a wholly-owned subsidiary of Invictus.

The aggregate consideration paid by the Company to acquire Acreage Pharms comprised of: (i) 20,000,000 common shares of the Company; (ii) \$6,000,000 in cash; (iii) and 3,000,000 warrants with an exercise price of \$1.50, one-third of such warrants expiring every six months after the Acquisition date of April 25, 2017. The warrants had an estimated fair value of \$2,890,884, calculated using the Black-Scholes option pricing model assuming one-third of the warrants will expire every six months following the date the option is exercised, an average risk-free interest rate of 0.60%, an expected dividend rate of 0%, and an average expected annual volatility of 127%.

The Company has determined this transaction is a business combination as the assets acquired and liabilities assumed constitute a business. The transaction was accounted for using the acquisition method of accounting, whereby the assets acquired and the liabilities assumed were recorded at their estimated fair value at the acquisition date.

The Company applied a market approach, specifically the mergers and acquisition method, for measuring the fair value of the license to produce medical cannabis under ACMPR. This valuation model uses data from actual market transactions regarding the sale of similar companies or groups of assets to determine the price of the asset under review.

The allocation of the purchase price to the total fair value of net assets acquired is as follows:

	(\$)
Fair value of net assets acquired	
Cash and cash equivalents	454
Accounts receivable	69,484
Property, plant and equipment	1,886,168
Intangible assets	40,640,000
	42,596,106
Accounts payable and accrued liabilities	(66,827)
Deferred tax liability	(10,825,941)
Identifiable net assets acquired	31,703,338
Goodwill	13,987,546
	45,690,884
	(\$)
Consideration paid	
Cash	6,000,000
Fair value of 20,000,000 common shares of the Company	36,800,000
Fair value of 3,000,000 share purchase warrants of the Company	2,890,884
	45,690,884

At January 31, 2021, the Company recorded impairment and wrote down the book value of goodwill to \$nil.

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11. BUSINESS COMBINATIONS AND GOODWILL (continued)**Leaf Wise**

On January 31, 2018, the Company acquired 100% of the issued and outstanding shares of 2015059 Alberta Ltd. ("Leaf Wise") (the "Acquisition"). As a result of the Acquisition, Leaf Wise operates as a wholly-owned subsidiary of Invictus.

The aggregate consideration paid by the Company to acquire Leaf Wise comprised of: (i) 312,500 common shares of the Company; (ii) \$625,000 in cash; (iii) and future consideration to be paid based on the achievement of certain performance-based milestones related to patient metrics.

The Company has determined this transaction is a business combination as the assets acquired and liabilities assumed constitute a business. The transaction was accounted for using the acquisition method of accounting, whereby the assets acquired and the liabilities assumed were recorded at their estimated fair value at the acquisition date.

The intangible assets acquired as part of the Acquisition consisted of trademarks, a patient list, and a key consulting agreement. The Company used the Relief from Royalty Method, the Multi-Period Excess Earnings, and a combination of the CDIM and Discounted Cash Flow Method for measuring the fair value of the trademarks, the patient list, and the key consulting agreement, respectively.

The allocation of the purchase price to the total fair value of net assets acquired is as follows:

	(\$)
Fair value of net assets acquired	
Cash and cash equivalents	26,629
Accounts receivable	49,961
Prepaid expenses and other	3,616
Property, plant and equipment	60,867
Intangible assets	924,000
	1,065,073
Accounts payable and accrued liabilities	8,496
Deferred tax liability	29,375
Identifiable net assets acquired	1,027,202
Goodwill	1,481,452
	2,508,654
	(\$)
Consideration paid	
Cash	625,000
Fair value of 312,500 common shares of the Company	321,325
Fair value of contingent consideration	1,562,329
	2,508,654

The resulting goodwill represents the sales and growth potential of Leaf Wise. At January 31, 2021, the Company recorded impairment and wrote down the book value of goodwill to \$nil.

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12. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	January 31, 2021 (\$)	January 31, 2020 (\$)
Trade accounts payable	43,306	4,055,019
Accrued liabilities	-	6,651,394
Payroll liabilities	-	108,715
	43,306	10,815,128

Effective September 30, 2020, the Company and ABG-HMX, LLC ("ABG") mutually agreed to an early termination of its brand license agreement ("License Agreement") pursuant to an omnibus settlement and termination agreement ("Termination Agreement"). Under the License Agreement, the Company had remaining total guaranteed minimum royalty payments to ABG of US\$20,000,000 from January 1, 2021 to December 31, 2028. A termination fee of \$5,264,000 (US\$4,000,000) is accrued in accounts payable and accrued liabilities at January 31, 2020.

13. PROMISSORY NOTES

On January 21, 2021, the Company completed a proposal with its creditors under the Companies Creditors Arrangement Act to settle its then outstanding indebtedness owed to its creditors (the "CCAA Proposal"). The CCAA Proposal resulted in the issuance of 1,121,248,467 common shares representing 90% of the issued and outstanding capital of the company for proceeds of \$1,350,000 and non-interest bearing promissory notes totaling \$300,760 payable on January 26, 2022 and \$4,210,645 payable on January 26, 2026.

14. LEASE OBLIGATIONS

	January 31, 2021 (\$)	January 31, 2020 (\$)
Balance, beginning of year	-	279,915
Lease payments	-	(82,789)
Interest on lease obligations	-	15,798
Derecognition of Future Harvest lease (b)	-	(123,564)
Balance, end of year	-	89,360

	January 31, 2021 (\$)	January 31, 2020 (\$)
Current lease obligations (a)	-	28,795
Long-term lease obligations – right-of-use property I(a)	-	60,565
Total lease obligations	-	89,360

- (a) The Company has a lease for a medical clinic held by its subsidiary, Leaf Wise in Grand Prairie, AB. The lease is for a period of 60.5 months, ending November 30, 2023. The lease consists of fifty-six monthly payments of \$2,097. Management estimated an annual lending rate of 6%, which is the rate the Company would have to pay on a similar loan, to calculate the present value of the lease obligation. The lease commenced on November 15, 2018; however, the Company was not required to begin making the lease payments until April 1, 2020. The clinics were abandoned and the lease was extinguished pursuant to the CCAA Proposal (Note 13).

Invictus MD Strategies Corp.

Notes to the consolidated financial statements
For years ended January 31, 2021 and 2020
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14. LEASE OBLIGATIONS (continued)

- (b) On September 19, 2020, the company sold Future Harvest and as a result disposed of its current lease obligation and long-term lease obligation. The Company's lease was for a warehouse and production facility held by its subsidiary Future Harvest in Kelowna, BC. The lease was for a period of 36 months, commencing January 3, 2018, and ending January 3, 2021.

Non-lease components associated with the leases are expensed in the period in which they are incurred.

15. LONG-TERM DEBT

	January 31, 2021 (\$)	January 31, 2020 (\$)
Non-revolving term loan facility bearing interest at the bank's prime interest rate plus 2%, repayable in quarterly principal payments of \$217,829. The loan matures in fiscal 2022.	-	4,136,634
Non-revolving development loan facility bearing interest at the bank's prime interest rate plus 2%, repayable in quarterly principal payments. The loan matures in fiscal 2022.	-	6,293,605
		10,430,239
Less: current portion of long-term debt	-	(2,740,013)
	-	7,690,226

The term loan and development loan facilities are secured against all of Acreage Pharms' present and after acquired personal property.

In October 2020, cash collateral of \$4,000,000 was used to make prepayment on the facilities. In return, Acreage Pharms does not need to make any principal payments or meet a certain ratio covenant until April 30, 2021. The debt was eliminated upon the disposal of Acreage Pharms.

16. CONTINGENT CONSIDERATION

Leaf Wise

On January 31, 2018, the Company acquired 100% of the issued and outstanding shares of Leaf Wise (the "Acquisition"). As a result of the Acquisition, Leaf Wise operates as a wholly owned subsidiary of Invictus.

The aggregate consideration paid by the Company to acquire Leaf Wise is comprised of:

- (i) 312,500 common shares of the Company;
- (ii) \$625,000 in cash; and
- (iii) future consideration to be paid based on the achievement of certain performance-based milestones related to patient metrics.

The fair value of the contingent consideration is \$1,562,329. The contingent consideration was extinguished pursuant to the CCAA Proposal (Note 13).

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17. RELATED PARTY TRANSACTIONS AND BALANCES

All related party transactions have occurred in the normal course of operations and are recorded at the amounts agreed between the parties.

As at January 31, 2020, Acreage Pharms had i) shareholder loans of \$825,000 from its Director, President and CEO and \$380,000 from its Director and Quality Assurance Person. Amounts drawn are unsecured and non-interest bearing.

Key Management Personnel Compensation

Key management is comprised of the Company's directors and executive officers. The Company incurred the following key management compensation charges during the year ended January 31, 2021, and 2020:

	January 31, 2021 (\$)	January 31, 2020 (\$)
Salaries, bonuses, fees, and benefits	78,766	1,167,205
Share-based payments	-	394,547
	78,766	1,561,752

18. INCOME TAXES

As at January 31, 2021, the Company has non-capital losses carried forward of \$36,562,749, which are available to offset future years' taxable income. The losses expire as follows:

	(\$)
2038	5,465,857
2039	14,941,580
2040	12,727,593
2041	3,427,719
	36,562,749

Invictus MD Strategies Corp.

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19. SHARE CAPITAL

The Company has an unlimited number of common shares without par value authorized for issuance and an unlimited number of non-voting and non-participating Class A redeemable preferred shares.

As of January 31, 2021, the Company had 1,245,831,630 common shares issued and outstanding (January 31, 2020: 124,583,163).

As of January 31, 2021, no Class A preferred shares were issued or outstanding (January 31, 2020: nil).

Share Transactions During the Year Ended January 31, 2021

Private placement

On January 26, 2021, the Company issued 1,121,248,467 common shares at \$0.0012 per share for total proceeds of \$1,350,000.

Share Transactions During the Year Ended January 31, 2020

Private placement

On July 9, 2019, the Company issued 1,250,000 units at \$0.40 per unit for total proceeds of \$496,750. Each unit was comprised of one common share and one-half of one share purchase warrant. Each warrant is exercisable at a price of \$0.60 per share expiring on July 9, 2021. The share purchase warrants have a fair market value of \$62,160, calculated using the Black-Scholes option pricing model assuming an expected life of 24 months, a risk-free interest rate of 1.51%, an expected dividend rate of 0%, and an expected annual volatility of 73%.

On April 25, 2019, the Company issued 1,973,355 common shares with a fair value of \$1,401,082 as the final tranche of the Gene-Etics acquisition. As the final tranche was issuable on January 2, 2019, a difference in fair value of \$315,737 was expensed to sales and marketing.

Poda spinout and escrow shares

On March 25, 2019, subject to a top-up mechanism as a result of the Poda spinout, the Company issued 607,566 common shares with a fair value of \$783,760.

Other

From February to March 2020, the Company issued a total of 146,739 common shares with a fair value of \$438,486 for marketing services, which has been included as an expense in sales and marketing for the year ended, January 31, 2020.

During the year ended January 31, 2021, 550,000 stock options were exercised for proceeds of \$534,999 and the Company re-classified \$375,471 from contributed surplus to share capital upon exercise.

The Company has an unlimited number of common shares without par value authorized for issuance and an unlimited number of non-voting and non-participating Class A redeemable preferred shares.

Invictus MD Strategies Corp.

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19. SHARE CAPITAL (continued)

Stock Option Plan

The Company has adopted a rolling incentive stock option plan (the "Option Plan") which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the applicable stock exchange's requirements, grant to Directors, officers, employees or consultants to the Company, non-transferable options to purchase common shares. Pursuant to the Option Plan, the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares of the Company. Options granted under the Option Plan can have a maximum exercise term of 10 years from the date of grant. Vesting terms will be determined at the time of grant by the Board of Directors.

For the year ended January 31, 2021, the Company recognized share-based compensation of \$nil (2020: \$1,025,851).

Movements in the number of stock options outstanding and their related weighted average exercise prices are as follows:

	Number of options	Weighted average exercise price (\$)
Outstanding, January 31, 2019	8,518,000	1.55
Granted	3,695,000	1.66
Exercised	(550,000)	1.33
Forfeited	-	-
Cancelled	(110,000)	1.60
Outstanding, January 31, 2020	11,553,000	1.59
Cancelled	(11,553,000)	1.59
)	
Outstanding, January 31, 2021	-	-

The Company uses the Black-Scholes option pricing model to estimate the fair value for all share-based compensation. The weighted average assumptions used in this pricing model, and the resulting weighted average fair values per option, for the 3,695,000 granted during the year ended January 31, 2020 are as follows:

	2020
(i) Risk-free interest rate	2.02%
(ii) Expected life	5 years
(iii) Expected volatility	83%
(iv) Expected dividend yield	0%
(iv) Expected forfeiture rate	0%
(vi) Fair value per option	\$0.94

Invictus MD Strategies Corp.

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19. SHARE CAPITAL (continued)**Warrants**

Movements in the number of warrants outstanding and their related weighted average exercise prices are as follows:

	Number of warrants	Weighted average exercise price (\$)
Outstanding, January 31, 2019	15,226,743	1.76
Issued	5,750,000	2.40
Exercised	(5,838,731)	1.35
Expired	(9,388,012)	2.01
Outstanding, January 31, 2020	5,750,000	2.40
Outstanding, January 31, 2021	5,750,000	2.40

The following summarizes information about the outstanding share purchase warrants exercisable to acquire common shares of the Company as at January 31, 2021:

Number of warrants outstanding	Exercise price (\$)	Expiry date
5,750,000	2.40	October 19, 2021

20. DISPOSAL OF SUBSIDIARIES AND DISCONTINUED OPERATIONS**Acreage Pharms**

On August 10, 2020, the Company sold its wholly owned subsidiary, Acreage Pharms Ltd.

Consideration for the shares of Acreage Pharms was as follows included assumption of all associated liabilities.

The loss on disposition was comprised of:

	January 31, 2021 (\$)
Consideration	8,132,574
Less: net assets	(28,489,855)
Net loss	(20,357,281)

Invictus MD Strategies Corp.

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20. DISPOSAL OF SUBSIDIARIES AND DISCONTINUED OPERATIONS (cont'd)

The operating results of Acreage Pharms presented as discontinued operations are as follows:

	January 31, 2021
	(\$)
Revenue	772,829
Production costs	1,055,027
Gross margin	(282,198)
Sales and marketing	10,141
General and administration	2,219,619
Net Loss From Discontinued Operations, Net of Tax	(2,511,958)

Future Harvest

On September 19, 2019, the Company agreed to sell its 82.5% equity interest in Future Harvest, held by the Company's wholly owned subsidiary Prestige, to SL 152 Ventures Ltd. ("SL 152"), to a Company owned by the Director, President and CEO of Future Harvest, who is also the minority interest holder. The sale closed on October 16, 2019.

As consideration for the shares of Future Harvest and an outstanding shareholder loan of \$445,000 which was owed to Future Harvest from Prestige, SL 152 paid a purchase price of \$1,425,000 as follows:

- (i) \$250,000 paid in September 2019;
- (ii) \$750,000 paid at closing;
- (iii) \$425,000 in the form of a promissory note (the "Promissory Note") with a maturity date that is one year from the date of closing. The payment obligations evidenced by the Promissory Note are secured against the assets of SL 152 and the disposed entity pursuant to a general security agreement in favor of Prestige.

The gain on disposition was comprised of:

	January 31, 2020
	(\$)
Cash	1,000,000
Promissory note	425,000
Loan receivable	(445,185)
Transaction fees	(75,337)
Net consideration	904,478
Less: net assets	(1,098,955)
Add: Non-controlling interest	1,662,446
Gain on Disposition of Subsidiary, Net of Tax	1,467,969

Invictus MD Strategies Corp.

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20. DISPOSAL OF SUBSIDIARIES AND DISCONTINUED OPERATIONS (continued)

The operating results of Future Harvest presented as discontinued operations are as follows:

	January 31, 2020
	(\$)
Revenue	1,899,575
Production costs	1,230,780
Gross margin	668,795
Sales and marketing	39,583
General and administration	723,715
Depreciation	94,977
Loss From Operations	(189,480)
Other Expense	
Interest expense	(5,872)
Net Loss From Discontinued Operations, Net of Tax	(195,352)

Canandia

On July 31, 2019 the Company agreed to sell its wholly owned subsidiary, Canandia, to a company owned by Alon Amit, Director and Chief Executive Officer of Canandia. The company owned by Mr. Amit received Canandia's first cannabis crop, a cannabis plant for use in propagation activities, and payment of \$105,000 previously due. The transaction was completed on September 23, 2019.

The Company recorded consideration of \$7,543,396 for the disposition, which represented the benefit received by the Company of being released from all future payments and obligations to Mr. Amit associated with the Company's purchase of Canandia. Future payments and obligations included a contingent liability of \$5,943,396, a liability for a lease agreement put option of \$1,600,000, and a mortgage of \$500,000.

The loss on disposition was comprised of:

	January 31, 2020
	(\$)
Consideration	7,543,396
Loan receivable written off	(1,013,525)
Net consideration	6,529,871
Less: net assets	(11,588,971)
Net loss before income taxes	(5,059,100)
Income tax recovery	623,738
Net Loss on Disposition of Subsidiary, Net of Tax	(4,435,362)

Invictus MD Strategies Corp.

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20. DISPOSAL OF SUBSIDIARIES AND DISCONTINUED OPERATIONS (continued)

As at July 31, 2020, Canandia was classified as a discontinued operation. The operating results of Canandia presented as discontinued operations are as follows:

	January 31, 2020 (\$)
Production cost	73,922
Sales and marketing	4,596
General and administration	447,908
Depreciation	85,487
Loss From Operations	(611,913)
Other income (expense)	
Interest expense	(13,759)
Net Loss From Discontinued Operations, Net of Tax	(625,672)

21. FINANCIAL INSTRUMENTS

Financial instruments recorded at fair value are classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The hierarchy is summarized as follows:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2 - inputs that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices) from observable market data.
- Level 3 - inputs for assets and liabilities not based upon observable market data.

Consistent with January 31, 2020, at January 31, 2021 all financial instruments of the company are classified at level 1.

The following financial instruments are presented at fair value on a recurring basis:

As of January 31, 2021	Carrying value (\$)	Level 1 (\$)
Financial Assets		
Cash and cash equivalents	236,389	236,389
As of January 31, 2020	Carrying value (\$)	Level 1 (\$)
Financial Assets		
Cash and cash equivalents	412,909	412,909

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21. FINANCIAL INSTRUMENTS (continued)

The Company's financial instruments are exposed to certain financial risks, including credit, liquidity, currency and interest rate risk.

There have been no transfers between fair value categories during the period.

Credit Risk

Credit risk arises from cash and cash equivalents held with banks and financial institutions, as well as credit exposure on outstanding accounts receivables and loans receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The Company seeks to limit its exposure to this risk by holding its cash and cash equivalents in large Canadian financial institutions. The Company manages its credit risk relating to loans receivable by reviewing monthly payments and analyzes the counterparties' financial stability to ensure the liquidity of available funds.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages its liquidity risk by reviewing its capital requirements on an ongoing basis, raising capital through equity financing, when required.

The following table details the Company's expected remaining contractual cash flow requirements for its financial liabilities on repayment or maturity periods. The amounts presented are based on the contractual undiscounted cash flows and may not agree with the carrying amounts in the unaudited consolidated statements of financial position:

As of January 31, 2021	Up to 1 year (\$)	1 - 5 years (\$)	Total (\$)
Accounts payable	43,406	-	43,406
Promissory note	300,760	4,210,645	4,511,405
	344,166	4,210,645	4,554,811

Currency Risk

Currency risk is the risk that changes in foreign exchange rates will affect the Company's income or the value of its holdings of financial instruments. The Company has minimal financial assets and liabilities held in foreign currencies.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. As at January 31, 2021, the Company does not have significant interest rate risk.

Invictus MD Strategies Corp.

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22. SUBSEQUENT EVENTS

Amalgamation

On January 1, 2022, the Company amalgamated with its subsidiaries 1339527 BC Ltd. (formerly 2015059 Alberta Ltd.), 1339533 BC Ltd., Greener Pastures MD Ltd., and Prestige Worldwide Holdings Inc.

Plan of Arrangement

On August 24, 2022 – the Company applied to the B.C. Securities Commission (“BCSC”) and Ontario Securities Commission (“OSC”) for a partial revocation order (the “Partial Revocation Order”) to permit it to proceed with a proposed plan of arrangement (an “Arrangement”).

The Partial Revocation Order was granted on September 7, 2022, and the Company proposes to complete an Arrangement with its shareholders whereby:

- (a) The Company’s wholly-owned Delaware subsidiary, Gene-Etics Strains Co. (“Subco”) will be continued into British Columbia;
- (b) The Company and Subco will then amalgamate under the laws of British Columbia to form an amalgamated company (“Amalco”);
- (c) The current issued common shares of the Company will be effectively consolidated by share exchange on the basis of 0.005 common share of Amalco (the “Amalco Shares”) for every common share of the Company, or such other share exchange ratio as may be approved, with no fractional Amalco Shares being issued; the number of Amalco Shares to be issued to any shareholder will be rounded up to the nearest whole Amalco Share in the event that the shareholder is entitled to a fractional share representing 0.5 or more of an Amalco Share, and shall be rounded down to the nearest whole Amalco Share in the event that the shareholder is entitled to a fractional share representing less than 0.5 of an Amalco Share; and
- (d) Shareholders holding a “small lot” (being 1,250 Amalco Shares or less) will receive a cash payment, based on their fair value which is estimated at \$1.60 per Amalco Share.

Each shareholder of Invictus will receive a management information circular describing the Arrangement in detail. The information circular will disclose the fact that the Company has no plans to apply for a full revocation of the CTO and that the securities of Amalco will continue to be subject to the CTO; however, Amalco does intend to apply for an order to cease to be a reporting issuer, although there can be no assurance that such an order would be granted. The Arrangement must be approved by a special majority of at least two-thirds of the voting shareholders of the Company at a special meeting to be called for that purpose. Invictus must also obtain, and provide to the BCSC upon request, signed and dated acknowledgments from all remaining shareholders of Amalco which clearly state that the securities of Amalco acquired by the shareholder under the Arrangement will remain subject to the failure-to-file CTO, and provide a copy of the CTO and the Partial Revocation Order to all shareholders.

Invictus MD Strategies Corp.

For the year ended January 31, 2021

Management's Discussion and Analysis

INTRODUCTION

The following is management's discussion and analysis ("MD&A") of the results of operations and financial condition of Invictus MD Strategies Corp. ("Invictus MD" or the "Company") and should be read in conjunction with the accompanying unaudited consolidated financial statements for the year ended January 31, 2021, and related notes therein. Additional information relating to the Company is available on SEDAR at www.sedar.com.

All financial information in this MD&A for the year ended January 31, 2021, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All dollar amounts are expressed in Canadian dollars unless otherwise indicated.

The effective date of this MD&A is October 13, 2022.

MANAGEMENT'S RESPONSIBILITY

The Company's certifying officers, based on their knowledge, having exercised reasonable diligence, are responsible to ensure that this MD&A and related filings do not contain any untrue statements of material fact, or omit to state a material fact required to be stated, or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by this MD&A and related filings. The Board of Directors' approved the MD&A, together with the consolidated financial statements for the year ended January 31, 2021 and ensure that management has discharged its financial responsibilities.

FORWARD-LOOKING INFORMATION AND CAUTIONARY RISKS NOTICE

Certain statements contained in the following MD&A constitute forward-looking statements (within the meaning of the Canadian securities legislation and the U.S. Private Securities Litigation Reform Act of 1995) that involve risks and uncertainties. Forward-looking statements are frequently, but not always, identified by words such as "plans", "expects", "anticipates", "believes", "intends", "estimates", "potential", "possible" and similar expressions, or statements that events, conditions or results "will", "may", "could" or "should" occur or be achieved. The forward-looking statements may include statements regarding work programs, capital expenditures, timelines, strategic plans, the market price of commodities or other statements that are not a statement of fact. Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of the Company may differ materially from those reflected in forward-looking statements due to a variety of risks, uncertainties and other factors.

For the reasons set forth above, investors should not place undue reliance on forward-looking statements. It is the Company's policy that all forward-looking statements are based on the Company's beliefs and assumptions which are based on information available at the time these assumptions are made. The forward-looking statements contained herein are as of the effective date noted above, and are subject to change after this date, and the Company assumes no obligation to publicly update or revise the statements to reflect new events or circumstances, except as may be required pursuant to applicable laws.

Although management believes that the expectations represented by such forward-looking information or statements are reasonable, there is a significant risk that the forward-looking information or statements may not be achieved, and the underlying assumptions thereto will not prove to be accurate.

Actual results or events could differ materially from the plans, intentions, and expectations expressed or implied in any forward-looking information or statements, including the underlying assumptions thereto, as a result of numerous risks, uncertainties and factors including: the possibility that opportunities will arise that require more cash than the Company has or can reasonably obtain; dependence on key personnel; dependence on corporate collaborations; potential delays; uncertainties related to early stage of technology and product development; uncertainties as to fluctuation of the stock market; uncertainties as to future expense levels and the possibility of unanticipated costs or expenses or cost overruns; and other risks and uncertainties which may not be described herein. The Company has no policy for updating forward-looking information beyond the procedures required under applicable securities laws.

Invictus MD Strategies Corp.

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Management's Discussion and Analysis

COMPANY OVERVIEW

Invictus MD Strategies Corp. is a reporting issuer in Canada, and was a publicly-traded company listed on the TSX Venture Exchange ("TSXV") under the symbol "GENE", as well as "8IS2" on the Frankfurt Stock Exchange and "IVITF" on the OTCQX. Invictus is currently subject to a failure-to-file cease trade order issued by the BCSC and OSC respectively on February 4, 2021. The Company is primarily engaged in the investment, acquisition, and development of synergistic businesses to increase and sustain growth, value, and profits.

On January 21, 2021, the Company completed a proposal with its creditors under the Companies' Creditors Arrangement Act to settle its then outstanding indebtedness owed to its creditors (the "CCAA Proposal"). The CCAA Proposal resulted in the issuance of 1,121,248,467 common shares representing 90% of the issued and outstanding capital of the company for proceeds of \$1,350,000 and non-interest bearing promissory notes totaling \$300,760 payable on January 26, 2022 and \$4,210,645 payable on January 26, 2026. The Company has been significantly restructured since January 31, 2020 and has disposed of multiple subsidiaries, investments and assets. Intangible assets, goodwill, and investments have been significantly reduced to their net recoverable amounts with multiple impairment losses recognized as a result.

STRATEGY AND OUTLOOK

The Company completed a restructuring with a CCAA Proposal and has drastically changed its operations to reduce its obligations. The entire management team has been restructured as well with Dr. Jagdeep Gupta and Gregory Macdonald accepting positions as directors. These two individuals will oversee the strategy and growth of the company in the future and together bring over 40 years of business, financial and management experience.

The Company has completed several dispositions of subsidiaries and is continually working to add value through the growth of current investments. The directors are working to increase shareholder value through business planning and leveraging our experience and relationships, and structuring and deploying the proper capital to support long-term growth.

Invictus MD Strategies Corp.

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Management's Discussion and Analysis

BUSINESS DEVELOPMENTS**Management and Board Changes**

The Company announced various changes to its executive management team and its Board of Directors further strengthening the leadership team of Invictus.

February 22, 2022, Jagdeep Gupta replaced Gurmeet Gupta as a member of the Board of Directors.

January 26, 2021, it was announced that Colin Kinsley and Brenda Mae Dixon resigned as directors and Greg Macdonald and Gurmeet Gupta were appointed as the new directors of the Company. In addition, Pam Boparai ceased to be the Chief Restructuring Officer. Ms. Elena Gershtein resigned as Acting CFO.

On May 20, 2020, it was announced that Ms. Harbir Toor ceased to be the Company's Chief Financial Officer. Ms. Elena Gershtein was appointed Acting CFO.

On May 1, 2020, it was announced that Mr. Marc Ripa resigned as board member. Ms. Brenda Dixon was appointed.

February 27, 2020, the Company announced the resignations of Mr. Richard Lee from the Board of Directors of the Company and Ms. Kathy Love, Corporate Secretary of the Company.

February 25, 202, Pam Bopari appointed as Chief Restructuring Officer.

On December 13, 2019, it was announced that Trevor Dixon has resigned from the Board of Directors of the Company effective immediately. Marc Ripa has been appointed to the Board to fill the casual vacancy.

On December 6, 2019, it was announced that Messrs. Sparkes and Stein have resigned from the Board of Directors of the Company effective December 5, 2019.

On December 2, 2019, it was announced that Trevor Dixon is returning to the Board of Directors of the Company.

On November 5, 2019, it was announced that effective August 1, 2019, Company's wholly owned subsidiary Acreage Pharms Ltd. has hired Kris Love as Vice-President of Production.

On October 8, 2019, it was announced that, due to health complications, Trevor Dixon, President, CEO and Director of the Company, is unable to fulfill his duties to the Company for the time being. Accordingly: (1) the Board has appointed Marc Ripa as Interim CEO; and (2) Mr. Dixon has appointed Brenda Dixon to be his alternate as a Director of the Company.

On August 12, 2019, Mr. Gene Simmons abdicated his position as the Chief Evangelist Officer of the Company.

On June 11, 2019, Mr. Colin Kinsley was appointed to the Board of Directors as an Independent Director. Mr. Kinsley previously served on the Board of Directors of the Company from December 2014 to June 2017.

On June 5, 2019, Mr. Marc Ripa was appointed Chief Operating Officer of the Company. Mr. Ripa is President and Director of AB Labs and AB Ventures.

On June 4, 2019, Mr. Richard Lee was appointed to the Board of Directors as an Independent Director and serves as Chair of the Audit Committee.

On June 3, 2019, Mr. Aaron Bowden resigned as a Director and will continue to serve the Company as an advisor. Mr. Bowden was appointed to the Board of Directors on August 19, 2016 and served as Chair of the Audit Committee.

On May 31, 2019, the Board of Directors accepted Mr. George E. Kveton's resignation as CEO of the Company and Mr. Trevor Dixon, a member of the Board, assumed the role of CEO. Mr. Dixon was appointed as Director and COO of the Company on May 9, 2019, and he also served as a Director of the Company from April 2017 to January 2019.

Invictus MD Strategies Corp.

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Management's Discussion and Analysis

On March 7, 2019, Harbir Toor was appointed as Chief Financial Officer ("CFO") to succeed Dylan Easterbrook.

Financing Activities

On January 26, 2021, the Company issued 1,121,248,467 common shares at \$0.0012 per share for total proceeds of \$1,350,000. Proceeds from this subscription were utilized as part of the CCAA Proposal partially settle amounts owed to creditors.

Share transactions during year ended January 31, 2020:

On July 9, 2019, the Company issued 1,250,000 units at \$0.40 per unit for total proceeds of \$496,750. Each unit was comprised of one common share and one-half of one share purchase warrant. Each warrant is exercisable at a price of \$0.60 per share expiring on July 9, 2021. The share purchase warrants have a fair market value of \$62,160, calculated using the Black-Scholes option pricing model assuming an expected life of 24 months, a risk-free interest rate of 1.51%, an expected dividend rate of 0%, and an expected annual volatility of 73%.

On April 25, 2019, the Company issued 1,973,355 common shares with a fair value of \$1,401,082 as the final tranche of the Gene-Etics acquisition. As the final tranche was issuable on January 2, 2019, a difference in fair value of \$315,737 was expensed to sales and marketing.

Poda Spinout and Escrow Shares

On March 25, 2019, subject to a top-up mechanism as a result of the Poda spinout, the Company issued 607,566 common shares with a fair value of \$783,760.

Other

From February to March 2020, the Company issued a total of 146,739 common shares with a fair value of \$438,486 for marketing services, which has been included as an expense in sales and marketing for the year ended January 31, 2020.

During the year ended January 31, 2021, 550,000 stock options were exercised for proceeds of \$534,999 and the Company re-classified \$375,470 from contributed surplus to share capital upon exercise.

Advances

As of January 31, 2021, the Company advanced \$1,865,000 (January 31, 2020: \$2,500,000) to GTEC Holdings Ltd. ("GTEC") under a non-revolving unsecured convertible loan (the "Loan Facility"), with an interest rate of 8%. The proceeds from the Loan Facility will be used by GTEC for working capital and to further execute its cannabis retail expansion strategy in Canada.

Subject to regulatory approvals, all or a portion of the principal and accrued interest on the Loan Facility may be convertible into common shares of GTEC, at the option of Invictus, at any time prior to or on the last business day immediately preceding the Maturity Date, as defined below, at a conversion price equal to \$1.50 per common share (the "Conversion Price"). Upon mutual agreement of both parties and prior to the Maturity Date, Invictus may increase the amount of the Loan Facility up to \$6 million. The Loan Facility shall have a term that commences on the execution of a definitive agreement (the "Definitive Agreement"), on October 17, 2018, and ends on a date that is two years following the date of the first advance (the "Maturity Date").

Acreage Pharms

On August 10, 2020, the Company sold its interest in Acreage Pharms Ltd. Consideration included the assumption of outstanding debt associated with the operations and resulted in a net loss of \$20,357,281.

Invictus MD Strategies Corp.

For the year ended January 31, 2021

Management's Discussion and Analysis

AB Laboratories Inc. and AB Ventures Inc.

As at January 31, 2021, the company recorded an impairment loss totaling \$24,862,930 representing the full value of its investments in AB Laboratories Inc. and AB Ventures Inc.

2015059 Alberta Ltd. ("Leaf Wise")

As at January 31, 2021, the company recorded an impairment equal to the full value of goodwill associated with Leaf Wise totaling \$632,003. Leaf Wise clinics were closed during the year ended January 31, 2021.

0989561 B.C. Ltd. ("Canandia")

On July 31, 2019, the Company agreed to sell its wholly owned subsidiary, Canandia, to a company owned by Alon Amit, Director and Chief Executive Officer of Canandia. The company owned by Mr. Amit received Canandia's first cannabis crop, a cannabis plant for use in propagation activities, and payment of \$105,000 previously due. The transaction was completed on September 23, 2019.

The Company recorded consideration of \$7,543,396 for the disposition, which represented the benefit received by the Company of being released from all future payments and obligations to Mr. Amit associated with the Company's purchase of Canandia. Future payments and obligations included a contingent liability of \$5,943,396, a liability for a lease agreement put option of \$1,600,000, and a mortgage of \$500,000.

Future Harvest Development Ltd. ("Future Harvest")

On September 19, 2019, the Company agreed to sell its 82.5% equity interest in Future Harvest, held by the Company's wholly owned subsidiary Prestige, to SL 152 Ventures Ltd. ("SL 152"), to a Company owned by the Director, President and CEO of Future Harvest, who is also the minority interest holder. The sale closed on October 16, 2019.

As consideration for the shares of Future Harvest and an outstanding shareholder loan of \$445,000 which was owed to Future Harvest from Prestige, SL 152 paid a purchase price of \$1,425,000 as follows:

- (i) \$250,000 paid in September 2019;
- (ii) \$750,000 paid at closing;
- (iii) \$425,000 in the form of a promissory note (the "Promissory Note") with a maturity date that is one year from the date of closing. The payment obligations evidenced by the Promissory Note are secured against the assets of SL 152 and the disposed entity pursuant to a general security agreement in favor of Prestige.

Termination of Licensing Agreement with ABG-HMX, LLC

Effective September 30, 2019, the Company and ABG-HMX, LLC ("ABG") mutually agreed to an early termination of its brand license agreement ("License Agreement") pursuant to an omnibus settlement and termination agreement ("Termination Agreement"). Under the License Agreement, the Company had remaining total guaranteed minimum royalty payments to ABG of US\$20,000,000 from January 1, 2020 to December 31, 2028. As consideration for ABG agreeing to release the Company from any further obligations under the License Agreement, the Company paid ABG US\$312,500, representing an amount that was otherwise owing under the License Agreement, and agreed to pay a further US\$2,000,000 each on January 7 and July 7, 2020 in cash or common shares. If common shares are used to satisfy the settlement, to the extent that ABG disposes of some or all of the common shares for less than their issue price within a defined period of time, the Company agrees to pay ABG the difference between the issue price (which cannot be lower than \$0.11625) and the sale price. A termination fee of \$5,264,000 (US\$4,000,000) is accrued in accounts payable and accrued liabilities at January 31, 2020 and was subsequently restructured pursuant to the CCAA Proposal.

Invictus MD Strategies Corp.

For the year ended January 31, 2021

Management's Discussion and Analysis

RESULTS OF OPERATIONS

For the Three Months Ended January 31,

	Ref.	2021 (\$)	2020 (\$)	Change (%)
Net Loss (Income) From Continuing Operations		76,613,613	(1,215,041)	-6405%
Revenue	a	-	(116,150)	-100%
Gross margin	b	-	(0)	-100%
Sales and marketing expense	c	-	232,671	-100%
General and administrative expense	d	956,043	857,637	11%
Share-based compensation	e	-	52,237	-100%
Depreciation and amortization	f	-	146,404	-100%
Forgiveness of debt	g	1,887,584	-	100%
Impairment of goodwill	h	(14,619,549)	-	100%
Impairment of Intangible assets	i	(38,338,777)	(4,615,003)	731%
Impairment of Investment in associates	j	(24,862,930)	-	100%
Interest expense	k	(1,314)	(279,633)	-100%
Equity loss on investments	l	-	(1,405,687)	-100%

- There were no active revenue producing subsidiaries during the three months ended January 31, 2021.
- There were no active revenue producing subsidiaries during the three months ended January 31, 2021.
- The Company was subject to a cease trade order with no active subsidiaries during the three months ended January 31, 2021 which resulted in a 100% decline in sales and marketing expenses.
- The increase in general and administrative expenses is primarily due to increased fees associated with the CCAA Proposal.
- No stock options were issued during the three months ended January 31, 2021.
- No depreciation was recorded during the three months ended January 31, 2021 as depreciable assets were nil.
- Debt forgiveness recorded during the three months ended January 31, 2021 as a result of the CCAA restructuring.
- During the three months ended January 31, 2021 the Company recorded an impairment loss representing the full value of the goodwill for Acreage Pharms and Leafwise.
- During the three months ended January 31, 2021 the Company recorded an impairment loss representing the full value of licenses held at Acreage Pharms and other intangible assets. The prior period represented impairment of the Gene-Etics intellectual property.
- During the three months ended January 31, 2021, the Company recorded an impairment loss representing the full value of its investment in AB Labs and AB Ventures.
- Interest expense declined as a result of debt reduction arising from the CCAA Proposal and sale of subsidiaries with debt.
- Equity loss on investments represents the value of loss associated with AB Labs and AB Ventures. The full value of the investment was recorded as an impairment and no equity loss was recorded during the quarter.

Invictus MD Strategies Corp.

For the year ended January 31, 2021

Management's Discussion and Analysis

For the year ended January 31,

	Ref.	2021 (\$)	2020 (\$)	Change (%)
Net Loss From Continuing Operations		79,477,798	22,397,074	255%
Revenue	m	-	3,270,496	-100%
Sales and marketing expense	n	-	8,045,949	-100%
General and administrative expense	o	3,824,170	7,195,518	-47%
Share-based compensation	p	-	1,025,851	-100%
Depreciation and amortization	q	-	1,494,782	-100%
Forgiveness of debt	r	1,887,584	-	100%
Impairment of goodwill	s	(14,619,549)	-	100%
Impairment of Intangible assets	t	(38,338,777)	(4,615,003)	731%
Impairment of Investment in associates	u	(24,862,930)	-	100%
Interest expense	v	(5,257)	(48,630)	-89%
Equity loss on investments	w	-	(622,205)	-100%

- m) There were no active revenue producing subsidiaries during the year ended January 31, 2021.
- n) The Company was subject to a cease trade order with no active subsidiaries during the year ended January 31, 2021 which resulted in a 100% decline in sales and marketing expenses.
- o) Decrease in general and administrative expense is primarily due to staff reductions associated with restructuring and decrease in management and professional fees at corporate head office.
- p) Decrease in share-based compensation as there were no options granted to certain directors, officers, employees and consultants of the Company during the year.
- q) Decrease in depreciation and amortization as all assets were disposed of during the year.
- r) Debt forgiveness recorded during the year ended January 31, 2021 as a result of the CCAA restructuring.
- s) During the year ended January 31, 2021 the Company recorded an impairment loss representing the full value of the goodwill for Acreage Pharms and Leaf Wise.
- t) During the year ended January 31, 2021 the Company recorded an impairment loss representing the full value of licenses held at Acreage Pharms and other intangible assets. The prior period represented impairment of the Gene-Etics intellectual property.
- u) During the year ended January 31, 2021, the Company recorded an impairment loss representing the full value of its investment in AB Labs and AB Ventures.
- v) Interest expense declined as a result of debt reduction arising from the CCAA restructuring and sale of subsidiaries with debt.
- w) Equity loss on investments represents the value of loss associated with AB Labs and AB Ventures. The full value of the investment was recorded as an impairment and no equity loss was recorded during the year.

SELECTED ANNUAL INFORMATION

	January 31, 2021 (\$)	January 31, 2020 (\$)
Total Assets	7,813,185	124,031,528
Total non-current financial liabilities	4,210,645	18,476,226

Invictus MD Strategies Corp.

For the year ended January 31, 2021

Management's Discussion and Analysis

CASH USED IN OPERATING ACTIVITIES

For year ended January 31, 2021, cash flows used in operating activities related to continuing operations amounted to \$1,835,755. Cash flows resulted from a net loss from continuing operations of \$71,519,692, changes in working capital balances of \$22,065,652 and non-cash items of \$47,618,285. The changes in working capital balances were mainly related to accounts payable and accrued liabilities in the amount of \$21,750,109, with the majority of the balance composed of the ABG-HMX, LLC brand licensing termination fee and other changes associated with the disposal of subsidiaries and CCAA Proposal. The changes in non-cash items were mainly due to impairment losses.

For the year ended January 31, 2020, cash flows used in operating activities related to continuing operations amounted to \$5,996,282. Cash flows resulted from a net loss from continuing operations of \$21,940,965, changes in working capital balances of \$1,778,056, and non-cash items of \$14,166,627. The changes in non-cash items were mainly due to shares fair value inventory adjustments, loss on disposal of Canandia, Gene-Etics intellectual property impairment and depreciation.

CASH USED IN INVESTING ACTIVITIES

For the year ended January 31, 2021, cash flows provided by investing activities amounted to \$2,821,193 arising primarily from the settlement of the outstanding receivable due from Poda Technologies Ltd. and partial settlement of the GTEC Holdings Ltd. loan.

For the year ended January 31, 2020, cash flows used in investing activities related to continuing operations amounted to \$5,628,126. Cash outflows resulted from the purchase of property, plant and equipment at Acreage Pharms Ltd., additional loans granted, and proceeds received from the disposal of Future Harvest Development Ltd.

CASH PROVIDED BY FINANCING ACTIVITIES

For the year ended January 31, 2021, cash flows provided by financing activities amounted to \$1,350,000 arising from a private placement which occurred concurrently with the CCAA restructuring plan.

For the twelve months ended January 31, 2020, cash flows used in financing activities amounted to \$973,939. Cash flows primarily resulted from:

- (i) \$496,750 in private placement subscriptions;
- (ii) \$534,999 from option exercises;
- (iii) \$872,101 proceed from debt;
- (iv) \$1,205,000 received through a shareholder loan;
- (v) \$4,000,000 repayment of debt.

Invictus MD Strategies Corp.

For the year ended January 31, 2021

Management's Discussion and Analysis

SUMMARY OF QUARTERLY RESULTS

The below table provides a summary of the quarterly financial data for the last eight quarters, prepared in accordance with IFRS:

Three Months Ended	Revenue	Net loss (income)	Net loss (income) attributed to common shareholders	Basic loss per common share	Diluted loss per common share
	(\$)	(\$)	(\$)	(\$)	(\$)
January 31, 2021	-	76,613,613	76,613,613	0.06	0.06
October 31, 2020	-	716,046	716,046	0.01	0.01
July 31, 2020	-	859,255	859,255	0.01	0.01
April 30, 2020	-	1,288,883	1,288,883	0.01	0.01
January 31, 2020	(116,150)	(1,215,041)	(1,215,041)	-0.01	-0.01
October 31, 2019	(685,722)	6,673,685	6,592,421	0.06	0.06
July 31, 2019	2,467,267	12,316,041	12,343,160	0.14	0.14
April 30, 2019	1,605,101	4,622,389	4,642,348	0.04	0.04

RELATED PARTY TRANSACTIONS

All related party transactions have occurred in the normal course of operations and are recorded at the amounts agreed between the parties.

As at January 31, 2020, Acreage Pharms had i) shareholder loans of \$825,000 from its Director, President and CEO and \$380,000 from its Director and Quality Assurance Person. Amounts drawn are unsecured and non-interest bearing.

Key Management Personnel Compensation

Key management is comprised of the Company's directors and executive officers. The Company incurred the following key management compensation charges during the years ended January 31, 2021, and 2020:

	January 31, 2021	January 31, 2020
	(\$)	(\$)
Salaries, bonuses, fees, and benefits	78,766	1,167,205
Share-based payments	-	394,547
	78,766	1,561,752

Invictus MD Strategies Corp.

For the year ended January 31, 2021

Management's Discussion and Analysis

OUTSTANDING SHARE DATA

As of October 13, 2022, the Company had 1,245,831,630 common shares issued and outstanding, no stock options outstanding and 5,750,000 warrants outstanding, with a weighted average exercise price of \$2.40, for a fully diluted common share capital of 1,251,581,630.

FINANCIAL INSTRUMENTS

Financial instruments recorded at fair value are classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The hierarchy is summarized as follows:

Level 1 - quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2 - inputs that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices) from observable market data.

Level 3 - inputs for assets and liabilities not based upon observable market data.

Consistent with January 31, 2020, at January 31, 2021 all financial instruments of the company are classified at level 1.

The following financial instruments are presented at fair value on a recurring basis:

As of January 31, 2021	Carrying value (\$)	Level 1 (\$)
Financial Assets		
Cash and cash equivalents	236,389	236,389
As of January 31, 2020	Carrying value (\$)	Level 1 (\$)
Financial Assets		
Cash and cash equivalents	412,909	412,909

The Company's financial instruments are exposed to certain financial risks, including credit, liquidity, currency and interest rate risk. There have been no transfers between fair value categories during the period.

Credit Risk

Credit risk arises from cash and cash equivalents held with banks and financial institutions, as well as credit exposure on outstanding accounts receivables and loans receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The Company seeks to limit its exposure to this risk by holding its cash and cash equivalents in large Canadian financial institutions. The Company manages its credit risk relating to loans receivable by reviewing monthly payments and analyzes the counterparties' financial stability to ensure the liquidity of available funds.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages its liquidity risk by reviewing its capital requirements on an ongoing basis, raising capital through equity financing, when required.

The following table details the Company's expected remaining contractual cash flow requirements for its financial liabilities on repayment or maturity periods. The amounts presented are based on the contractual undiscounted

Invictus MD Strategies Corp.

For the year ended January 31, 2021

Management's Discussion and Analysis

cash flows and may not agree with the carrying amounts in the unaudited consolidated statements of financial position:

As of January 31, 2021	Up to 1 year (\$)	1 - 5 years (\$)	Total (\$)
Accounts payable	43,406	-	43,406
Promissory note	300,760	4,210,645	4,511,405
	344,166	4,210,645	4,554,811

Currency Risk

Currency risk is the risk that changes in foreign exchange rates will affect the Company's income or the value of its holdings of financial instruments. The Company has minimal financial assets and liabilities held in foreign currencies.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. As at January 31, 2021, the Company does not have significant interest rate risk.

Capital Management

The Company's objectives when managing its capital are to safeguard its ability to continue as a going concern, to meet its capital expenditures for its continued operations, and to maintain a flexible capital structure which optimizes the cost of capital within a framework of acceptable risk. The Company manages its capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may issue new shares, enter into debt facilities, or acquire or dispose of assets. The Company is not subject to externally imposed capital requirements.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There have been no changes to the Company's capital management approach in the period. The Company considers its shareholders' equity as capital.

OFF-BALANCE SHEET ARRANGEMENTS AND PROPOSED TRANSACTIONS

The Company has no off-balance sheet arrangements or proposed transactions.

SIGNIFICANT ACCOUNTING POLICIES

The Company follows the accounting policies described in Note 2 of the Company's unaudited consolidated financial statements for the year ended January 31, 2021.

CRITICAL ACCOUNTING ESTIMATES

The preparation of consolidated financial statements in accordance with IFRS requires the use of certain critical accounting estimates and judgments. It also requires management to exercise judgment in applying the Company's accounting policies. These judgments and estimates are based on management's best knowledge of the relevant facts and circumstances taking into account previous experience, but actual results may differ from amounts included in the financial statements. The critical accounting estimates and judgments used by the Company are described in Note 2 of the Company's unaudited consolidated financial statements for the year ended January 31, 2021.

Invictus MD Strategies Corp.

For the year ended January 31, 2021

Management's Discussion and Analysis



NEW ACCOUNTING STANDARDS ADOPTED EFFECTIVE FEBRUARY 1, 2020

Effect of adopting IFRS 16 - Leases

Effective February 1, 2020, the Company adopted IFRS 16 *Leases*. As permitted under IFRS 16, the Company chose not to apply the new standard retroactively and instead recognized the cumulative effect of initially applying IFRS 16 as an adjustment to opening equity at the date of initial application, February 1, 2020.

IFRS 16 *Leases* provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less, or the underlying asset has a low value. The Company has elected not to recognize short-term leases under one year and leases for which the underlying asset is of low value.

On adoption of IFRS 16, the Company recognized lease obligations that were previously classified as operating leases under IAS 17 *Leases*. Under IFRS 16, the liability was measured at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate, if the implicit lease rate could not be readily determined, as of February 1, 2020. In accordance with IFRS 16, lease payments are allocated between the lease liability and finance cost. The finance cost, or amortization of the discount, on the lease liability is charged to the unaudited consolidated statements of operations and comprehensive loss using the effective interest method so as to produce a constant periodic rate of interest on the remaining balance of the lease liability for each period.

On adoption of IFRS 16, the Company recognized right-of-use assets for leases which are disclosed in Property, plant and equipment in the unaudited consolidated statements of financial position. Initially, the right-of-use assets were measured at cost, being the initial measurement of the lease liabilities. Subsequently, the right-of-use assets are remeasured at cost less accumulated depreciation or impairment. Depreciation on the right-of-use assets is taken on a straight-line basis over the term of the leases and is recorded in the consolidated statement of operations and comprehensive loss. The adoption of IFRS 16 did not have a material impact on the financial statements.

IFRIC 23 - Uncertainty over Income Tax Treatments

IFRIC 23 provides guidance on the accounting for current and deferred tax liabilities and assets in circumstances in which there is uncertainty over income tax treatments. The adoption of IFRIC 23 did not have a material impact on the consolidated financial statements.

Other accounting standards or amendments to existing accounting standards that have been issued, but have future effective dates are either not applicable or are not expected to have a material impact on the Company's unaudited consolidated financial statements.

Invictus MD Strategies Corp.

For the year ended January 31, 2021

Management's Discussion and Analysis



RISK FACTORS

Many factors could cause the Company's actual results, performance and achievements to differ materially from those expressed or implied by the forward-looking statements and forward-looking information as noted below. Additional risk factors are outlined in greater detail under the heading "Risk Factors" in the Company's AIF dated May 24, 2019, filed with securities regulators and available on www.sedar.com, which risk factors are incorporated by reference into this document, and should be reviewed in detail by all readers.

These risks include, but are not limited to the following:

- actual financial position and results of operations may differ materially from the expectations of the Company's management;
- subject to changes in Canadian laws, regulations, and guidelines that could adversely affect the Company's future business, financial condition, and results of operations;
- no assurance the Company will collect its outstanding accounts and loans receivable.
- no assurance the Company will turn a profit or generate immediate revenues;
- officers and directors may be engaged in a range of business activities resulting in conflicts of interest;
- reputation could be damaged as a result of the actual or perceived events that result in negative publicity;
- currently has negative operating cash flow and may continue to have that for the foreseeable future; and
- has not paid any dividends on its issued and outstanding common shares to date and may not pay dividends in the foreseeable future.

Invictus MD Strategies Corp.

Consolidated Financial Statements

For the six and eleven months ended June 30, 2022 and December 31, 2021

(Expressed in Canadian dollars)

(Unaudited)

Invictus MD Strategies Corp.

Consolidated statements of financial position

(Expressed in Canadian dollars)

(Unaudited)

	Notes	June 30, 2022 (\$)	December 31, 2021 (\$)
Assets			
Current Assets			
Cash and cash equivalents		569,906	1,042,659
Accounts receivable	3	1,638,899	1,631,474
Marketable securities	4	1,413,334	1,055,405
Loan receivable	5	1,000,000	1,000,000
		4,622,139	4,729,538
Loans receivable	5	4,000,000	4,000,000
Total Assets		8,622,139	8,729,538
Liabilities and Shareholders' Equity			
Current Liabilities			
Accounts payable and accrued liabilities		56,750	-
Promissory notes payable	7	300,760	300,760
		357,510	300,760
Promissory notes payable	7	4,210,645	4,210,645
Total Liabilities		4,568,155	4,511,405
Shareholders' Equity			
Share capital	9	158,835,129	158,835,129
Contributed surplus		28,850,453	28,850,453
Deficit		(183,631,598)	(183,467,449)
Total Shareholders' Equity		4,053,984	4,218,133
Total Liabilities and Shareholders' Equity		8,622,139	8,729,538

Subsequent events (Note 11)

The accompanying notes form an integral part of these unaudited consolidated financial statements

Invictus MD Strategies Corp.

Consolidated statements of operations and comprehensive loss

(Expressed in Canadian dollars)

(Unaudited)

	6 months ended June 30, 2022 (\$)	11 months ended December 31, 2021 (\$)
Operating Expenses		
General and administrative	164,149	520,066
Loss From Operations	(164,149)	(520,066)
Other Income		
Foreign exchange gain	-	4,493
Other income	-	1,091,833
Interest income	-	383,399
	-	1,479,725
Net Income (Loss) and Comprehensive Income (Loss)	(164,149)	959,659

The accompanying notes form an integral part of these unaudited consolidated financial statements

Invictus MD Strategies Corp.

Consolidated statements of changes in shareholders' equity

(Expressed in Canadian dollars)

(Unaudited)

	Number of shares	Share capital (\$)	Contributed surplus (\$)	Deficit (\$)	Total (\$)
Balance, January 31, 2021	1,245,831,630	158,835,129	28,850,453	(184,427,108)	3,258,474
Net income and comprehensive income	-	-	-	959,659	959,659
Balance, December 31, 2021	1,245,831,630	158,835,129	28,850,453	(183,467,449)	4,218,133
Net loss and comprehensive loss	-	-	-	(164,149)	(164,149)
Balance June 30, 2022	1,245,831,630	158,835,129	28,850,453	(183,631,598)	4,053,984

The accompanying notes form an integral part of these unaudited consolidated financial statements

Invictus MD Strategies Corp.

Consolidated statements of cash flows

(Expressed in Canadian dollars)

(Unaudited)

	6 months ended June 30, 2022 (\$)	11 months ended December 31, 2021 (\$)
Cash Flow From Operating Activities:		
Net income (loss)	(164,149)	959,659
Changes in non-cash working capital:		
Accounts receivable	(7,425)	(1,082,418)
Prepaid expenses and other assets	-	119,434
Accounts payable and accrued liabilities	56,750	-
Net Cash Provided by (Used in) Operating Activities	(114,824)	(3,325)
Cash Flows From Investing Activities		
Purchase of marketable securities	(357,929)	(1,055,405)
Collection of loans receivable	-	1,865,000
Net Cash Provided by (Used in) Investing Activities	(357,929)	809,595
Net (Decrease) Increase in Cash and Cash Equivalents	(472,753)	806,270
Cash and Cash Equivalents, Beginning of Period	1,042,659	236,389
Cash and Cash Equivalents, End of Period	569,906	1,042,659

The accompanying notes form an integral part of these unaudited consolidated financial statements

Invictus MD Strategies Corp.

Notes to the consolidated financial statements

For the six and eleven months ended June 30, 2022 and December 31, 2021

(Expressed in Canadian dollars)

(Unaudited)

1. NATURE OF OPERATIONS

Invictus MD Strategies Corp. is a reporting issuer in Canada, and was a publicly-traded company listed on the TSX Venture Exchange ("TSXV") under the symbol "GENE", as well as "8IS2" on the Frankfurt Stock Exchange and "IVITF" on the OTCQX. Invictus is currently subject to a failure-to-file cease trade order issued by the BCSC and OSC respectively on February 4, 2021.

The Company is primarily engaged in the investment, acquisition, and development of synergistic businesses to increase and sustain growth, value and profits.

On January 1, 2022, the Company amalgamated with its subsidiaries 1339527 BC Ltd. (formerly 2015059 Alberta Ltd.), 1339533 BC Ltd. (formerly 2102168 Alberta Ltd.), Greener Pastures MD Ltd., and Prestige Worldwide Holdings Inc. and changed its year end to December 31 from January 31.

The unaudited consolidated financial statements as at and for the six months ended June 30, 2022, and as at and for the eleven months ended December 31, 2021, include Invictus MD Strategies Corp. and its subsidiaries (together referred to as "Invictus" or the "Company") and the Company's interest in affiliated companies. The Company's most active investments include an ownership interest in AB Laboratories Inc. ("AB Labs") and AB Ventures Inc. ("AB Ventures").

The Company was incorporated on February 11, 2014, under the Business Corporations Act (British Columbia). The head office is located at 16th floor, 595 Burrard Street, Vancouver, British Columbia, Canada, V7X 1L4, and the registered and records office is located at 10th floor, 595 Howe Street, Vancouver, British Columbia, Canada, V6C 2T5.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

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

These consolidated financial statements were authorized for issue by the Board of Directors on October 13, 2022.

Basis of Presentation and Measurement

These consolidated financial statements include the accounts of the Company and its subsidiaries and have been presented in Canadian dollars on a historical cost basis, except for certain financial instruments, which are measured at fair value. Historical cost is generally based upon the fair value of the consideration given in exchange for assets. The expenses within the consolidated statements of operations and comprehensive loss are presented by function.

Basis of Consolidation

These consolidated financial statements comprise the financial statements of the Company and its Canadian subsidiaries, as presented below. Subsidiaries are those entities which the Company controls by having the power to govern the financial and operational policies of the entity. This control is generally evidenced through owning more than 50% of the voting rights or currently exercisable potential voting rights of a company's share capital. All intercompany transactions and balances have been eliminated.

Invictus MD Strategies Corp.

Notes to the consolidated financial statements

For the six and eleven months ended June 30, 2022 and December 31, 2021

(Expressed in Canadian dollars)

(Unaudited)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Consolidation (continued)

On January 1, 2022, the Company amalgamated with its subsidiaries 1339527 BC Ltd. (formerly 2015059 Alberta Ltd.), 1339533 BC Ltd. (formerly 2102168 Alberta Ltd.), Greener Pastures MD Ltd., and Prestige Worldwide Holdings Inc. and changed its year end to December 31 from January 31.

	Percentage ownership interest	
	June 30, 2022	December 31, 2021
Vitaleaf Management Inc. (inactive)	100%	100%
Gene-Etics Strains Co. (inactive)	100%	100%

Investments in Associates

The Company has interests in associates. Associates are entities over which the Company exercises significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but without control or joint control over those policies. The Company accounts for associates using the equity method of accounting. Interests in associates are initially recognized at cost. Subsequent to initial recognition, the carrying value of the Company's interest in an associate is adjusted for the Company's share of comprehensive income and distributions of the investee. The carrying value of associates is assessed for impairment at each statement of financial position date.

Impairment of Non-Current Assets

Non-current assets are reviewed for 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 (the cash-generating unit, or "CGU"). The recoverable amount of an asset or a CGU is the higher of its fair value, less costs to sell, and its value in use. If the carrying amount of an asset exceeds its recoverable amount, an impairment charge is recognized immediately in profit or loss by the amount by which the carrying amount of the asset exceeds the recoverable amount. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the lesser of the revised estimate of recoverable amount, and the carrying amount that would have been recorded had no impairment loss been recognized previously.

Share Capital

Common shares are classified as equity. Transaction costs directly attributable to the issuance of common shares and common share warrants are recognized as a deduction from equity. Common shares issued for non-monetary consideration are measured based on their market value at the date the common shares are issued.

The Company has adopted the relative fair value method with respect to the measurement of common shares and warrants issued as equity units. The relative fair value method requires an allocation of the net proceeds received based on the pro rata relative fair value of the components. If and when the warrants are ultimately exercised, the applicable amounts are transferred from reserve for warrants to share capital.

Invictus MD Strategies Corp.

Notes to the consolidated financial statements

For the six and eleven months ended June 30, 2022 and December 31, 2021

(Expressed in Canadian dollars)

(Unaudited)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Taxes

The Company uses the liability method to account for income taxes. Deferred income tax assets and liabilities are recognized for the future tax consequences attributable to differences between the carrying amounts of existing assets and liabilities for accounting purposes, and their respective tax bases. Deferred income tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted applied to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred income tax assets and liabilities of a change in statutory tax rates is recognized in profit or loss in the year of change. Deferred income tax assets are recognized to the extent it is probable that future taxable profits of the relevant entity will be available against which the assets can be utilized and are reviewed at the end of each reporting period.

Financial Instruments

The classification and measurement of financial assets is based on the Company's business models for managing its financial assets and whether the contractual cash flows represent solely payments of principal and interest ("SPPI"). Financial assets are initially measured at fair value plus, in the case of financial assets not at fair value through profit and loss ("FVTPL") transaction costs.

Financial assets are subsequently measured at either:

- (i) amortized cost;
- (ii) fair value through other comprehensive income ("FVTOCI"); or
- (iii) at fair value through profit or loss ("FVTPL").

Financial liabilities are generally classified and measured at fair value at initial recognition and subsequently measured at amortized cost.

The following table summarizes the classification of the Company's financial instruments under IAS 39 and the new measurement under IFRS 9:

	IAS 39 Classification	IFRS 9 Classification
Financial assets		
Cash and cash equivalents	FVTPL	FVTPL
Accounts receivable	Loans and receivables	Amortized cost
Marketable securities	FVTPL	FVTPL
Loans receivable	Loans and receivables	Amortized cost
Financial liabilities		
Accounts payable and accrued liabilities	Amortized cost	Amortized cost
Promissory note payable	Amortized cost	Amortized cost

IFRS 9 uses an expected credit loss impairment model as opposed to an incurred credit loss model under IAS 39. The impairment model is applicable to financial assets measured at amortized cost where any expected future credit losses are provided for, irrespective of whether a loss event has occurred as at the reporting date. The adoption of the new expected credit loss impairment model had a negligible impact on the carrying amounts of financial assets recognized at amortized cost.

Invictus MD Strategies Corp.

Notes to the consolidated financial statements

For the six and eleven months ended June 30, 2022 and December 31, 2021

(Expressed in Canadian dollars)

(Unaudited)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Critical Accounting Estimates and Judgments

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

3. ACCOUNTS RECEIVABLE

	June 30, 2022	December 31, 2021
	(\$)	(\$)
Interest receivable	978,899	971,474
Other receivables	660,000	660,000
	1,638,899	1,631,474

No provision for bad debts has been recorded by the Company. Bad debts are recognized in full when incurred.

4. MARKETABLE SECURITIES

The Company holds investments in marketable securities. The Company does not exercise significant influence over the companies.

5. LOANS RECEIVABLE

- (a) As of June 30, 2022, the Company has a loan receivable of \$1,000,000 from AB Labs, an associated company (December 31, 2021: \$1,000,000). The amount due is unsecured, non-interest bearing, and is due on demand.
- (b) As of June 30, 2022, the Company has a loan receivable of \$4,000,000 from AB Labs, an associated company (December 31, 2021: \$4,000,000). The amount due is secured by a first mortgage over the AB Labs Secondary Facility and bears interest at 8% per annum. The loan shall become due and payable on the last day of the first fiscal quarter (the "Maturity Date") in which AB Labs achieves positive earnings before interest, taxes, depreciation, and amortization. Following the Maturity Date, the loan shall be repaid in installments on or before the last day of the month immediately following the end of each fiscal quarter, with each installment equal to seventy five percent (75%) of AB Labs' net change in operating cash flow during such fiscal quarter, provided a positive net change in operating cash flow has occurred. As of June 30, 2022, the loan receivable had accrued interest of \$978,899 (December 31, 2021: \$971,474).

Invictus MD Strategies Corp.

Notes to the consolidated financial statements

For the six and eleven months ended June 30, 2022 and December 31, 2021

(Expressed in Canadian dollars)

(Unaudited)

6. INVESTMENTS IN ASSOCIATES

On November 29, 2017, the Company entered into a binding letter of intent ("LOI") for an option to increase the Company's ownership interest in AB Labs from 33.33% to 50%, and on February 6, 2018, the Company exercised its option to acquire an additional 16.67% ownership in AB Labs. The exercise price of the option was \$10,000,001, and will be used by AB Labs as follows:

- (i) \$2,750,000 for the purchase of the "Primary Facility" building;
- (ii) \$5,200,000 for the purchase of the "Secondary Facility" land and building, and for the anticipated construction costs of the Secondary Facility; and
- (iii) \$2,050,001 for working capital purposes.

The increased investment in AB Labs results in the Company having 50% of the equity. However, the President of AB Labs holds the remaining 50% and retains power and control to manage operations without restriction. In addition to the payment of the purchase price for the Primary Facility and Secondary Facility, the use of the proceeds shall also include all closing costs related to the purchase of the properties.

On May 25, 2018, the Company paid \$3,000,000 to AB Ventures to increase its ownership to 24.99%. Upon payment of the remaining \$2,500,000 commitment the Company will have a 33.33% ownership interest in AB Ventures.

The investments in both AB Labs and AB Ventures is valued at \$nil as at June 30, 2022 (December 31, 2021 - \$nil).

7. PROMISSORY NOTES

On January 21, 2021, the Company completed a proposal with its creditors under the Companies' Creditors Arrangement Act to settle its then outstanding indebtedness owed to its creditors (the "CCAA Proposal"). The CCAA Proposal resulted in the issuance of 1,121,248,467 common shares representing 90% of the issued and outstanding capital of the company for proceeds of \$1,350,000 and non-interest bearing promissory notes totaling \$300,760 payable on January 26, 2022 and \$4,210,645 payable on January 26, 2026.

8. INCOME TAXES

As at June 30, 2022, the Company has non-capital losses carried forward of \$36,562,749, which are available to offset future years' taxable income. The losses expire as follows:

	(\$)
2038	5,465,857
2039	14,941,580
2040	12,727,593
2041	3,427,719
	<u>36,562,749</u>

Invictus MD Strategies Corp.

Notes to the consolidated financial statements

For the six and eleven months ended June 30, 2022 and December 31, 2021

(Expressed in Canadian dollars)

(Unaudited)

9. SHARE CAPITAL

The Company has an unlimited number of common shares without par value authorized for issuance and an unlimited number of non-voting and non-participating Class A redeemable preferred shares.

As of June 30, 2022, the Company had 1,245,831,630 common shares issued and outstanding (December 31, 2021: 1,245,831,630).

As of June 30, 2022, no Class A preferred shares were issued or outstanding (December 31, 2021: nil).

Stock Option Plan

The Company has adopted a rolling incentive stock option plan (the "Option Plan") which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the applicable stock exchange's requirements, grant to Directors, officers, employees or consultants to the Company, non-transferable options to purchase common shares. Pursuant to the Option Plan, the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares of the Company. Options granted under the Option Plan can have a maximum exercise term of 10 years from the date of grant. Vesting terms will be determined at the time of grant by the Board of Directors. There were no stock options outstanding as at June 30, 2022 or December 31, 2021.

Warrants

Movements in the number of warrants outstanding and their related weighted average exercise prices are as follows:

	Number of warrants	Weighted average exercise price (\$)
Outstanding, January 31, 2021	5,750,000	2.40
Expired	(5,750,000)	2.40
Outstanding, December 31, 2021	-	-
Outstanding, June 30, 2022	-	-

Invictus MD Strategies Corp.

Notes to the consolidated financial statements

For the six and eleven months ended June 30, 2022 and December 31, 2021

(Expressed in Canadian dollars)

(Unaudited)

10. FINANCIAL INSTRUMENTS

Financial instruments recorded at fair value are classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The hierarchy is summarized as follows:

Level 1 - quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2 - inputs that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices) from observable market data.

Level 3 - inputs for assets and liabilities not based upon observable market data.

Consistent with December 31, 2021, at June 30, 2022 all financial instruments of the company are classified at level 1.

The following financial instruments are presented at fair value on a recurring basis:

As of June 30, 2022	Carrying value (\$)	Level 1 (\$)
Financial Assets		
Cash and cash equivalents	569,906	569,906
As of December 31, 2021	Carrying value (\$)	Level 1 (\$)
Financial Assets		
Cash and cash equivalents	1,042,659	1,042,659

The Company's financial instruments are exposed to certain financial risks, including credit, liquidity, and interest rate risk. There have been no transfers between fair value categories during the period.

Credit Risk

Credit risk arises from cash and cash equivalents held with banks and financial institutions, as well as credit exposure on outstanding accounts receivables and loans receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The Company seeks to limit its exposure to this risk by holding its cash and cash equivalents in large Canadian financial institutions. The Company does not have significant credit risk with respect to customers. The Company manages its credit risk relating to loans receivable by reviewing monthly payments and analyzes the counterparties' financial stability to ensure the liquidity of available funds.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages its liquidity risk by reviewing its capital requirements on an ongoing basis, raising capital through equity financing, when required.

The following table details the Company's expected remaining contractual cash flow requirements for its financial liabilities on repayment or maturity periods. The amounts presented are based on the contractual undiscounted cash flows and may not agree with the carrying amounts in the unaudited consolidated statements of financial position:

As of June 30, 2022	Up to 1 year (\$)	1 - 5 years (\$)	Total (\$)
Accounts payable	56,750	-	56,750
Promissory note	300,760	3,550,645	3,851,405
	357,510	3,550,645	3,908,155

Invictus MD Strategies Corp.

Notes to the consolidated financial statements

For the six and eleven months ended June 30, 2022 and December 31, 2021

(Expressed in Canadian dollars)

(Unaudited)

11. SUBSEQUENT EVENTS

Plan of Arrangement

On August 24, 2022 – the Company applied to the B.C. Securities Commission (“BCSC”) and Ontario Securities Commission (“OSC”) for a partial revocation order (the “Partial Revocation Order”) to permit it to proceed with a proposed plan of arrangement (an “Arrangement”).

The Partial Revocation Order was granted on September 7, 2022, and the Company proposes to complete an Arrangement with its shareholders whereby:

- (a) The Company’s wholly-owned Delaware subsidiary, Gene-Etics Strains Co. (“Subco”) will be continued into British Columbia;
- (b) The Company and Subco will then amalgamate under the laws of British Columbia to form an amalgamated company (“Amalco”);
- (c) The current issued common shares of the Company will be effectively consolidated by share exchange on the basis of 0.005 common share of Amalco (the “Amalco Shares”) for every common share of the Company, or such other share exchange ratio as may be approved, with no fractional Amalco Shares being issued; the number of Amalco Shares to be issued to any shareholder will be rounded up to the nearest whole Amalco Share in the event that the shareholder is entitled to a fractional share representing 0.5 or more of an Amalco Share, and shall be rounded down to the nearest whole Amalco Share in the event that the shareholder is entitled to a fractional share representing less than 0.5 of an Amalco Share; and
- (d) Shareholders holding a “small lot” (being 1,250 Amalco Shares or less) will receive a cash payment, based on their fair value which is estimated at \$1.60 per Amalco Share.

Each shareholder of Invictus will receive a management information circular describing the Arrangement in detail. The information circular will disclose the fact that the Company has no plans to apply for a full revocation of the CTO and that the securities of Amalco will continue to be subject to the CTO; however, Amalco does intend to apply for an order to cease to be a reporting issuer, although there can be no assurance that such an order would be granted. The Arrangement must be approved by a special majority of at least two-thirds of the voting shareholders of the Company at a special meeting to be called for that purpose. Invictus must also obtain, and provide to the BCSC upon request, signed and dated acknowledgments from all remaining shareholders of Amalco which clearly state that the securities of Amalco acquired by the shareholder under the Arrangement will remain subject to the failure-to-file CTO, and provide a copy of the CTO and the Partial Revocation Order to all shareholders.

Marketable Securities

In August 2022, the Company received a distribution of \$8,553,391 in cash as a result of its investment in PODA Holdings Inc.

Invictus MD Strategies Corp.

For the six months ended June 30, 2022

Management's Discussion and Analysis

INTRODUCTION

The following is management's discussion and analysis ("MD&A") of the results of operations and financial condition of Invictus MD Strategies Corp. ("Invictus MD" or the "Company") and should be read in conjunction with the accompanying unaudited consolidated financial statements for the six months ended June 30, 2022 and related notes therein. Additional information relating to the Company is available on SEDAR at www.sedar.com.

All financial information in this MD&A for the six months ended June 30, 2022, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All dollar amounts are expressed in Canadian dollars unless otherwise indicated.

The effective date of this MD&A is October 13, 2022.

MANAGEMENT'S RESPONSIBILITY

The Company's certifying officers, based on their knowledge, having exercised reasonable diligence, are responsible to ensure that this MD&A and related filings do not contain any untrue statements of material fact, or omit to state a material fact required to be stated, or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by this MD&A and related filings. The Board of Directors' approved the MD&A, together with the consolidated financial statements for six months ended June 30, 2022 and ensure that management has discharged its financial responsibilities.

FORWARD-LOOKING INFORMATION AND CAUTIONARY RISKS NOTICE

Certain statements contained in the following MD&A constitute forward-looking statements (within the meaning of the Canadian securities legislation and the U.S. Private Securities Litigation Reform Act of 1995) that involve risks and uncertainties. Forward-looking statements are frequently, but not always, identified by words such as "plans", "expects", "anticipates", "believes", "intends", "estimates", "potential", "possible" and similar expressions, or statements that events, conditions or results "will", "may", "could" or "should" occur or be achieved. The forward-looking statements may include statements regarding work programs, capital expenditures, timelines, strategic plans, the market price of commodities or other statements that are not a statement of fact. Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of the Company may differ materially from those reflected in forward-looking statements due to a variety of risks, uncertainties and other factors.

For the reasons set forth above, investors should not place undue reliance on forward-looking statements. It is the Company's policy that all forward-looking statements are based on the Company's beliefs and assumptions which are based on information available at the time these assumptions are made. The forward-looking statements contained herein are as of the effective date noted above, and are subject to change after this date, and the Company assumes no obligation to publicly update or revise the statements to reflect new events or circumstances, except as may be required pursuant to applicable laws.

Although management believes that the expectations represented by such forward-looking information or statements are reasonable, there is a significant risk that the forward-looking information or statements may not be achieved, and the underlying assumptions thereto will not prove to be accurate.

Actual results or events could differ materially from the plans, intentions, and expectations expressed or implied in any forward-looking information or statements, including the underlying assumptions thereto, as a result of numerous risks, uncertainties and factors including: the possibility that opportunities will arise that require more cash than the Company has or can reasonably obtain; dependence on key personnel; dependence on corporate collaborations; potential delays; uncertainties related to early stage of technology and product development; uncertainties as to fluctuation of the stock market; uncertainties as to future expense levels and the possibility of unanticipated costs or expenses or cost overruns; and other risks and uncertainties which may not be described herein. The Company has no policy for updating forward-looking information beyond the procedures required under applicable securities laws.

Invictus MD Strategies Corp.

For the six months ended June 30, 2022

Management's Discussion and Analysis

COMPANY OVERVIEW

Invictus MD Strategies Corp. is a reporting issuer in Canada, and was a publicly-traded company listed on the TSX Venture Exchange ("TSXV") under the symbol "GENE", as well as "8IS2" on the Frankfurt Stock Exchange and "IVITF" on the OTCQX. Invictus is currently subject to a failure-to-file cease trade order issued by the BCSC and OSC respectively on February 4, 2021. The Company is primarily engaged in the investment, acquisition, and development of synergistic businesses to increase and sustain growth, value, and profits. The most active investments include an ownership interest in AB Laboratories Inc. ("AB Labs") and AB Ventures Inc. ("AB Ventures").

On January 21, 2021, the Company completed a proposal with its creditors under the Companies' Creditors Arrangement Act to settle its then outstanding indebtedness owed to its creditors (the "CCAA Proposal"). The CCAA Proposal resulted in the issuance of 1,121,248,467 common shares representing 90% of the issued and outstanding capital of the company for proceeds of \$1,350,000 and non-interest bearing promissory notes totaling \$300,760 payable on January 26, 2022 and \$4,210,645 payable on January 26, 2026. The Company has been significantly restructured and has no active wholly owned subsidiaries. Intangible assets, goodwill, and investments have been significantly reduced to their net recoverable amounts.

On January 1, 2022, the Company amalgamated with its subsidiaries 1339527 BC Ltd. (formerly 2015059 Alberta Ltd.), 1339533 BC Ltd. (formerly 2102168 Alberta Ltd.), Greener Pastures MD Ltd., and Prestige Worldwide Holdings Inc. and changed its year end from January 31 to December 31.

STRATEGY AND OUTLOOK

The Company completed a restructuring with a CCAA Proposal and has drastically changed its operations to reduce its obligations. The entire management team has been restructured as well with Dr. Jagdeep Gupta and Gregory MacDonald accepting positions as directors. These two individuals will oversee the strategy and growth of the company in the future and together bring over 40 years of business, financial and management experience.

The Company is continually working to add value through the growth of its current investments, business planning and leveraging experience and relationships, and structuring and deploying the proper capital to support long-term growth.

BUSINESS DEVELOPMENTS**Management and Board Changes**

The Company announced various changes to its executive management team and its Board of Directors further strengthening the leadership team of Invictus.

February 22, 2022, Jagdeep Gupta replaced Gurmeet Gupta as a member of the Board of Directors.

January 26, 2021, it was announced that Colin Kinsley and Brenda Mae Dixon resigned as directors and Greg Macdonald and Gurmeet Gupta were appointed as the new directors of the Company. In addition, Pam Boparai ceased to be the Chief Restructuring Officer. Elene Gershtein ceased as Acting CFO.

On May 20, 2020, it was announced that Ms. Harbir Toor ceased to be the Company's Chief Financial Officer. Ms. Elena Gershtein was appointed Acting CFO.

Invictus MD Strategies Corp.

For the six months ended June 30, 2022

Management's Discussion and Analysis

AB Laboratories Inc. and AB Ventures Inc.

As at June 30, 2022, the company had outstanding interest receivable totaling \$978,899 (December 31, 2021 – 971,474) and loans receivable totaling \$5,000,000 due from AB Laboratories Inc.

Marketable Securities

In August 2022, the Company received a distribution of \$8,553,391 in cash as a result of its investment in PODA Holdings Inc.

RESULTS OF OPERATIONS

For the Three Months Ended June 30,

	Ref.	2022 (\$)	2021 (\$)	Change (%)
Net Loss (Income)		82,075	(261,725)	-131%
General and administrative	a	82,075	141,836	-42%
Foreign exchange gain (loss)	b	-	1,225	-100%
Other income	c	-	297,773	-100%
Interest income	d	-	104,563	-100%

- a) The decrease in general and administrative expenses is due to significant cuts to the administrative staff and operations from prior year.
- b) There were no transactions or balances held in foreign currency during the quarter resulting in foreign exchange adjustments.
- c) Other income declined as there were no sales of marketable securities during the quarter.
- d) Interest declined as there was no further interest accrued on the AB Labs loans receivable.

For the Six Months Ended June 30,

	Ref.	2022 (\$)	2021 (\$)	Change (%)
Net Loss (Income)		164,149	(523,450)	-131%
General and administrative	e	164,149	283,672	-42%
Foreign exchange gain (loss)	f	-	2,451	-100%
Other income	g	-	595,545	-100%
Interest income	h	-	209,127	-100%

- e) The decrease in general and administrative expenses is due to significant cuts to the administrative staff and operations from prior year.
- f) There were no transactions or balances held in foreign currency during the six months ended June 30, 2022 resulting in foreign exchange adjustments.
- g) Other income declined as there were no sales of marketable securities during the quarter.
- h) Interest declined as there was no further interest accrued on the AB Labs loans receivable.

Invictus MD Strategies Corp.

For the six months ended June 30, 2022

Management's Discussion and Analysis

SELECTED FINANCIAL INFORMATION

	June 30, 2022 (\$)	December 31, 2021 (\$)
Total Assets	8,722,139	8,729,538
Total non-current financial liabilities	4,210,645	4,210,645

CASH USED IN OPERATING ACTIVITIES

For six months ended June 30, 2022, cash flows used in operating activities amounted to \$114,824. Cash flows resulted from a net loss from continuing operations of \$164,149 and changes in working capital balances of \$49,325.

For the eleven months ended December 31, 2021, cash flows used in operating activities amounted to \$3,325. Cash flows resulted from a net income of \$959,659 and changes in working capital balances of \$962,984.

CASH USED IN INVESTING ACTIVITIES

For the six months ended June 30, 2022, cash flows used in investing activities amounted to \$357,929 arising from the purchase of marketable securities.

For the eleven months ended December 31, 2021, cash flows provided by investing activities amounted to \$809,595. Cash outflows resulted from the purchase of marketable securities totaling \$1,055,405, which was more than offset by collections of loan receivables totaling \$1,865,000 from GTEC Holdings Ltd.

SUMMARY OF QUARTERLY RESULTS

The below table provides a summary of the quarterly financial data for the last eight quarters, prepared in accordance with IFRS:

Three Months Ended	Revenue (\$)	Net loss (income) (\$)	Net loss (income) attributed to common shareholders (\$)	Basic loss per common share (\$)	Diluted loss per common share (\$)
June 30, 2022	-	82,075	82,075	0.00	0.00
March 31, 2022	-	82,075	82,075	0.00	0.00
December 31, 2021 (two months)	-	(87,242)	(87,242)	0.00	0.00
October 31, 2021	-	(348,967)	(348,967)	0.00	0.00
July 31, 2021	-	(218,104)	(218,104)	0.00	0.00
April 30, 2021	-	(305,346)	(305,346)	0.00	0.00
January 31, 2021	-	76,613,613	76,613,613	0.06	0.06
October 31, 2020	-	716,046	716,046	0.01	0.01

RELATED PARTY TRANSACTIONS

There were no related party transactions during the six months ended June 30, 2022.

Invictus MD Strategies Corp.

For the six months ended June 30, 2022

Management's Discussion and Analysis

OUTSTANDING SHARE DATA

As of October 13, 2022, the Company had 1,245,831,630 common shares issued and outstanding, no stock options and no warrants outstanding for a fully diluted common share capital of 1,245,831,630.

FINANCIAL INSTRUMENTS

Financial instruments recorded at fair value are classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The hierarchy is summarized as follows:

Level 1 - quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2 - inputs that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices) from observable market data.

Level 3 - inputs for assets and liabilities not based upon observable market data.

Consistent with December 31, 2021, at June 30, 2022 all financial instruments of the company are classified at level 1.

The following financial instruments are presented at fair value on a recurring basis:

As of June 30, 2022	Carrying value (\$)	Level 1 (\$)
Financial Assets		
Cash and cash equivalents	569,906	569,906
As of December 31, 2021	Carrying value (\$)	Level 1 (\$)
Financial Assets		
Cash and cash equivalents	1,042,659	1,042,659

The Company's financial instruments are exposed to certain financial risks, including credit, liquidity, and interest rate risk. There have been no transfers between fair value categories during the period.

The Company's financial instruments are exposed to certain financial risks, including credit, liquidity and interest rate risk. There have been no transfers between fair value categories during the period.

Credit Risk

Credit risk arises from cash and cash equivalents held with banks and financial institutions, as well as credit exposure on outstanding accounts receivables and loans receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The Company seeks to limit its exposure to this risk by holding its cash and cash equivalents in large Canadian financial institutions. The Company manages its credit risk relating to loans receivable by reviewing monthly payments and analyzes the counterparties' financial stability to ensure the liquidity of available funds.

Invictus MD Strategies Corp.

For the six months ended June 30, 2022

Management's Discussion and Analysis

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages its liquidity risk by reviewing its capital requirements on an ongoing basis, raising capital through equity financing, when required.

The following table details the Company's expected remaining contractual cash flow requirements for its financial liabilities on repayment or maturity periods. The amounts presented are based on the contractual undiscounted cash flows and may not agree with the carrying amounts in the unaudited consolidated statements of financial position:

As of June 30, 2022	Up to 1 year (\$)	1 - 5 years (\$)	Total (\$)
Accounts payable	56,750	-	56,750
Promissory note	300,760	4,210,645	4,511,405
	357,510	4,210,645	4,568,155

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. As at June 30, 2022, the Company does not have significant interest rate risk.

Capital Management

The Company's objectives when managing its capital are to safeguard its ability to continue as a going concern, to meet its capital expenditures for its continued operations, and to maintain a flexible capital structure which optimizes the cost of capital within a framework of acceptable risk. The Company manages its capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may issue new shares, enter into debt facilities, or acquire or dispose of assets. The Company is not subject to externally imposed capital requirements.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There have been no changes to the Company's capital management approach in the period. The Company considers its shareholders' equity as capital.

OFF-BALANCE SHEET ARRANGEMENTS AND PROPOSED TRANSACTIONS

The Company has no off-balance sheet arrangements or proposed transactions.

SIGNIFICANT ACCOUNTING POLICIES

The Company follows the accounting policies described in Note 2 of the Company's unaudited consolidated financial statements for the six months June 30, 2022.

CRITICAL ACCOUNTING ESTIMATES

The preparation of consolidated financial statements in accordance with IFRS requires the use of certain critical accounting estimates and judgments. It also requires management to exercise judgment in applying the Company's accounting policies. These judgments and estimates are based on management's best knowledge of the relevant facts and circumstances taking into account previous experience, but actual results may differ from amounts included in the financial statements. The critical accounting estimates and judgments used by the Company are described in Note 2 of the Company's unaudited consolidated financial statements for the six months ended June 30, 2022.

Invictus MD Strategies Corp.

For the six months ended June 30, 2022

Management's Discussion and Analysis

RISK FACTORS

Many factors could cause the Company's actual results, performance and achievements to differ materially from those expressed or implied by the forward-looking statements and forward-looking information as noted below. Additional risk factors are outlined in greater detail under the heading "Risk Factors" in the Company's AIF dated May 24, 2019, filed with securities regulators and available on www.sedar.com, which risk factors are incorporated by reference into this document, and should be reviewed in detail by all readers.

These risks include, but are not limited to the following:

- actual financial position and results of operations may differ materially from the expectations of the Company's management;
- subject to changes in Canadian laws, regulations, and guidelines that could adversely affect the Company's future business, financial condition, and results of operations;
- no assurance the Company will collect its outstanding accounts and loans receivable;
- no assurance the Company will turn a profit or generate immediate revenues;
- officers and directors may be engaged in a range of business activities resulting in conflicts of interest;
- reputation could be damaged as a result of the actual or perceived events that result in negative publicity;
- currently has negative operating cash flow and may continue to have that for the foreseeable future; and
- has not paid any dividends on its issued and outstanding common shares to date and may not pay dividends in the foreseeable future.

SCHEDULE "H"

Gene-etics Strains Co.

Statements of financial position

(Unaudited - expressed in US dollars)

	June 30, 2022	December 31, 2021	December 31, 2020
Liabilities			
Due to parent company	\$ 2,985,059	\$ 2,985,059	\$ 2,985,059
Total Liabilities	2,985,059	2,985,059	2,985,059
Equity			
Share capital	100	100	100
Deficit	(2,985,159)	(2,985,159)	(2,985,159)
Total Equity	(2,985,059)	(2,985,059)	(2,985,059)
Total Liabilities and Equity	\$ -	\$ -	\$ -



Citation: 2021 BCSECCOM 58

Cease Trade Order

**Invictus MD Strategies Corp.
(the Issuer)**

Under the securities legislation of British Columbia and Ontario (Legislation)

Background

- ¶ 1 This is the order of the regulator of the British Columbia Securities Commission (the Principal Regulator) and evidences the decision of the regulator or securities regulatory authority in Ontario (each a Decision Maker).
- ¶ 2 The Issuer has not filed the following periodic disclosure required by the Legislation:
1. annual audited financial statements for the year ended January 31, 2020,
 2. interim financial report for the periods ended April 30, 2020, July 31, 2020, and October 31, 2020,
 3. management's discussion and analysis for the periods ended January 31, 2020, April 30, 2020, July 31, 2020, and October 31, 2020,
 4. certification of annual and interim filings for the periods ended January 31, 2020, April 30, 2020, July 31, 2020, and October 31, 2020.
- ¶ 3 As a result of this order, if the Issuer is a reporting issuer in a jurisdiction in which Multilateral Instrument 11-103 *Failure-to-File Cease Trade Orders in Multiple Jurisdictions* applies, a person or company must not trade in or purchase a security of the Issuer in that jurisdiction, except in accordance with the conditions that are contained in this order, if any, for so long as this order remains in effect.
- ¶ 4 Further, this order takes automatic effect in each jurisdiction of Canada that has a statutory reciprocal order provision, subject to the terms of the local securities legislation.

Interpretation

- ¶ 5 Terms defined in the Legislation, National Instrument 14-101 *Definitions* and National Policy 11-207 *Failure-to-File Cease Trade Orders and Revocations in Multiple Jurisdictions* have the same meaning if used in this order, unless otherwise defined.



Order

- ¶ 6 Each of the Decision Makers is satisfied that the decision concerning the cease trade meets the test set out in the Legislation to make this decision.
- ¶ 7 It is ordered under the Legislation that trading cease in respect of each security of the Issuer.
- ¶ 8 Despite this order, a beneficial securityholder of the Issuer who is not, and was not at the date of this order, an insider or control person of the Issuer, may sell securities of the Issuer acquired before the date of this order if both of the following apply:
1. the sale is made through a “foreign organized regulated market”, as defined in section 1.1 of the Universal Market Integrity Rules of the Investment Industry Regulatory Organization of Canada; and
 2. the sale is made through an investment dealer registered in a jurisdiction of Canada in accordance with applicable securities legislation.
- ¶ 9 February 4, 2021

s/“Jody-Ann Edman”

Jody-Ann Edman, CPA, CA
Manager, Financial Reporting
Corporate Finance



Citation: 2022 BCSECCOM 350

Partial Revocation Order

Invictus MD Strategies Corp.

**Under the securities legislation of British Columbia and Ontario
(the Legislation)**

Background

- ¶ 1 Invictus MD Strategies Corp. (the **Issuer**) is subject to a failure-to-file cease trade order (the **FFCTO**) issued by the regulator of the British Columbia Securities Commission (the **Principal Regulator**) and Ontario (each a **Decision Maker**) respectively on February 4, 2021.
- ¶ 2 The Issuer has applied to each of the Decision Makers for a partial revocation order of the FFCTO as a dual application.
- ¶ 3 This order is the order of the Principal Regulator and evidences the decision of the Decision Maker in Ontario.

Interpretation

Terms defined in National Instrument 14-101 *Definitions* or in National Policy 11-207 *Failure-to-File Cease Trade Orders and Revocations in Multiple Jurisdictions* have the same meaning if used in this order, unless otherwise defined.

Representations

- ¶ 4 This decision is based on the following facts represented by the Issuer:
- a. The head office of the Issuer is located in Vancouver, British Columbia;
 - b. The Issuer is a reporting issuer in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador, but its securities are not listed or quoted on any exchange or marketplace in Canada or elsewhere;
 - c. The Issuer was incorporated under the *Business Corporations Act* (S.B.C. 2002, c. 57) (the **BCBCA**) on February 11, 2014 under the name "Bioab Strategies Ltd.", and changed its name to "Invictus MD Strategies Corp." on December 19, 2014; and it has an unlimited number of common shares without par value authorized, of which a total of 1,245,831,630 shares are currently issued and outstanding;



- d. The Issuer is an inactive issuer and completed a proposal with its creditors under the *Companies Creditors Arrangement Act* (R.S.C., 1985, c. C-36) in January 2021 to settle its then outstanding indebtedness owed to its creditors (the **CCAA Proposal**);
- e. Pursuant to the CCAA Proposal, the Issuer had \$4,511,404 in outstanding debt owed by the Issuer to its unsecured creditors, of which \$300,760.33 was paid on or before January 26, 2022. A total of \$4,210,644 continues to remain outstanding, and the Issuer has until January 26, 2026 to pay this balance;
- f. The FFCTO was issued as a result of the Issuer's failure to file its audited financial statements for the fiscal year ended January 31, 2020, and interim unaudited financial reports for the periods ended April 30, 2020, July 31, 2020 and October 31, 2020, and the related management's discussions and analyses and officer certifications (collectively, the **Required Records**);
- g. The Issuer's failure to file Required Records was a result of financial distress;
- h. On January 1, 2022, the Issuer completed a vertical short form amalgamation under Section 273 of the BCBCA with its four wholly-owned British Columbia subsidiaries, 1339527 B.C. Ltd., 1339533 B.C. Ltd., Greener Pastures MD Ltd., and Prestige Worldwide Holdings Inc. (the **Amalgamating Companies**), whereby the issued shares of the Amalgamating Companies were cancelled and the Issuer continued as the amalgamated company without any disposition of the Issuer's issued and outstanding securities or issuance of any new securities;
- i. The Issuer proposes to complete a plan of arrangement with its shareholders under Division 5 of the BCBCA (the **Arrangement**) whereby:
 - (i) The Issuer's wholly-owned Delaware subsidiary, Gene-Etics Strains Co. (**Subco**) will be continued into British Columbia;
 - (ii) The Issuer and Subco will then amalgamate under Section 270 of the BCBCA (the proposed amalgamated company thereby created being referred to herein as **Amalco**); and
 - (iii) Under the proposed Arrangement, the current issued common shares of the Issuer will be effectively consolidated and shareholders holding a "small lot" (being 1,250 post-Arrangement shares [**Amalco Shares**] or less) will receive a cash payment, based on their fair value which is estimated at \$1.60 per Amalco Share (although this amount may be adjusted based on any feedback received from the shareholders for their support), but if a cash payment payable in respect of any one shareholder is equal to or less than \$24.00 (being 15 Amalco Shares or less), then no payment will be made to that shareholder due to the costs to prepare and mail a payment for less than that amount, and the fact that brokerage and transfer fees would exceed the value of such Amalco Shares;



- j. Each shareholder of the Issuer will receive a management information circular (the **Information Circular**) describing the Arrangement in detail. The Information Circular will include sufficient information for a shareholder of the Issuer to form a reasoned judgment on the Arrangement and to assess the adequacy of the consideration being offered for their common shares of the Issuer, and will disclose the fact that the Issuer has no plans to apply for a full revocation of the FFCTO and that the securities of Amalco will continue to be subject to the FFCTO. The Information Circular will further disclose that Amalco intends to apply for an order to cease to be a reporting issuer, although there can be no assurance that such an order would be granted;
- k. The Arrangement must be approved by a special majority of at least two-thirds of the voting shareholders of the Issuer at a special meeting to be called for that purpose, and all shareholders will have a right of dissent under the BCBCA;
- l. The Arrangement will occur in the Jurisdictions, as well as Alberta; Saskatchewan, Manitoba, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, and Newfoundland and Labrador, pursuant to the prospectus exemption available under section 2.11 of National Instrument 45-106 Prospectus Exemptions, and will occur in the United States pursuant to a registration exemption under section 3(a)(10) of the United States Securities Act of 1933;
- m. The intended purposes of the proposed Arrangement are to merge Subco into the Issuer, consolidate the issued share capital of Amalco, and reduce the number of shareholders of Amalco so that Amalco can apply to cease to be a reporting issuer;
- n. Pursuant to the Arrangement, no new securities will be issued to the public, Amalco Shares will only be issued to the existing shareholders of the Issuer, in exchange for their common shares of the Issuer;
- o. There have been no material adverse changes in the affairs of the Issuer since the date of the CCAA Proposal;
- p. Upon completion of the Arrangement, Amalco intends to make application for an order to cease to be a reporting issuer; and
- q. The Issuer will not be able to file the petition for the Arrangement, call the special meeting to approve the Arrangement, or (if approved by the shareholders) complete the Arrangement, unless the relief sought is granted.



Order

- ¶ 5 Each of the Decision Makers is satisfied that a partial revocation order of the FFCTO meets the test set out in the Legislation for the Decision Maker to make the decision.
- ¶ 6 The decision of the Decision Makers under the Legislation is that the FFCTO is partially revoked solely to permit the Arrangement, provided that:
- (a) The Issuer will obtain, and provide to the principal regulator upon request, signed and dated acknowledgements from all remaining shareholders of Amalco which clearly state that the securities of Amalco acquired by the shareholder under the Arrangement will remain subject to the FFCTO, and
 - (b) The Issuer will provide a copy of the FFCTO and this partial revocation order to all shareholders.
- ¶ 7 September 7, 2022

Michael L. Moretto

Michael L. Moretto, CPA, CA
Deputy Director
Corporate Disclosure

Scan ID#274433-4

SCHEDULE "K"

~~APPENDIX "A"~~

MANDATE OF AUDIT COMMITTEE

Adopted by the Board of Directors on January 5, 2015

Amended, restated and adopted by the Board of Directors on May 28, 2019

MANDATE

The Audit Committee (the "Committee") will assist the Board of Directors (the "Board") of Invictus MD Strategies Corp. (the "Corporation") in fulfilling its financial oversight responsibilities. The Committee will review and consider, in consultation with the Corporation's external auditors, the accounting and financial reporting process, the system of internal control over financial reporting and the audit process. In performing its duties, the Committee will maintain effective working relationships with the Board, management and the external auditors. To effectively perform his or her role, each Committee member must obtain an understanding of the principal responsibilities of Committee membership as well as the Corporation's business, operations and risks.

COMPOSITION

The Board will appoint, from among their membership, a Committee after each annual meeting of the shareholders of the Corporation. The Committee will consist of a minimum of three directors.

2.1 Independence

A majority of the members of the Committee must be "independent", as defined in Sec. 1.4 of National Instrument 52-110 (Audit Committees) ("NI 52-110").

2.2 Expertise of Committee Members

A majority of the members of the Committee must be "financially literate" (as defined in Sec. 1.6 of NI 52-110) or must become financially literate within a reasonable period of time after his or her appointment to the Committee.

MEETINGS

The Committee shall meet in accordance with a schedule established each year by the Board, and at other times that the Committee may determine. The Committee shall meet at least annually with the Corporation's Chief Financial Officer and external auditors in separate executive sessions.

ROLES AND RESPONSIBILITIES

The Committee shall fulfill the following roles and discharge the following responsibilities:

4.1 External Audit

The Committee shall be directly responsible for appointing, compensating, retaining and overseeing the work of the external auditors in preparing or issuing the auditor's report, or performing other audit, review or attestation services, including the resolution of disagreements between management and the external auditors regarding financial reporting. In carrying out this duty, the Committee shall:

- (a) recommend to the Board that the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attestation services for the Corporation;
- (b) review (by discussion and enquiry) the external auditors' proposed audit scope and approach;
- (c) review the performance of the external auditors and recommend to the Board the appointment, retention or discharge of the external auditors;
- (d) review and recommend to the Board the compensation to be paid to the external auditors;

- (e) resolve disagreements between management and the external auditor regarding financial reporting;
- (f) ensure receipt from the external auditors of a formal written statement delineating all relationships between the external auditors and the Company and actively engage in a dialogue with the external auditors with respect to any disclosed relationships or services that may impact the objectivity and independence of the external auditors;
- (g) review and confirm the independence of the external auditors by reviewing the non-audit services provided and the external auditors' assertion of their independence in accordance with professional standards;
- (h) take or recommend that the Board take appropriate action to oversee the independence of the external auditors; and
- (i) review and approve the Corporation's hiring policies regarding partners and employees, and former partners and employees, of the present and former external auditor of the Corporation.

4.2 Internal Control

The Committee shall consider whether adequate controls are in place over annual and interim financial reporting as well as controls over assets, transactions and the creation of obligations, commitments and liabilities of the Corporation. In carrying out this duty, the Committee shall:

- (a) evaluate the adequacy and effectiveness of management's system of internal controls over the accounting and financial reporting system within the Corporation; and
- (b) ensure that the external auditors discuss with the Committee any event or matter which suggests the possibility of fraud, illegal acts or deficiencies in internal controls.

4.3 Financial Reporting

The Committee shall review the financial statements and financial information of the Corporation prior to their release to the public. In carrying out this duty, the Committee shall:

General

- (a) review significant accounting and financial reporting issues, especially complex, unusual and related party transactions; and**
- (b) review and ensure that the accounting principles selected by management in preparing financial statements are appropriate.**

Annual Financial Statements

- (a) review the draft annual financial statements and provide a recommendation to the Board with respect to the approval of the financial statements;
- (b) meet with management and the external auditors to review the financial statements and the results of the audit, including any difficulties encountered; and
- (c) review management's discussion & analysis respecting the annual reporting period prior to its release to the public.

Interim Financial Statements

- (a) review and approve the interim financial statements prior to their release to the public; and
- (b) review management's discussion & analysis respecting the interim reporting period prior to its release to the public.

Release of Financial Information

- (a) where reasonably possible, review and approve all public disclosure containing financial information, including news releases, prior to release to the public. The Committee must be satisfied

that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements and must periodically assess the adequacy of those procedures.

4.4 Non-Audit Services

All non-audit services (being services other than services rendered for the audit and review of the financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements) which are proposed to be provided by the external auditors to the Corporation or any subsidiary of the Corporation shall be subject to the prior approval of the Committee.

Delegation of Authority

- (a) The Committee may delegate to one or more independent members of the Committee the authority to approve non-audit services, provided any non-audit services approved in this manner must be presented to the Committee at its next scheduled meeting.

De-Minimis Non-Audit Services

- (a) The Committee may satisfy the requirement for the pre-approval of non-audit services if:
 - (i) the aggregate amount of all non-audit services that were not pre-approved is reasonably expected to constitute no more than five per cent of the total amount of fees paid by the Corporation and its subsidiaries to the external auditor during the fiscal year in which the services are provided; or
 - (ii) the services are brought to the attention of the Committee and approved, prior to the completion of the audit, by the Committee or by one or more of its members to whom authority to grant such approvals has been delegated.

Pre-Approval Policies and Procedures

- (a) The Committee may also satisfy the requirement for the pre-approval of non-audit services by adopting specific policies and procedures for the engagement of non-audit services, if:
 - (i) the pre-approval policies and procedures are detailed as to the particular service;
 - (ii) the Committee is informed of each non-audit service; and
 - (iii) the procedures do not include delegation of the Committee's responsibilities to management.

4.5 Other Responsibilities

The Committee shall:

- (a) establish procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters;
- (b) establish procedures for the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters;
- (c) ensure that significant findings and recommendations made by management and the external auditor are received and discussed on a timely basis;
- (d) review the policies and procedures in effect for considering officers' expenses and perquisites;
- (e) perform other oversight functions as requested by the Board;
- (f) annually review and reassess the adequacy of this Mandate; and
- (g) update this Mandate and receive approval of changes to this Mandate from the Board.

4.6 Reporting Responsibilities

The Committee shall regularly update the Board about Committee activities and make appropriate recommendations.

RESOURCES AND AUTHORITY OF THE AUDIT COMMITTEE

The Committee shall have the resources and the authority appropriate to discharge its responsibilities, including the authority to:

- (a) engage independent counsel and other advisors as it determines necessary to carry out its duties;
- (b) set and pay the compensation for the external auditor and any advisors employed by the Committee;
- (c) pay ordinary administrative expenses that are necessary or appropriate in carrying out its duties; and
- (d) communicate directly with the internal and external auditors.

GUIDANCE – ROLES & RESPONSIBILITIES

The Committee should consider undertaking the actions described in the following guidance, which is intended to provide the Committee members with additional guidance on fulfilment of their roles and responsibilities on the Committee:

6.1 Internal Control

- (a) evaluate whether management is setting the goal of high standards by communicating the importance of internal control and ensuring that all individuals possess an understanding of their roles and responsibilities,
- (b) focus on the extent to which external auditors review computer systems and applications, the security of such systems and applications, and the contingency plan for processing financial information in the event of an IT systems breakdown, and
- (c) gain an understanding of whether internal control recommendations made by external auditors have been implemented by management.

6.2 Financial Reporting

General

- (a) review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on the financial statements;
- (b) ask management and the external auditors about significant risks and exposures and the plans to minimize such risks; and
- (c) understand industry best practices and the Corporation's adoption of them.

Annual Financial Statements

- (a) review the annual financial statements and determine whether they are complete and consistent with the information known to Committee members, and assess whether the financial statements reflect appropriate accounting principles in light of the jurisdictions in which the Corporation reports or trades its shares;
- (b) pay attention to complex and/or unusual transactions such as restructuring charges and derivative disclosures;
- (c) focus on judgmental areas such as those involving valuation of assets and liabilities, including, for example, the accounting for and disclosure of loan losses; warranty, professional liability; litigation reserves; and other commitments and contingencies;

- (d) consider management's handling of proposed audit adjustments identified by the external auditors; and
- (e) ensure that the external auditors communicate all required matters to the Committee.

Interim Financial Statements

- (a) be briefed on how management develops and summarizes interim financial information and the extent to which the external auditors review interim financial information;
- (b) meet with management and the auditors, either telephonically or in person, to review the interim financial statements;
- (c) to gain insight into the fairness of the interim statements and disclosures, obtain explanations from management on whether:
 - (i) actual financial results for the quarter or interim period varied significantly from budgeted or projected results;
 - (ii) changes in financial ratios and relationships of various balance sheet and operating statement figures in the interim financials statements are consistent with changes in the Corporation's operations and financing practices;
 - (iii) generally accepted accounting principles have been consistently applied;
 - (iv) there are any actual or proposed changes in accounting or financial reporting practices;
 - (v) there are any significant or unusual events or transactions;
 - (vi) the Corporation's financial and operating controls are functioning effectively;
 - (vii) the Corporation has complied with the terms of loan agreements, security indentures or other financial position or results dependent agreements; and
 - (viii) the interim financial statements contain adequate and appropriate disclosures.

6.3 Compliance with Laws and Regulations

- (a) periodically obtain updates from management regarding compliance with this policy and industry "best practices";
- (b) be satisfied that all regulatory compliance matters have been considered in the preparation of the financial statements;
- (c) review the findings of any examinations by securities regulatory authorities and stock exchanges; and
- (d) be satisfied that the Corporation has adequate policies, procedures and practices for the maintenance of the books, records and accounts by the Corporation with respect to third party payments in compliance with applicable laws, including, without limitation, the *Corruption of Foreign Public Officials Act* (Canada).

6.4 Other Responsibilities

- (a) review with the Corporation's counsel, any legal matters that could have a significant impact on the Corporation's financial statements.

DIRECTORS' APPROVAL

The contents and the sending of the Notice of Meeting and this Circular have been approved by the Board of Directors of Invictus MD.

DATED: November 1, 2022

ON BEHALF OF
THE BOARD OF DIRECTORS OF
INVICTUS MD STRATEGIES CORP.

"Trevor Dixon"
Director