ENTHEON BIOMEDICAL CORP.

CONDENSED INTERIM FINANCIAL STATEMENTS

For the three and nine months ended August 31, 2020 and period from incorporation on June 17, 2019 to August 31, 2019

(Expressed in Canadian Dollars)

ENTHEON BIOMEDICAL CORP.
Condensed Interim Statements of Financial Position
Expressed in Canadian Dollars - Unaudited

	Aug 31, 2020 (Unaudited)	Nov 30, 2019 (Audited)
	$	$
Assets		
Current assets		
Cash	1,840,612	112,655
GST recoverable	26,457	2,900
Other receivables	115	-
Prepaid expenses	5,619	21,311
Investment in convertible note (note 8)	52,077	-
	1,924,880	136,866
Non-current assets		
Equipment, net	10,982	-
Investment in equity securities (note 8)	100,532	-
	111,514	-
	2,036,394	136,866
Liabilities and shareholders' equity		
Current liabilities		
Accounts payable and accrued liabilities	44,115	91,663
Convertible notes payable (note 3)	-	3,029
	44,115	94,692
Shareholders' equity		
Share capital (note 5)	3,357,741	316,574
Equity component of convertible notes (note 3)	3,628	3,628
Deficit	(1,369,090)	(278,028)
	1,992,279	42,174
	2,036,394	136,866

The accompanying notes form an integral part of these condensed interim financial statements.

Nature of Business and Going Concern (note 1)

Approved and authorized for issue on behalf of the Board on October 26, 2020:

"Brandon Schwabe ", Director   *"Timothy Ko"*, Director

ENTHEON BIOMEDICAL CORP.
Condensed Interim Statements of Comprehensive Loss
Expressed in Canadian Dollars - Unaudited

	For the three months ended Aug 31, 2020	For the nine months ended Aug 31, 2020	For the period from incorporation on June 17, 2019 to August 31, 2019
	$	**$**	**$**
Operating Expenses			
Depreciation	708	2,125	-
Management fees (note 4)	71,000	160,155	8,500
Bank charges	721	1,966	115
Consulting fees	148,582	534,892	21,883
Marketing	7,935	62,955	767
Meal and entertainment	69	9,034	370
Professional fees	165,971	225,050	27,370
Office and miscellaneous	3,905	27,768	-
Rent	15,000	54,465	7,483
Transfer agent and filing fees	6,050	6,050	-
Travel	100	42,566	6,368
	420,041	1,127,026	72,856
Other Income			
Loss on debt settlement (note 5)	30,000	53,000	-
Loss on investment settlement (note 8)	320	10,734	-
Foreign exchange loss	524	524	-
Realized gain on share exchange (note 8)	(98,032)	(98,032)	-
Interest income	(2,190)	(2,190)	-
	(69,378)	(35,964)	-
Net loss and comprehensive loss	350,663	1,091,062	72,856
Basic and diluted loss per share	$0.01	$0.04	$0.06
Weighted average number of common shares outstanding	29,668,387	25,661,279	1,224,668

The accompanying notes form an integral part of these condensed interim financial statements.

ENTHEON BIOMEDICAL CORP.
Condensed Interim Statements of Changes in Equity
Expressed in Canadian Dollars - Unaudited

	Common Shares				
	Number of shares	**Amount**	**Equity component of convertible notes**	**Deficit**	**Total**
		$	**$**	**$**	**$**
Balance at, June 17, 2019	1	1	-	-	1
Shares issued for cash, net of transaction costs	3,350,000	16,750	-	-	16,750
Shares issued for debt settlements	1,350,000	6,750	-	-	6,750
Comprehensive loss for the period	-	-	-	(72,856)	(72,856)
Balance, August 31, 2019	4,700,001	23,501	-	(72,856)	(49,355)
Balance at, November 30, 2019	20,820,001	316,574	3,628	(278,028)	42,174
Units issued for cash, net of transaction costs	8,725,804	2,936,167	-	-	2,936,167
Shares issued for debt settlements	300,000	105,000	-	-	105,000
Comprehensive loss for the period	-	-	-	(1,061,062)	(1,061,062)
Balance, August 31, 2020	29,845,805	3,357,741	3,628	(1,369,090)	1,992,279

The accompanying notes form an integral part of these condensed interim financial statements.

ENTHEON BIOMEDICAL CORP.
Condensed Interim Statements of Cash Flow
Expressed in Canadian Dollars - Unaudited

	For the nine months ended August 31, 2020	For the period from incorporation on June 17, 2019 to August 31, 2019
	$	$
Cash provided by (used in):		
Operating activities		
Net loss for the period	(1,091,062)	(72,856)
Item not affecting cash:		
Depreciation	2,125	-
Loss on the debt settlement	53,000	-
Loss on the investment settlement	10,734	-
Realized gain on share exchange	(98,032)	-
Changes in non-cash working capital balance:		
GST recoverable	(23,557)	(16,030)
Other receivables	(115)	-
Prepaid expenses	15,692	-
Accounts payable and accrued liabilities	4,452	54,610
Cash used in operating activities	(1,126,763)	(34,276)
Investing activities		
Purchase of equipment	(13,107)	-
Proceeds from investment settlement	84,766	-
Purchase of convertible note	(198,000)	-
Repayment of convertible note	47,923	-
Cash used in investing activities	(78,418)	-
Financing activities		
Proceeds from convertible notes	-	34,213
Repayment of convertible notes	(3,029)	-
Proceeds from issuance of units, net	2,936,167	16,750
Cash provided by financing activities	2,933,138	50,963
Increase in cash	1,727,957	16,687
Cash, beginning of period	112,655	-
Cash, end of period	1,840,612	16,687
Supplemental disclosure of non-cash investing and financing activities:		
Issuance of common stocks for debt settlements	52,000	6,750
Investments received for exchange	100,532	-
Investments received for investment settlement	102,500	-
Supplemental cash flow disclosures:		
Income taxes paid	-	-
Interest paid	-	-

The accompanying notes form an integral part of these condensed interim financial statements.

1. NATURE OF BUSINESS AND GOING CONCERN

Entheogen Biomedical Corp. (the "Company") was incorporated on June 17, 2019 under the laws of British Columbia, Canada and maintains its head office at 211-3030 Lincoln Avenue, Coquitlam, British Columbia, Canada, V3B 6B4 and registered office at 10th Floor, 595 Howe Street, Vancouver, British Columbia, Canada, V6C 2T5. On December 30, 2019, the Company changed its name to Entheon Biomedical Corp.

The Company's primary business is the research and development of psychedelic compounds with the aim to commercialize a portfolio of entheogen based therapeutic products for the treatment of addictive disorders.

These condensed interim financial statements are prepared on a going concern basis, which contemplates that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. At present, the Company's operations do not generate cash flow. The Company has incurred losses since inception and had an accumulated deficit of $1,369,090 as at August 31, 2020. In order to continue as a going concern and meet its corporate objectives, the Company will require additional financing through debt or equity issuances or other available means. Although the Company has been successful in the past in obtaining financing, there is no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. Should the Company identify a suitable asset or business acquisition, it would be required to raise additional capital to finance the transaction.

Management is actively pursuing opportunities with a view to identifying and making an acquisition of assets or businesses that will qualify the Company for listing on the Canadian Stock Exchange (the "Qualified Transaction"). The continuing operations of the Company are dependent upon its ability to complete a Qualified Transaction to generate net income, managing cash on hand by reducing costs and expenses, and to raise adequate financing. The March 2020 pandemic outbreak of COVID-19 could result in delays in finding and completing a Qualified Transaction and continue to have a negative impact on the Company's ability to raise new capital. The aforementioned factors indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

These condensed interim financial statements do not include adjustments that would be required if the going concern assumption is not an appropriate basis for preparation of the condensed interim financial statements. These adjustments could be material.

These condensed interim financial statements were authorized for issue on October 26, 2020 by the directors of the Company.

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

Statement of compliance

These condensed interim financial statements have been prepared in accordance with International Accounting Standard IAS 34 – *Interim Financial Reporting*.

Basis of measurement

These condensed interim financial statements, prepared in conformity with IAS 34, follow the same accounting principles and methods of application as the most recent annual financial statements. Since the condensed interim financial statements do not include all disclosures required by the International Financial Reporting Standards ("IFRS") for annual financial statements, they should be read in conjunction with the Company's annual financial statements for the period from incorporation on June 17, 2019 to November 30, 2019.

New Accounting Standards Issued But Not Yet Effective

A number of new standards and amendments to existing standards have been issued by the IASB that are mandatory for accounting periods beginning on or after January 1, 2020, or later periods. The Company has not early adopted these new standards in preparing these condensed interim financial statements. There new standards are either not applicable or are not expected to have a significant impact on the Company's condensed interim financial statements.

Foreign currency transactions

The Company's functional currency is Canadian dollar. Transactions in currencies other than the functional currency of the reporting entity are recorded at rates of exchange prevailing on the dates of such transactions. Monetary assets and liabilities that are denominated in currencies other than the functional currency are translated at rates prevailing at the end of each reporting period. Non-monetary items that are measured in terms of historical cost in the foreign currency are not re-translated.

Significant estimates and assumptions

The preparation of these condensed interim financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the period. Actual results could differ from these estimates. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised. Significant areas requiring the use of management estimates include:

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE, continued

Significant estimates and assumptions, continued

i) The determination of discount rate and effective interest rates on liability and equity components of the convertible notes. Changes in these assumptions could materially affect the recorded amounts.

ii) The determination of fair value of investments in convertible notes and equity securities requires valuation techniques. In applying the valuation techniques management makes maximum use of market inputs wherever possible, and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, company-specific information is considered when determining whether the fair value of an investment in convertible notes or equity securities should be adjusted upward or downward at the end of each reporting period. In addition to company-specific information, the Company will take into account trends in general market conditions and the share performance of comparable publicly-traded companies when valuing investments in convertible notes and equity securities.

iii) The determination of deferred income tax assets or liabilities requires subjective assumptions regarding future income tax rates and the likelihood of utilizing tax carry-forwards. Changes in these assumptions could materially affect the recorded amounts.

Significant judgments

The preparation of these condensed interim financial statements requires management to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying the Company's financial statements include:

i) The assessment of the Company's ability to continue as a going concern involves judgment regarding future funding available for its projects and working capital requirements and whether there are events or conditions that may give rise to significant uncertainty.

3. CONVERTIBLE NOTES PAYABLE

On June 17, 2019, the Company entered into a Credit Facility Agreement (the "Hyperbridge Notes") with a related party Hyperbridge Technology Inc. ("Hyperbridge") under which Hyperbridge will advance from time to time to the Company in principal sum of up to $65,000. Hyperbridge will have the right, at the option, to convert all or any portion of the then outstanding amount of the Hyperbridge Notes into fully paid and non-assessable common shares of the at the deemed issuance price of $0.02 per share. The Hyperbridge Notes are non-interest bearing, secured by a promissory note, and will become due on December 31, 2019. In the event of default, the interest is compounded semi-annually at a rate of 8% per annum. During the period ended November 30 2019, the Company received advance in the aggregate principal amount of $60,554 from Hyperbridge.

(Expressed in Canadian dollars - Unaudited)

3. CONVERTIBLE NOTES PAYABLE, continued

The fair value of the liability component at the time of issue is determined based on an estimated rate of 20% for loans without the conversion feature. After initial recognition the liability component is carried on an amortized cost basis and will be accreted to its face value over the term to maturity of the convertible notes at an effective interest rate of 20%. The fair value of the equity component is determined as the difference between the face value of the loans and the fair value of the liability component.

On November 29, 2019, $50,000 of the outstanding amounts were converted into 2,500,000 common shares of the company at $0.02 per share.

The following table summarizes accounting for the convertible notes, and the amounts recognized in the liability and equity components during the period presented:

	Liability Component	Equity Component
Date of incorporation, June 17, 2019	**$ -**	**$ -**
Convertible notes issued	56,926	3,628
Accretion	3,628	-
Repayment	(7,525)	-
Conversion	(50,000)	-
Balance, November 30, 2019	**$ 3,029**	**$ 3,628**
Repayment	(3,029)	-
Balance, August 31, 2020	**$ -**	**$ 3,628**

4. RELATED PARTY TRANSACTIONS AND BALANCES

Key management personnel comprise the Company's Board of Directors and executive officers. Key management personnel compensation for the three and nine months ended August 31, 2020 is comprised of the following:

Management fees	Nine months ended August 31, 2020	Three months ended August 31, 2020	For the period from incorporation on June 17, 2019 to August 31, 2019
Chief Executive Officer	$ 66,100	$ 29,100	$ 3,500
Chief Financial Officer	37,900	15,900	-
Director of Operations	47,155	23,000	-
Director	9,000	3,000	5,000
	$ 160,155	$ 71,000	$ 8,500

4. RELATED PARTY TRANSACTIONS AND BALANCES, continued

On February 5, 2020, the Company issued a total of 100,000 common shares with a fair value of $25,000 to settle $2,000 in management fees payable to the Director of Operations (Note 5). A loss on debt settlement of $23,000 was recognized in the condensed interim statement of loss and comprehensive loss for the nine months ended August 31, 2020.

The Company had a Credit Facility Agreement with a Company controlled by the CEO (See Note 3). As at August 31, 2020, balance under the Credit Facility Agreement was fully paid off.

As at August 31, 2020, $Nil (November 30, 2019 - $3,854) was due to directors and officers and Companies controlled by directors and officers. The amounts are unsecured, non-interest bearing, due on demand and included in accounts payable and accrued liabilities.

5. SHARE CAPITAL

Authorized

Unlimited Class A voting and Class B non- voting common shares without par value

Issued and outstanding

As of August 31, 2020, there were 29,845,805 (November 30, 2019 - 20,820,001) common shares issued and outstanding.

<u>During the nine months ended August 31, 2020:</u>

a) On December 18, 2019, December 23, 2019 and January 30, 2020, the Company closed a private placement in 3 tranches and issued 3,485,000 units of the Company at a price of $0.25 per unit for gross proceeds of $871,250. Each unit consists of one Class A voting common share in the capital of the Company and one-half of one Class A voting common share purchase warrant of the Company. Each warrant has an exercise price of $0.50 per warrant share for a period of 24 months from the closing of the offering; provided that the expiry of the warrants can be accelerated if the closing price of the Class A voting common shares on a stock exchange in Canada or the United States is at least $0.75 for a minimum of 21 consecutive trading days, then the warrants will expire on the 30th day after the date on which the Company provides notice of such accelerated expiry to the holders of the Warrants. There was no value allocated to the warrants based on the residual method.

b) On February 5, 2020, the Company issued a total of 100,000 common shares with a fair value of $25,000 to settle $2,000 in accounts payable for past services rendered by an officer of the Company (Note 4). A loss on debt settlement of $23,000 was recognized in the condensed interim statement of loss and comprehensive loss for the nine months ended August 31, 2020.

(Expressed in Canadian dollars - Unaudited)

5. SHARE CAPITAL, continued

c) On June 3, 2020, the Company closed a private placement and issued 5,240,804 units of the Company at a price of $0.40 per unit for gross proceeds of $2,096,321. Each unit consists of one common share of the Issuer and one-half of one non-transferable common share purchase warrant. Each whole warrant will entitle the holder to purchase one additional common share of the Issuer at an exercise price of $0.60 per share for a period 24 months; provided that if the volume weighted average trading price of the Company's common shares on any stock exchange on which the Company's common shares are then listed, is at a price equal to or greater than $1.00 for a period of 10 consecutive trading days, then the warrants will expire on the 30th day after the date on which the Company provides notice of such accelerated expiry to the holders of the Warrants. There was no value allocated to the warrants based on the residual method.

d) On June 3, 2020, the Company issued a total of 200,000 common shares with a fair value of $80,000 to settle $50,000 in consultant fees payable and signing bonuses payable to various consultants. A loss on debt settlement of $30,000 was recognized in the condensed interim statement of loss and comprehensive loss for the nine months ended August 31, 2020.

Stock option

On January 30, 2020, the Company approved a stock option plan under which it may grant stock options within any 12 month period for up to 10% of the Company's total number of shares issued. The stock option plan provides for the granting of stock options to directors and officers, and consultants and persons providing investor-relation or consulting services within any 12 month period up to a limit of 5% and 2% respectively of the Company's total number of Outstanding Issue. In addition, the options granted to consultants and persons providing investor-relation or consulting services must vest in stages over 12 months with no more than 25% of the Options vesting in any three month period. The Expiry Date of an Option shall be no later than the tenth anniversary of the Grant Date of such Option. During nine months ended August 31, 2020, there was no stock option activity. As at August 31, 2020, there were no stock options outstanding.

Share purchase warrants

A continuity schedule of outstanding share purchase warrants is as follows:

	Number Outstanding		Weighted Average Exercise Price
December 1, 2019	-	$	-
Issued	4,362,902		0.56
August 31, 2020	4,362,902	$	0.56

(Expressed in Canadian dollars - Unaudited)

5. SHARE CAPITAL, continued

As of August 31, 2020, the Company had share purchase warrants outstanding and exercisable to acquire common shares of the Company as follows:

Expiry Date	Number Outstanding		Exercise Price
December 18, 2021	35,000	$	0.50
December 23, 2021	1,020,000		0.50
January 30, 2022	687,500		0.50
June 3, 2022	2,620,402		0.60
	4,362,902	$	0.56

6. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the research and development of psychedelic compounds.

The Company sets the amount of capital in proportion to risk. 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. In order to maintain or adjust the capital structure, the Company may issue new shares, sell assets, reduce debt or increase its debt. The capital of the Company comprises the shareholders' equity.

7. FINANCIAL INSTRUMENTS

Fair Values and Classification

The Company's financial instruments consist of cash and cash equivalents, accounts payable and convertible notes. Financial instruments are classified into one of the following categories: FVTPL, FVTOCI, or amortized cost. The carrying values of the Company's financial instruments are classified into the following categories:

Financial Instrument	Category	August 31, 2020	November 30, 2019
Cash	FVTPL	$ 1,840,612	$ 112,655
Investment in convertible note	FVTPL	52,077	-
Investment in equity securities	FVTPL	100,532	-
Accounts payable	Amortized cost	44,115	80,542
Convertible notes payable	Amortized cost	-	3,029

IFRS 7 Financial Instruments: Disclosures establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

(Expressed in Canadian dollars - Unaudited)

7. FINANCIAL INSTRUMENTS, continued

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Assets and liabilities are classified in entirety based on the lowest level of input that is significant to the fair measurement. The Company's financial assets measured on a recurring basis at fair value are as follows:

	August 31, 2020			
	Level 1	**Level 2**	**Level 3**	**Total**
Cash	$ 1,840,612	$ -	$ -	$ 1,840,612
Investment in convertible note	-	-	52,077	52,077
Investments in equity securities	100,532	-	-	100,532
Total	$ 1,941,144	-	52,077	1,993,221

	November 30, 2019			
	Level 1	**Level 2**	**Level 3**	**Total**
Cash	$ 112,655	-	-	$ 112,655

The carrying amounts of the Company's accounts payable and convertible notes payable are a reasonable approximation of their fair values based on current market rates for similar financial instruments.

<u>Financial instrument risk exposure</u>
The Company's financial instruments are exposed to certain financial risks, including credit risk, liquidity risk, and market risk.

(a) Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company has exposure to credit risk through its cash and investment in convertible note. The Company manages credit risk, in respect of cash, by maintaining the majority of cash at highly rated financial institutions.

The Company's maximum exposure to credit risk at the end of any period is equal to the carrying amount of these financial assets as recorded in the statement of financial position. At August 31, 2020, no amounts were held as collateral.

7. FINANCIAL INSTRUMENTS, continued

Financial instrument risk exposure, continued

(b) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows required by its operating, investing and financing activities. The Company had cash at August 31, 2020, in the amount of $1,840,612 and working capital of $1,880,765 in order to meet short-term business requirements. All of the Company's financial liabilities have contractual maturities of approximately 30 to 90 days or are due on demand and are subject to normal trade terms.

(c) Market Risk

Market risk consists of interest rate risk, foreign currency risk and price risk. These are discussed further below.

Interest Rate Risk

Interest rate risk consists of two components:

(i) To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.

(ii) To the extent that changes in prevailing market rates differ from the interest rates on the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

In management's opinion, the Company is not exposed to significant interest rate risk as the risk is primarily on its outstanding GIC which is included in cash and cash equivalents.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is not subject to significant foreign exchange risk.

Price Risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk.

The Company is not exposed to any significant price risk.

(Expressed in Canadian dollars - Unaudited)

8. INVESTMENTS

Continuity for the nine months ended August 31, 2020 is as follows:

Investments Measured at FVTPL	Entheos Science Systems Inc. Convertible Note (a)	Mindleap Health Inc. Convertible Note (a)	Mindleap Health Inc. Common Shares (a) (b)	Mydecine Innovation Group Inc. Common Shares (b)	Total
Balance, November 30, 2019	$ -	$ -	$ -	$ -	$ -
Addition	198,000	100,000	2,500	-	300,500
Settlement	(187,266)	-	-	-	(187,266)
Loss on investment settlement	(10,734)	-	-	-	(10,734)
Share exchange	-	-	(2,500)	2,500	-
Realized gain on share exchange	-	-	-	98,032	98,032
Repayment of convertible note	-	(47,923)	-	-	(47,923)
Balance, August 31, 2020	$ -	$ 52,077	$ -	$ 100,532	$ 152,609

(a) On February 15, 2020, the Company purchased a USD $150,000 convertible note issued by Entheos Science Systems Inc. (“Enthoes”) for $198,000 (the “Convertible Note”). The Convertible Note bears interest at a rate of 8% per annum, will mature in one year from issuance, and is convertible into Series A Preferred Shares at price equal to the lower of (A) the pre-money price per Preferred Share (on a fully diluted basis) assuming a valuation of $7,000,000 and (B) the last price paid per Preferred Share subsequent to the date of the Convertible Notes, if any, less a 15% discount to the final conversion value. As at initial issuance and May 19, 2020, the fair value of the Convertible Note was determined to be $198,000. The Company used a discounted cash flow model in order to determine the fair value.

8. INVESTMENTS, continued

On May 19, 2020, the Company entered into an Asset Purchase Agreement (the "Agreement") among Entheos and Mindleap Health Inc. ("Mindleap") regarding the Convertible Note. The terms of the agreement are as follows:

i. Mindleap will assume $100,000 of Entheos' Liability to the Company (the "Mindleap Note") under the Convertible Note, in exchange for the Company's representations, warranties, covenants, agreements, and releases. The Mindleap Note bears interest at a rate of 8% per annum, will mature in eight months from issuance, and is convertible into the senior most class of issued and outstanding shares (the "Shares") at price equal to the pre-money price per share (on a fully diluted basis) assuming a valuation of $5,000,000. Upon the completion of future fundraising (the "Capital Funding") to reach gross proceeds of $1,000,000 in one or multiple closings, through the issuance of the Shares at a price per share greater than $0.10, the Mindleap Note is mandatory convertible into Shares at a price equal to the lower of (A) the pre-money price per share (on a fully diluted basis) assuming a valuation of $5,000,000 and (B) the last price paid per share in the Capital Funding. As at initial issuance and August 31, 2020, the fair value of the Mindleap Note was determined to be $100,000. The Company used a discounted cash flow model in order to determine the fair value

ii. During the nine months ended August 31, 2020, the Company received payments of $84,766.

iii. Enthoes will transfer 500,000 common shares in the capital of Mindleap to the Company and Mindleap will consent to the transfer. As at initial issuance and share exchange at August 19, 2020 (Note 8(b)), the fair value of the common shares was determined to be $2,500.

During the nine months ended August 31, 2020, the company recorded a loss on the settlement of Convertible Note of $10,734.

(b) On June 16, 2020, the Company, MindLeap Health Inc. and Mydecine Innovation Group Inc. ("Mydecine") entered into a share exchange agreement pursuant to which Mydecine agreed to purchase all of the Company's common shares in the capital of MindLeap in consideration for an aggregate of 201,063 common shares in the capital of Mydecine. The transaction was closed on August 19, 2020. As at initial issuance and August 31, 2020, the fair value of the common shares was determined to be $100,532 based on market value.

During the nine month ended August 31, 2020, the company recorded a gain on share exchange of $98,032.

9. PROPOSED TRANSACTION WITH MPV EXPLORATION INC.

On June 30, 2020, the Company entered into a definitive agreement (the "Definitive Agreement") with MPV Explorations Inc. (“MPV”) and 1254912 B.C. LTD, a wholly-owned subsidiary of MPV, whereby MPV will acquire all of the issued and outstanding shares of the Company pursuant to a three-cornered amalgamation. (the "Transaction").

In connection with the Transaction, MPV will complete a consolidation of its issued and outstanding common shares on the basis of one post-consolidation common share for every three pre-consolidation common shares in the capital of the MPV. Following the Consolidation, each of the shareholders of the Company will receive one post-consolidation common share of MPV in exchange for each share of the Company. The Transaction constitutes a reverse take-over of MPV by the Company. Upon completion of the Transaction, the Company will own approximately 73.90% of the outstanding common shares of the resulting issuer.