MYDECINE INNOVATIONS GROUP INC.

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2022 AND JUNE 30, 2021

(Expressed in Canadian dollars)

This management's discussion and analysis provides an analysis of our financial situation which will enable the reader to evaluate important variations in our financial situation for the three and six months ended June 30, 2021, compared to the three and six months ended June 30, 2022. This report prepared at August, 14, 2022 intends to complement and supplement our unaudited condensed interim consolidated financial statements (the "financial statements") as at June 30, 2022 and should be read in conjunction with the unaudited condensed interim consolidated financial statements and the accompanying notes. Our financial statements and the management's discussion and analysis are intended to provide a reasonable base for the investor to evaluate our financial situation.

Our unaudited condensed interim consolidated financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS"). All dollar amounts contained in this MD&A are expressed in Canadian dollars, unless otherwise specified.

Where we say "we", "us", "our", the "Company" or "Mydecine", we mean myeline Innovations Group Inc. and/or its subsidiaries, as it may apply.

Additional information, including news releases, has been filed electronically through the System for Electronic Document Analysis and Retrieval ("**SEDAR**") and is available under the Company's profile at www.sedar.com or the Company's website https://www.mydecine.com/

FORWARD LOOKING STATEMENTS

This MD&A contains certain forward-looking statements and information relating to the Company that are based on the beliefs of management as well as assumptions made by and information currently available to the Company. When used in this document, the words "anticipate", "believe", "estimate", "expect" and similar expressions, as they relate to the Company or management, are intended to identify forward-looking statements. This MD&A contains forward-looking statements relating to, among other things, regulatory compliance, the sufficiency of current working capital, the estimated cost and availability of funding for the continued development of our real estate holdings, among others, including those identified in the Risk Factors section. Such statements reflect the current views of management with respect to future events and are subject to certain risks, uncertainties and assumptions.

Readers are cautioned that these forward-looking statements are neither promises nor guarantees, and are subject to risks and uncertainties that may cause future results to differ materially from those expected including, but not limited to:

- *The Company's expectations regarding the adoption and impact of certain accounting pronouncement's;*
- *The availability of financing needed to complete the Company's planned improvements on commercially reasonable terms;*
- *The Company's expectations with respect to the Company's future financial and operating performance;*
- *The Company's expectations with respect to future performance, results and terms of strategic initiatives, strategic agreements and supply agreements.*
- *The Company's expectation on receiving regulatory approval to develop and market psychedelic medicine including but not limited to psilocybin and derivatives of psilocybin; and,*
- *Federal status that may contradict local and state legislation respecting the legal status of psychedelic medicine including but not limited to psilocybin and derivatives of psilocybin;*

These factors should be considered carefully, and readers should not place undue reliance on forward-looking statements. The Company has no intention and undertakes no obligation to update or revise any forward-looking statements, whether written or oral that may be made by or on the Company's behalf except as may be required by securities laws

BACKGROUND

Mydecine Innovations Group Inc. (the "Company") was incorporated under the Business Corporations Act (British Columbia) on September 27, 2013, under the name 0981624 B.C. Ltd. On May 27, 2020 the Company changed its name

to Mydecine Innovations Group Inc. The Company's common shares trade on the NEO exchange (NEO: MYCO), OTC exchange (OTC:MYCOF) and on the Frankfurt stock exchange (FSE:0NFA). The Company's principal activities are research, drug development, clinical trials of Psilocybin products internationally, and a telehealth application through its subsidiary Mindleap Health. During 2020 and the nine-months ended September 30, 2021, the Company controlled a variety of hemp-derived CBD brands that designed, manufactured and distributed products. As well, up to September 30, 2021, the Company had a portfolio that includes a rental property and land assets. These businesses were spun out into a separate corporate entity as of October 1, 2021, therefore are not represented in the company's year-to-date 2022 operating results. The registered address, head office, principal address and records office of the Company are located at 6th Floor, 905 W, Pender Street, Vancouver BC V6C 1L6.

EXECUTIVE HIGHLIGHTS

In 2022, Mydecine continued to define its focus and clinical trial execution strategy. The company reached several milestones with the goal to become an efficiently operated biotechnology company. During the year of 2021, the company managed to spin out its cannabis, CBD and real estate assets in order to dedicate resources toward continuing to drive core initiatives toward successful completion. Of significant note, Mydecine announced several advancements in drug development including first- and second-generation drug candidates. We have identified and pursued the indications that management believes will be most promising from the view of treating global populations in need. The company has matured significantly in every aspect of its operations, focus, efficiencies, corporate governance and execution in the pursuit of being a world class, purpose driven, drug development platform that is focused, credible and qualified to successfully accomplish its goals and bring significant value to its loyal shareholders.

During the three months ended June 30, 2022 management decided to cease the research that was being conducted in the research facility located in Denver, CO. During the quarter, the employees at this facility were released or transferred to other functions of the Company. Management began preparations to liquidate the laboratory equipment and furniture in this location and, subsequently, negotiated an amendment that changed the termination date of the lease. See the discussion of subsequent events for additional information.

Additionally, during the reporting period, management decided to reduce the scope of daily operation within the Mindleap Health subsidiary. The platform remained, and remains, available to subscribers and continued to generate operating revenues and expense through June 30, 2022. However, software development activities were paused and the Company released Mindleap's consultants. Management will continue to assess plans for the Mindleap platform that include, but are not limited to, strategic opportunities.

On May 27, 2022 the Company completed an overnight offering and issued 2,447,130 common shares for gross proceeds of $2,814,200. The Company paid broker fees of $186,043.

On May 2, 2022, the Company, in connection with its previously announced Common Share Subscription Agreement (the "Subscription Agreement") with a third-party investor (the "Investor") dated March 18, 2022 and the subsequent filing of a second shelf prospectus supplement (the "Prospectus Supplement") in connection therewith on April 27, 2022, the Company has closed the second issuance (the "Offering") under the Subscription Agreement. The Offering resulted in the issuance of 1,254,396 common shares in the capital of the Company ("Shares") at a price of $1.35 per Share for aggregate gross proceeds of $1,693,434.60. The distribution of the Shares is qualified by the Prospectus Supplement.

On April 13, 2022, the Company completed a reverse stock-split, thereby consolidating all of the Company's issued and outstanding common shares ("Common Shares") on the basis of one (1) post-consolidation Common Share for every fifty (50) pre-consolidation Common Shares. As a result of elimination of partial shares, the share count was adjusted by 13 shares.

On January 22, 2021, the Company was included in the Psychedelics Exchanged Traded Fund (ETF). This EFT includes 17 companies in both US and Canada under ticker PSYK on the Neo Exchange. This helps establish legal authority to invest and trade in cutting edge companies like Mydecine.

On February 1, 2021, the company received conditional approval to list on NEO Exchange and started to trade on the NEO exchange on March 30, 2021.

On February 24, 2021, the company entered into an Exclusive Partnership with Applied Pharmaceutical Innovation (API) at the University of Alberta which increased research capabilities and the utilization or artificial intelligence (AI).

On April 7, 2021, the company announced Four Lead Novel Drug Candidates (MYCO-001, MYCO-002, MYCO- 003, MYCO-0004) and prepared for pre-IND meetings with the FDA and Health Canada to prepare for human Clinical Trials.

On July 13, 2021, Mydecine Innovations Group launched the Mindleap Version 2.0.

On August 18, 2021, the company signed a five-year Master Collaboration Research Agreement with Johns Hopkins University School of Medicine.

On December 10, 2021, Mydecine closed a non-brokered private placement of a convertible secured subordinated debenture (the "Debenture") in the principal amount of $5.5 million CAD, which was issued to an existing shareholder of the Company.

On December 22, 2021, Mydecine signed an LOI with Maya to co-develop a Novel Prescription Digital Therapeutic platform aiming to further increase safety, efficacy, and accessibility of psychedelic assisted treatments.

STRATEGIC PLANNING

Spin-out of US cannabis subsidiaries and investments

On October 1, 2021, the Company completed the spin-out of all its cannabis subsidiaries and investments to ALT House Cannabis Inc. ("ALT House") pursuant to the amended and restated arrangement agreement ("Arrangement Agreement") between the Company and ALT House. The purpose of the spin-out into ALT House was, among other things, to remove all of the cannabis assets and liabilities from the Company and permit the Company to comply with listing qualification requirements for senior stock exchanges in the United States and other comparable requirements regarding cannabis assets.

ALT House and the Company do not share a controlling shareholder or shareholder group, as a result this transaction was accounted for in accordance with IFRIC 17 *Distribution of Non-cash Assets to Owners*. The Company recognized the distribution of net assets to the Company's shareholders at fair value with the difference between that value and the carrying amount of the net assets recorded to the consolidated statements of loss and comprehensive loss. The Company engaged a third- party valuation expert to determine the fair value of all its spun-out cannabis assets. The spin-out transaction impacted the Company's consolidated financial statements as follows:

	As at October 1, 2021
	$
Net assets	
Cash	74
Accounts receivable	148,967
Inventory	41,268
Investment in joint venture	172,329
Investment in associate	170,704
Investment properties	1,419,347
Accounts payable and accrued liabilities	(190,000)
Carrying amount prior spin-out	**1,762,689**
Fair value adjustments (i)	(551,818)

Fair-value of assets disposed at spin-out	**1,210,871**
Transaction costs	**721,977**
Contributed surplus adjustment	**(197,366)**
Net distribution to owners on spin-out	**1,735,482**

(i) The fair value adjustments of the spin-out included:

	As at October 1, 2021 $
Fair-value adjustments:	
Accounts receivable	(148,967)
Inventory	(41,268)
Investment in joint venture	(172,329)
Investment in associate	(170,704)
Fair value change of investment property	(18,550)
Total fair value adjustments	(551,818)

Discontinued Operations

The spin-out of the cannabis assets also meets the definition of a discontinued operation per IFRS 5 *Non-current assets held for sale and discontinued Operations*, below are the results of discontinued operations for the six months ended June 30, 2021:

	Six months ended June 30, 2021 (Unaudited / Restated) $
Sales	21,205
Cost of goods sold	(9,997)
Gross margin	**11,208**
Share of losses from investment in Joint Venture	(108,101)
Share of income (loss) from investment in associate	(41,752)
Foreign exchange	4,060
Other expenses	(1,859)
Total operating expenses	**(147,652)**
Rental income	33,159
Foreign currency translation	-
Loss on discontinued operations	**(103,285)**
Net loss per share- Basic and diluted for discontinued operations	**($0.03)**
Weighted average number of shares outstanding – Basic and diluted	**4,573,253**

Cash flows from discontinued operations:

	Six months ended June 30, 2021 (Unaudited) $
Cash flows used in	
Operating activities	
Net loss for the period from discontinuing operations	(103,285)
Items not affecting cash:	
Share of income from investment in Joint Venture	(102,435)
Share of income from investment in associate	227,465
Changes in operating activities from operations	**21,745**
Changes in non-cash working capital items:	
Accounts receivable	(24,213)
Inventory	6,536
Accounts payable and accrued liabilities	(27,980)
Cash used in operating activities	**(23,912)**
Investing Activities	
Cash from investment property	20,163
Cash from investing activities	**20,163**
Change in Cash	**(3,749)**
Beginning Cash	**4,010**
Ending Cash	**261**

SUBSEQUENT EVENTS

Effective July 26, 2022, the Company agreed to a Second Amendment of its Business Lease and First Amendment related to the research and development facility located in Denver, CO. The Second Amendment and the lease termination date in the Business Lease and the First Amendment from May 31, 2023 and August 31, 2022, respectively, to July 19, 2022. Pursuant to this Second Amendment, the landlord waived monthly lease payments for the month of June 2022 and the partial month of July 2022 in exchange for the laboratory equipment, leasehold improvements and furniture (the Lab Assets) within the research and development facility. The Company also agreed to allow the landlord to keep the security deposit of $9,149.13 USD that the Company paid at the beginning of the lease. Pursuant to this Second Amendment, the Company transferred ownership of the Lab Assets, in “as is" condition, to the landlord and was released from any further obligations for lease payments, cleaning costs, and the obligation to restore the space to its original condition.

During the Second Quarter, Gordon Neal who served as the Chairman of the Company’s board of directors and the chair of the Audit Committee resigned, effective May 31, 2022 in order to attend to his other business interests. Mr. Todd Heinzl, who is the owner of The Governance Box consultancy and who has been working as a corporate governance consultant for the Company, was nominated to succeed Mr. Neal the chairman of the board of directors. Mr. Heinzle’s appointment was approved by the board of direction in a meeting on July 19, 2022. During that meeting, it was determined that the chair of the Audit Committee would be determined and approved by vote during the next meeting of that committee.

On August 12, 2022, the Company announced that Damon Michaels, Josephine Wu, Dr. Saeid Babaei and Dr. Victoria Hale had resigned as directors of the Company. As a result of the resignations, the Company is currently working to

identify suitable candidates to replace Mr. Michaels, Ms. Wu, Dr. Babaei and Dr. Hale on the board, and to recruit and appoint three new independent directors to the Company's board of directors and audit committee. In connection with the resignation of Ms. Wu and Dr. Babaei, the Company's board appointed its sold independent director, Todd Heinzl, to act as sole member of the Company's audit committee until additional independent directors are appointed.

Nature and Extent of involvement in Psilocybin

The Company is currently conducting its psilocybin research in Canada at the University of Alberta. The Company also has a number of planned research and clinical trial sites internationally including Leiden University Medical Center, Macquarie University, University of Western Ontario, The Imperial College of London, John Hopkins University School of Medicine, University of Maryland Baltimore, and several other prominent Universities throughout the United States and elsewhere.

On May 5, 2020, the Company announced the establishment of a research division agreement with Applied Pharmaceutical Innovation ("API"), a translational commercial drug development institute hosted in the University of Alberta's Faculty of Pharmacy and Pharmaceutical Sciences. Through an agreement with API, Mydecine has the ability to immediately commence fungal discovery investigations with varietal mushrooms and their extracts, including scheduled substances with the assistance of artificial intelligence ("AI"). Research and development are commencing with a significant program to extract, analyze, and determine the effects of various compounds from fungi and their pharmacokinetic disposition and development of dosage forms for specific indications, providing Mydecine with an extensive assets and capacity to become a leader in the space. The end goal is developing products with clinical applications over a period of three years.
On December 8, 2020, the Company completed its first commercial harvest at a contract cultivation facility in Jamaica and subsequently completed the first commercial export of legal psilocybin mushrooms to its cGMP site at API.

On December 11, 2020, the Company made first legal import of psilocybin mushrooms to Canada based on its access to Health Canada dealer's license schedule 1. This import allows the company to extract purified psilocybin for controlled research purposes.

On June 16, 2021, Mydecine Innovations announces it has launched its in-silico drug discovery program in conjunction with researchers at the University of Alberta (UofA), using machine learning to rapidly screen hundreds of thousands of molecules without the need to produce them all, allowing the Company to focus on those with the strongest potential.

On August 27, 2021, the Company entered into an agreement with John Hopkins University School of Medicine to study the therapeutic use of psychedelics. The pairing with one of the world's most prestigious research institutions was a critical addition to Mydecine's CV, as it continues to cement its first-rate research credentials and deliver on investor expectations.

On October 27, 2021 Mydecine announced that it has successfully synthesized a novel psilocin analogue with improved pharmaceutical properties to further expand its library of patent-pending tryptamines.

On December 6, 2021 Mydecine Files Full Patent Application Covering Multiple Families of Psilocin Analogs.

On December 22, 2021 Mydecine Signs LOI with Maya to Co-Develop a Novel Prescription Digital Therapeutic Platform Aiming to Further Increase Safety, Efficacy, and Accessibility of Psychedelic Assisted Treatments.

FINANCINGS

On May 27, 2022 the Company completed an overnight offering and issued 2,447,130 common shares for gross proceeds of $2,814,200. The Company paid broker fees of $186,043.

On May 2, 2022, the Company, in connection with its previously announced Common Share Subscription Agreement (the "Subscription Agreement") with a third-party investor (the "Investor") dated March 18, 2022 and the subsequent filing of a second shelf prospectus supplement (the "Prospectus Supplement") in connection therewith on April 27, 2022, the Company has closed the second issuance (the "Offering") under the Subscription Agreement. The Offering resulted in the issuance of 1,254,396 common shares in the capital of the Company ("Shares") at a price of $1.35 per Share for aggregate gross proceeds of $1,693,434.60. The distribution of the Shares is qualified by the Prospectus Supplement.

Prospectus

On March 17, 2022, Mydecine filed it's short-form base shelf prospectus Offering (over the period of 25- months), the following securities: (i) common shares of the Company; (ii) warrants exercisable to acquire other Securities; (iii) units comprised of one or more of the other Securities; (iv) senior and subordinated unsecured debt securities; and (v) subscription receipts exchangeable for other Securities, or any combination thereof having an offer price of up to $100,000,000 in aggregate (or the equivalent thereof, at the date of issue, in any other currency or currencies, as the case may be). The Securities may be offered separately or together, in amounts, at prices and on terms to be determined based on market conditions at the time of the sale and as set forth in an accompanying prospectus supplement ("Prospectus Supplement").

Bought-deal financing

On February 8, 2021, the Company completed a bought-deal financing and issued 34,500,000 Units for gross proceeds of $17,250,000. The Company incurred cash transaction costs of $1,917,096. In addition, the Company incurred non-cash transaction costs of $2,576,710 relating to the issuance of 862,500 Finance Fee Units and 2,415,000 broker warrants. Each Finance Fee Unit consists of one common share and one share purchase warrant ("Finance Warrant"). Each Finance Warrant is exercisable to acquire one additional common share at any time until February 12, 2024, at an exercise price of $0.70 per warrant. The fair value of the Finance Unit was measured using a the Black-Scholes option pricing model with a fair value of $288,960 with the following assumptions: stock price - $0.58; exercise price - $0.70; expected life – 3 years; volatility – 100%; dividend yield – Nil; and risk-free rate – 0.17%. In addition, the Company issued 2,415,000 Broker Warrants which are exercisable in units of one common share and one warrant ("Broker Warrant"). The fair value of the Broker Warrants was measured at $2,287,750. The Broker Warrants were measured using the Monte Carlo option model with the following assumptions: stock price - $0.52; exercise price - $0.70; expected life – 3 years; volatility – 120%; dividend yield – Nil; and risk-free rate - 0.59%.

SELECTED QUARTERLY INFORMATION

The table below presents selected financial data for the Company's eight most recently completed quarters, all prepared in accordance with IFRS.

	Three months ended			
	June 30, 2022	March 31, 2022	December 31, 2021	September 30, 2021
Total revenue	$ -	$ -	$ 7,493	$ -
Expenses	3,143,805	4,744,436	9,030,653	4,923,251
Total assets	6,190,930	5,207,731	7,580,702	8,356,890
Assets held for distribution	-	-	-	1,798,546
Total liabilities	8,217,304	8,916,186	7,369,383	2,057,517
Net loss for the period	-2,512,045	-5,637,886	-15,067,366	-489,741
Net loss per share, basic and diluted	-0.35	-1.20	-1.50	-1.00

	Three months ended			
	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020
Total revenue	$ -	$ -	$ 126,616	$ 17,158
Expenses	4,294,188	5,004,475	3,764,333	5,343,684
Total assets	13,189,846	7,580,702	9,531,131	12,669,261
Total liabilities	3,148,490	7,369,383	5,970,432	5,037,338
Net loss	-8,305,842	-5,156,523	-9,556,427	-17,125,066
Net loss per share, basic and diluted	-2.00	-1.26	-3.50	-5.50

Fluctuation in assets is mostly due to cash used operating activities. The amount and timing of expenses and availability of capital resources vary substantially from quarter to quarter, depending on the availability of funding from investors or collaboration partners. Total revenues decreased for the quarter ended June 30, 2022, relative from the comparative quarters due to the Company reduction of activities within the Mindleap application.

Expenses during quarter ended June 30, 2022 decreased to the comparative relative quarters from the reduction of corporate development expenses with the reduction of marketing spend. Management fees decreased due to converting individuals to full time employee status and recording compensation as salaries n the current period, additionally the Company increased its employee roster in the current six-month period compared to the prior year period. In the prior period an impairment charge was recorded to report the Company's investment in associate at fair market value.

PROPOSED TRANSACTIONS

As of the date of this MD&A, there are no proposed transactions.

CONSOLIDATED RESULTS OF OPERATIONS

All of the balances set out in this and following sections, including the Summary of results conform to IFRS standards.

	Note	Three-months ended June 30,		Six-months ended June 30,	
		2022	2021 (Restated)	**2022**	2021 (Restated)
		$	$	**$**	$
Sales		**-**	-	**-**	-
Cost of goods sold		**-**	-	**-**	-
Gross margin		**-**	-	**-**	-
Expenses					
Finance cost	**6,7**	**238,464**	27,960	**459,663**	123,697
Corporate development		**13,594**	428,203	**141,474**	2,427,138
Depreciation and amortization	**5,8**	**34,301**	37,663	**94,573**	79,195
Consulting fees	**12**	**703,895**	1,193,840	**2,127,768**	2,217,495
Director and management fees		**120,284**	341,632	**230,856**	832,508
Foreign exchange loss (gain)		**(53,964)**	97,293	**(25,776)**	319,668
Insurance		**289,529**	153,223	**548,874**	153,223
Office and miscellaneous		**22,541**	(115,467)	**240,523**	220,899
Professional fees		**385,479**	697,414	**992,633**	1,350,469
Regulatory filing fee		**-**	12,276	**-**	177,912
Research and development		**652,486**	1,091,920	**1,702,011**	1,322,130
Property taxes		**-**	-	**-**	-
Salaries	**12**	**737,196**	234,331	**1,375,242**	234,331
Share-based payments		**-**	-	**-**	-
Total expenses		**3,143,805**	4,454,160	**7,887,841**	9,458,665
Other income (expenses)					
Change in fair value of derivative liabilities	**9**	**631,760**	249,549	**(261,690)**	221.893
Impairment of investment in associate		**-**	(4,169,616)	**-**	(4,169,616)
Consideration paid in excess of identifiable assets		**-**	-	**-**	-
Rental income		**-**	32,310	**-**	32,307
Gain (loss) on settlement of debt		**-**	-	**-**	(2,319)
Total other income (expenses)		**631,760**	3,887,757	**261,690**	(3,917,735)
Loss from continuing operations		**(2,512,045)**	(8,341,947)	**(8,149,531)**	(13,376,400)
Profit/ (Loss) from discontinued operations	**1**	**-**	18,758	**-**	(103,285)
Foreign currency translation adjustment		**61,561**	(24,830)	**61,561**	(48,628)
Net loss and comprehensive loss for the period		**(2,450,484)**	(8,347,989)	**(8,087,970)**	(13,528,313)
Net loss per share – Basic and diluted from continuing operations		**(0.35)**	(1.75)	**(1.31)**	(3.04)
Weighted average number of shares outstanding – Basic and diluted		**7,142,532**	4,744,805	**6,217,942**	4,440,487

RESULTS OF OPERATIONS – EXPENSES

For the three months ended June 30, 2022 and 2021

The Company recorded net loss from continuing operations of $2,512,045 for the three months ended June 30, 2022 compared to a net loss of $8,341,947 for the corresponding period in 2021. Some of the significant charges to operations are as follows:

- The Company incurred finance fees expense in the amount of $238,464 (2021-$27,960). These fees are related to interest and accretion on the convertible debenture recorded in the 2022 period.

- The Company incurred corporate development expenses in the amount of $13,954 (2021 - $428,203). The costs are related to marketing and public relations activities which were significantly reduced in the 2022 time period due to capital restrictions and management's decision to curtail activities that were not generating value for the company.

- The Company incurred consulting expenses of $703,895 (2021 - $1,193,840), as the Company decreased expenditure to consultants, primarily in the three months ended June 30, 2022, for capital market strategy, structuring finance deals as well as to consult on the development and commercialization of solutions for treating mental health problems through its psilocybin research.

- Director and management fees of $120,284 (2021 - $341,632). The change is attributed to converting key management employees and recording their compensation as payroll.

- Insurance expense of $289,529 (2021 - $153,223) is attributable to the company obtaining coverage by executing numerous corporate insurance policies during the period.

- Professional fees of $385,479 (2021 - $697,414), include legal, accounting services, and audit fee. The reduction is the result of the Company transitioning from an external accounting and reporting service to internal resources and systems and reduced legal expenses.

- Research and development costs of $652,486 (2021 - $1,091,920), were reduced as the company has focused its research resources and spending in a more focused manner on drug candidates targeted to support the company's objective of sponsoring human trials, and the reduction of spending within the Mindleap Health subsidiary.

- Salaries of $737,196 (2020 - $234,331), due to the conversion from contractors to employees.

For the six months ended June 30, 2022 and 2021

The Company recorded net loss from continuing operations of $8,149,531 compared to a net loss of $13,376,400 for the corresponding period in 2021. Some of the significant charges to operations are as follows:

- The Company incurred finance fees expense in the amount of $459,663 (2021-$123,697). During the current period, the Company incurred share issuance costs and recorded interest and accretion on the convertible debenture.

- The Company incurred corporate development expense in the amount of $141,474 (2021 - $2,427,138). The costs are related to marketing and public relations activities which were significantly reduced in the 2022 time period due to capital restrictions and management's decision to curtail activities that were not generating value for the company.

- The Company incurred consulting expenses of $2,127,768 (2021 - $2,217,495). The spend and nature of activities was approximately the same between the time periods.

- Director and management fees of $230,856 (2020 - $832,508). The change is attributed to converting key management employees and recording their compensation as payroll.

- Professional fees of $992,633 (2021- $1,350,469). include legal, accounting services, and audit fee. The reduction is the result of the Company transitioning from an external accounting and reporting service to internal resources and systems and reduced legal expenses.

- Research and development costs of $1,702,011 (2021- $1,322,130). The increase, is attributable to increased spending on expensed software development during the beginning of 2022, combined with an increase in drug development activities focused on drug candidates targeted to support the company's objective of sponsoring human trials.

- Salaries of $1,375,242 (2021 - $234,331) due to the conversion from contractors to employees and expanding the Company's employee roster in the 2022 period.

- As at June 30, 2021, the Company performed a valuation of the Investment in associate and recorded an impairment of $4,169,616.

RESULTS OF OPERATIONS – REVENUES

During 2022 and 2021, the Company's principal business focused on the development and commercialization of solutions for treating mental health problems through its psilocybin research and development and it will no longer have ownership interest in the manufacturing or sale of cannabis and CBD products. As a result, the company has limited revenues.

LIQUIDITY

The Company is focused on the emerging psychedelic medicines market. As of the date of this MD&A, the Company has received minimal revenues to date. As a result, its ability to conduct operations is based on its current cash and its ability to raise funds, primarily from equity sources, and there can be no assurance that the Company will be able to do so.

The Company's continued existence is dependent upon its ability to raise additional capital, the continuing support of its creditors, and ultimately, the attainment of profitable operations and positive cash flows. The Company's loans and lease payments are in good standing as of the date of this MD&A.

The Company's operations, including its subsidiaries, have not yet generated any significant income or revenues and management expects these results to remain unchanged until/if the company is able to obtain regulatory approval and enter the commercialization phase for its drug candidates. The Company intends to use financing activities to fund operations until income from operations are available to satisfy liquidity needs.

However, if the Company is unable to develop its brand successfully, revenues will be limited. There is no assurance that the Company will successfully grow its brand.

At June 30, 2022, the Company's working capital excess/(deficiency) of $903,337 (December 31, 2021 – $2,274,092) and cash of $324,146 (December 31, 2021 - $1,495,311).

LIQUIDITY AND CAPITAL RESOURCES – CASH FLOW

OPERATING ACTIVITIES

Cash used in continuing operating activities for the six months ended June 30, 2022 was $5,675,665 as compared to $12,975,690 in the comparative 2021 period. Relative to the comparative period, the Company's management focused activities on research and development activities and reduced marketing and public relations activities, and was able to reduce spending on professional services by hiring internal resources and using internal systems for accounting and reporting.

INVESTING ACTIVITES

Equipment purchases made during the six months ended June 30, 2022 amount to $Nil (2021 - $190,994). Cash used to generate internally generated intangible assets during the six months ended June 30, 2022 was $Nil as compared to $471,919 in the comparative period of 2021 primarily due to reduction of activities in the Company's research and development lab facility. Lease payments of $47,119 were incurred during the six months ended June 30, 2022, compared to $56,113 during the same period in the prior year. The change is due to ending the lease for the Company's research and development lab facility and negotiation with the landlord resulting in no lease payments being required during the second fiscal quarter of 2022.

FINANCING ACTIVITIES

Cash provided from financing activities for the six-months ended June 30, 2022 was $4,577,395 (2021 - $18,538,149). During the six months ended June 30, 2022 the utilized at the market financing to raise gross proceeds of $1,693,435 and also conducted a successful overnight offering resulting in gross proceeds of $1,814,200. During the same period of the prior year, the primary financing activity was the closing of a bought deal financing that resulted in gross proceeds of $17,250,000. The company incurred share issuance costs of $384,825 and $1,917,096 in the six months ended June 30, 2022 and June 30, 2021, respectively.

CAPITAL RESOURCES

The Company's objective when managing capital is to maintain adequate cash resources to support planned activities which include administrative costs and general expenditures. In the management of capital, the Company includes cash and the components of shareholders' equity. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. Historically, funding for the Company's plan is primarily managed through the issuance of additional common shares, through its commercial activities and through obtaining financing. There are no assurances that funds will be made available to the Company when required. In order to carry out the planned development and pay for administrative costs, the Company will spend its existing working capital and expects to raise additional amounts as needed. The Company will continue to assess new business and seek to acquire an interest in additional business if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

The Company invests all capital that is surplus to its immediate operational needs in cash held in major financial institutions in the United States and Canada. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the three months ended June 30, 2022. The Company is not subject to externally imposed capital requirements.

TRANSACTIONS WITH RELATED PARTIES

The Directors and Executive Officers of the Company are as follows:

Joshua Bartch	CEO and Director
Damon Michaels	COO
Sandford Stein	Chief Compliance Officer and Director
Dr. Rakesh Jetly	Chief Medical Officer
Rob Roscow	Chief Science Officer
Dean Ditto	CFO

The Company incurred the following related party transactions, with associated persons or corporations as follows:

Key management includes directors, executive officers and officers which constitutes the management team. The Company paid or accrued compensation in form of consulting fees to companies controlled by directors, executive officers and officers as follows:

Management Compensation *Period Ended June 30, 2022*	Non-cash stock compensation $	Salary, bonus, and consulting fees $	Total compensation $
Director and management fees paid to the CEO of the Company	-	177,900	177,900
Director and management fees paid to the CFO of the Company	-	147,900	147,900
Management fees paid to the COO	-	177,900	177,900
Management fees paid to other officers of the Company	-	473,700	473,700
Director fees	-	57,500	57,500
	-	-	-
Total	**-**	**1,034,900**	**1,034,900**

As of June 30, 2022, accounts payable and accrued liabilities (related to payroll) included amounts due to related parties of $271,500 (2021- $Nil).

Management Compensation *Period Ended June 30, 2021*	Non-cash stock compensation $	Salary, bonus, and consulting fees $	Total compensation $
Director and management fees paid to the CEO of the Company	-	142,618	142,618
Director and management fees paid to the CFO of the Company	-	56,255	56,255
Management fees paid to the COO	-	182,344	182,344
Management fees paid to other officers of the Company	-	319,767	144,377
Director and management fees paid to a former director of the Company	-	97,422	97,422
Fees paid and accrued to CEO of Mindleap	-	266,810	266,810
Total	**-**	**1,065,216**	**1,065,216**

All related party transactions are in the normal course of operations and have been measured at the agreed to amounts, which is the amount of consideration established and agreed to by the related parties.

OFF BALANCE SHEET ARRANGEMENTS

As at June 30, 2022, the Company had no off-balance sheet arrangements.

OUTSTANDING SHARE DATA

Issued and Outstanding:

As of June 30, 2022 the Company had 9,071,832 common shares outstanding, 263,863 stock options issued and 4,195,798 warrants outstanding.

CONTINGENCIES

There is no other contingency outstanding as of date of this discussion.

RISKS AND UNCERTAINTIES

Psilocybin industry

Psilocybin is currently a Schedule I drug under the Controlled Drugs and Substances Act (CDSA) and it is a criminal offence to possess substances under the CDSA without a prescription and Health Canada has not approved psilocybin and psilocin as drugs. Any activities such as sale, possession, production, etc. of the substance is prohibited unless authorized for clinical trial or research purposes under section 56 of the CDSA. Health Canada can grant exemptions under section 56 of the CDSA to use controlled substances if it is deemed to be necessary for a medical or scientific purpose or is otherwise in the public interest. Health Canada must also approve the clinical trials.

Any delays of the Company in obtaining, or failure to obtain regulatory approvals from Health Canada to commence or continue clinical testing would significantly delay the development of the Company's markets and products and could have a material adverse effect on its business, results of operations and financial condition.

Government Regulation

In addition to various trade organizations that the Company will be subject to, the consumer agriculture and food warehousing / processing industry is subject to various U.S. federal government, and provincial laws and regulations on, standards, claims, safety, efficacy and other matters from regulatory bodies such as Canadian Food Inspection Agency **(**CFIA**),** BC FoodSafe Program and the department of Health Protection in Fraser Health. Regulatory approvals by government agencies on the Company's facilities may be withheld or not granted at all and if granted may be subject to recalls which would materially affect the Company.

Although the Company's activities are currently 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 development, production, manufacture, product claims, marketing or commercialization. Amendments to current laws and regulations governing operations and activities of the consumer health industry or more stringent implementation thereof could have a substantial adverse impact on the Company.

Uninsured Risks

The Company may carry insurance to protect against certain risks in such amounts as it considers adequate. Risks not insured against include key person insurance as the Company heavily relies on the Company officers.

Conflicts of Interest

Certain directors of the Company also serve as directors and/or officers of other companies involved in other business ventures. Consequently, there exists the possibility for such directors to be in a position of conflict. Any decision made by such directors involving the Company will be made in accordance with their duties and obligations to deal fairly and in good faith with the Company and such other companies. In addition, such directors will declare, and refrain from voting on, any matter in which such directors may have a conflict of interest.

Negative Operating Cash Flows

As the Company is at the start-up stage it may continue to have negative operating cash flows. Without the injection of further capital and the development of revenue streams from its business, the Company may continue to have negative operating cash flows until it can be sufficiently developed to commercialize.

Reliance on Key Personnel and Advisors

The Company relies heavily on its officers. The loss of their services may have a material adverse effect on the business of the Company. There can be no assurance that one or all of the employees of, and contractors engaged by, the Company will continue in the employ of, or in a consulting capacity to, the Company or that they will not set up competing businesses or accept positions with competitors. There is no guarantee that certain employees of, and contractors to, the Company who have access to confidential information will not disclose the confidential information.

Licenses, Patents and Proprietary Rights

The Company's success could depend on its ability to protect its intellectual property, including trade secrets, and continue its operations without infringing the proprietary rights of third parties and without having its own rights infringed.

Competition, Technological Obsolescence

The agriculture and food warehousing / processing industries are competitive. Others in the field may have significantly more financial, technical, distribution and marketing resources. Technological progress and product development may cause the Company's services and facilities offerings to become obsolete or may reduce their market acceptance.

Operating History and Expected Losses

The Company expects to make significant investments in order to develop its services, increase marketing efforts, improve its operations, conduct research and development and update its equipment. As a result, start-up operating losses are expected and such losses may be greater than anticipated, which could have a significant effect on the long-term viability of the Company.

Risks Related as a Going Concern

As at June 30, 2022, the Company has an accumulated deficit of $133,166,197 (2021 - $107,761,944), net loss from continuing operations of $8,149,531 (2021- $13,376,370) and negative cash from ongoing operating activities of $7,376,174 (2021- $9,093,587). The Company's ability to continue as a going concern is dependent upon its ability

to generate future profitable operations and/or to obtain the necessary financing to conduct its planned business, meet its on-going levels of corporate overhead and discharge its liabilities as they come due. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. These material uncertainties may cast significant doubt as to the Company's ability to continue as a going concern.

These consolidated financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge liabilities in the normal course of business. Accordingly, it does not give effect to adjustments, if any that would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities in other than the normal course of business and at amounts which may differ from those shown in these consolidated financial statements.

Uncertainty Regarding Penetration of the Target Market

The commercial success of the Company's business as compared with those of its competitors depends on its acceptance by potential users and the consumer community. Market acceptance will largely depend on the reputation of the Company, its marketing strategy, consumer acceptance and the Company's services and performance. The Company's success will depend on its ability to commercialize and expand its network users. The Company will need to expand its marketing and sales operations and establish business relations with suppliers and users in a timely manner. In order to meet its business objectives, the Company will have to ensure that its facilities and services are safe, reliable and cost-effective, and bring the expected return. There can be no assurance that the Company's facilities and services will be accepted and recommended.

Reliance on Joint Ventures, License Assignors and Other Parties

The nature of the Company's operations requires it to enter into various agreements with partners, joint venture partners, other agriculture and food warehousing / processing facilities, and equipment suppliers in the business world, government agencies, licensors, licensees, and other parties for the successful operation of its businesses and the successful marketing of its services.

There is no guarantee that those with whom the Company needs to deal will not adopt other technologies or that they will not develop alternative business strategies, acting either alone or in conjunction with other parties, including the Company's competitors, in preference to those of the Company.

Growth Management

In executing the Company's business plan for the future, there will be significant pressure on management, operations and technical resources. The Company anticipates that its operating and personnel costs will increase in the future. In order to manage its growth, the Company will have to increase the number of its technical and operational employees and efficiently manage its employees, while at the same time efficiently maintaining a large number of relationships with third parties.

Potential Liability

The Company is subject to the risk of potential liability claims with respect to its agriculture and food warehousing / processing facilities. Should such claims be successful, plaintiffs could be awarded significant amounts of damages, which could exceed the limits of any liability insurance policies that may be held by the Company. There is no guarantee that the Company will be able to obtain, maintain in effect or increase any such insurance coverage on acceptable terms or at reasonable costs, or that such insurance will provide the Company with adequate protection against potential liability.

Disclosure Regarding the Company's Proposed Research into the United States Psilocybin Industry

Legal risks

All drugs on the CDSA schedules require a prescription. It is a criminal offence to possess substances scheduled under the CDSA without a prescription.

Under the CDSA, person who is in possession of a substance under Schedule III without a prescription is liable to:
(i) a maximum of three years imprisonment if found guilty of an indictable offence; or
(ii) a maximum $1000 fine for the first offence and/or a maximum 6-month term of imprisonment, increasing to a maximum fine of $2000 for each subsequent offense and/or a maximum of 1 year in prison if found guilty of a summary conviction offence.

A person who produces or is in possession of a substance under Schedule III for the purpose of trafficking, or exportation is liable to:

(i) a maximum of ten years imprisonment if found guilty of an indictable offence; or
(ii) a maximum 18 months' imprisonment if found guilty of a summary conviction offence.

Psilocybin industry

Canada

Psilocybin is currently a Schedule III drug under the Controlled Drugs and Substances Act (CDSA) and it is a criminal offence to possess substances under the CDSA without a prescription and Health Canada has not approved psilocybin and psilocin as drugs. Any activities such as sale, possession, production, etc. of the substance is prohibited unless authorized for clinical trial or research purposes under section 56 of the CDSA. Health Canada can grant exemptions under section 56 of the CDSA to use controlled substances if it is deemed to be necessary for a medical or scientific purpose or is otherwise in the public interest. Health Canada must also approve the clinical trials.

Any delays of the Company in obtaining, or failure to obtain regulatory approvals from Health Canada to commence or continue clinical testing would significantly delay the development of the Company's markets and products and could have a material adverse effect on its business, results of operations and consolidated financial condition.

United States of America

Psilocybin is currently a Schedule I drug under the Controlled Substances Act (CSA) which list Schedule I substances as those that have the following findings:

A. The drug or other substance has a high potential for abuse.
B. The drug or other substance has no currently accepted medical use in treatment in the United States.
C. There is a lack of accepted safety for use of the drug or other substance under medical supervision.

No prescriptions may be written for Schedule I substances, and such substances are subject to production quotas which the DEA imposes.

The following disclosure is intended to comply with the Canadian Securities Administrators Staff Notice 51-352 – *Issuers with U.S. Marijuana-Related Activities*.

FINANCIAL AND DISCLOSURE CONTROLS AND PROCEDURES

During both of the three-months ended June 30, 2022 and 2021, there has been no significant change in the Company's internal control over financial reporting since the prior year.

The management of the Company has filed the Venture Issuer Basic Certificate with the Interim Filings on SEDAR at www.sedar.com.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the venture issuer basic certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency, and timeliness of interim and annual filings and other reports provided under securities legislation.