ENTHEON BIOMEDICAL CORP.

(formerly MPV Exploration Inc.)

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended November 30, 2020 and period from incorporation on June 17, 2019 to November 30, 2019

(Expressed in Canadian Dollars)

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INDEPENDENT AUDITORS' REPORT

To the Shareholders and Directors of Entheon Biomedical Corp. (formerly MPV Explorations Inc.)

Opinion

We have audited the consolidated financial statements of Entheon Biomedical Corp. (formerly MPV Explorations Inc.) (the "Company") which comprise the consolidated statement of financial position as at November 30, 2020 and 2019, and the consolidated statements of comprehensive loss, changes in equity and cash flows for the year ended November 30, 2020 and for the period from incorporation on June 17, 2019 to November 30, 2019, and the related notes comprising a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as at November 30, 2020 and 2019, and its financial performance and its cash flows for the year ended November 30, 2020 and for the period from incorporation on June 17, 2019 to November 30, 2019 in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements which describes matters and conditions that indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information, which comprises the information included in the Company's Management Discussion & Analysis to be filed with the relevant Canadian securities commissions.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditors' report is Fernando J. Costa.

Manning Elliott LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Vancouver, Canada
March 29, 2021

ENTHEON BIOMEDICAL CORP.
Consolidated Statements of Financial Position
Expressed in Canadian Dollars

	November 30, 2020	November 30, 2019
	$	$
Assets		
Current assets		
Cash	2,787,006	112,655
Other receivables	76,433	2,900
Prepaid expenses	1,490,994	21,311
Investment in convertible notes (note 12)	50,000	-
	4,404,433	136,866
Non-current assets		
Equipment, net	6,309	-
Investment in equity securities (note 12)	62,330	-
	68,639	-
	4,473,072	136,866
Liabilities and shareholders' equity		
Current liabilities		
Accounts payable and accrued liabilities	728,192	91,663
Convertible notes (note 4)	-	3,029
	728,192	94,692
Shareholders' equity		
Share capital (note 6)	7,146,773	316,574
Reserves (notes 4, 6)	1,257,626	3,628
Deficit	(4,659,519)	(278,028)
	3,744,880	42,174
	4,473,072	136,866

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

NATURE OF BUSINESS AND GOING CONCERN (Note 1)
SUBSEQUENT EVENTS (Note 13)

Approved and authorized for issue on behalf of the Board on March 29, 2021:

"Timothy Ko", Director *"Ruth Chun"*, Director

ENTHEON BIOMEDICAL CORP.
Consolidated Statements of Comprehensive Loss
Expressed in Canadian Dollars

	For the Year ended November 30, 2020	From June 17, 2019 to November 30, 2019
	$	**$**
Operating expenses		
Research and development (note 7)	442,560	54,050
General and administrative (note 8)	1,195,477	220,350
Depreciation	2,724	-
	1,640,761	274,400
Other (income) expense		
Accretion expense (note 4)	-	3,628
Interest income	(7,363)	-
Listing expense (note 1)	2,735,818	-
Loss on debt settlement (note 5)	53,000	-
Gain on investment settlement (note 12)	(97,351)	-
Other expenses	8,371	-
Unrealized loss on fair value adjustment (note 12)	48,255	-
	2,740,730	-
Net loss and comprehensive loss	4,381,491	278,028
Basic and diluted loss per share	$0.16	$0.07
Weighted average number of common shares outstanding	27,439,935	4,262,290

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

ENTHEON BIOMEDICAL CORP.
Consolidated Statements of Changes in Equity
Expressed in Canadian Dollars

	Common Shares				
	Number of shares	**Amount**	**Reserves**	**Deficit**	**Total**
		$	$	$	$
Date of incorporation, June 17, 2019	1	1	-	-	1
Shares issued for cash, net of transaction costs	16,820,000	256,823	-	-	256,823
Shares issued for debt settlements	1,800,000	11,250	-	-	11,250
Shares issued for conversion of convertible notes	2,500,000	50,000	-	-	50,000
Repurchase of common shares	(300,000)	(1,500)	-	-	(1,500)
Equity component of convertible notes (note 4)	-	-	3,628	-	3,628
Comprehensive loss for the period	-	-	-	(278,028)	(278,028)
Balance, 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
Subco incorporation share	1	1	-	-	1
Subco units issued for cash, net of transaction costs	4,217,886	1,417,096	79,281	-	1,496,377
Shares cancelled in share exchange with shareholders in RTO	(34,063,692)	-	-	-	-
Shares issued in share exchange with shareholders in RTO	34,063,692	-	-	-	-
Shares deemed to be issued in RTO	6,325,160	2,371,935	1,174,717	-	3,546,652
Net loss and comprehensive loss for the year	-	-	-	(4,381,491)	(4,381,491)
Balance, November 30, 2020	40,388,852	7,146,773	1,257,626	(4,659,519)	3,744,880

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

ENTHEON BIOMEDICAL CORP.
Consolidated Statements of Cash Flow
Expressed in Canadian Dollars

	For the Year ended November 30, 2020	From June 17, 2019 to November 30, 2019
	$	$
Cash provided by (used in):		
Operating activities		
Net loss for the period	(4,381,491)	(278,028)
Items not affecting cash:		
Accretion expense	-	3,628
Depreciation	2,724	-
Gain on investment settlement	(97,351)	-
Listing expense	2,735,818	-
Loss on the debt settlement	53,000	-
Unrealized loss on fair value adjustment in equity investment	48,255	-
Changes in non-cash working capital balance:		
Other receivables	(66,113)	(2,899)
Prepaid expenses	(924,972)	(21,311)
Accounts payable and accrued liabilities	(207,392)	101,413
Cash used in operating activities	(2,837,522)	(197,197)
Investing activities		
Cash acquired on RTO	1,154,305	-
Purchase of investment in convertible notes	(248,000)	-
Purchase of equipment	(9,033)	-
Repayment of investment in convertible notes	185,086	-
Cash provided by investing activities	1,082,358	-
Financing activities		
Proceeds from issuance convertible notes	-	60,554
Repayment of convertible notes payable	(3,029)	(7,525)
Proceeds from issuance of common shares, net	4,432,544	256,823
Cash provided by financing activities	4,429,515	309,852
Increase in cash	2,674,351	112,655
Cash, beginning of year and period	112,655	-
Cash, end of year and period	2,787,006	112,655
Supplemental disclosure of non-cash investing and financing activities:		
Issuance of common stocks for convertible notes	-	50,000
Issuance of common stocks for debt settlements	105,000	9,750
Issuance of common stocks and warrants for RTO	3,546,652	
Investments received in exchange for equity investment	110,585	-
Investments received for convertible debt settlement	2,500	-
Supplemental cash flow disclosures:		
Income taxes paid	-	-
Interest paid	-	-

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

1. NATURE OF BUSINESS AND GOING CONCERN

Entheon Biomedical Corp. (formerly MPV Exploration Inc.) ("Entheon") or ("the Company") was incorporated on April 6, 2010 under the Canadian Business Corporations Act and maintains its head office at Suite 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. The Company is traded on the Canadian Securities Exchange ("CSE") under symbol ENBI.

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.

Acquisition of Entheon Holdings Corp.

On June 30, 2020, the Company entered into an amalgamation agreement, as amended on October 9, 2020 (the "Amalgamation Agreement") with the former Entheon Biomedical Corp. ("Former Entheon") and 1254912 B.C. Ltd. ("Subco"), a wholly-owned subsidiary of the Company, whereby the Company will acquire all of the issued and outstanding shares of Former Entheon pursuant to a three-cornered amalgamation (the "Transaction").

In connection with the Transaction and pursuant to the terms of the Amalgamation Agreement: (i) Subco completed a non-brokered private placement of 4,117,886 subscription receipts ("Subco Subscription Receipts") at a price of $0.375 per Subco Subscription Receipt for gross proceeds of $1,544,207. The Company issued 100,000 subscription receipts to finders and paid share issuance costs of $47,830 in cash. The Company also issued 211,897 finder's warrants with an exercise price of $0.375 expiring in two years. The fair value of the finder's warrants totaled $79,281; (ii) the Company completed a name change from "MPV Exploration Inc." to "Entheon Biomedical Corp."; (iii) the Company completed a consolidation (the "Consolidation") of its issued and outstanding common shares ("Common Shares") on the basis of one post-Consolidation Common Share for every three pre-Consolidation Common Shares; and (iv) Former Entheon amalgamated with Subco under subsection 269 of the Business Corporations Act (British Columbia) to form Entheon Holdings Corp. ("Entheon Holdings").

In accordance with the Amalgamation Agreement, the shareholders of Former Entheon ("Former Entheon Shareholders") were issued one post-Consolidation Common Share for every one Former Entheon Share held immediately prior to the completion of the Transaction. The Company issued 34,063,692 of its common shares to acquire all of the 34,063,692 issued and outstanding shares of Former Entheon. Thereafter, Entheon Holdings became a wholly-owned subsidiary of the Company. All 4,652,978 outstanding share purchase warrants of Former Entheon were adjusted such that, upon exercise or conversion, the holders will receive Common Shares (on a post Consolidation basis) in lieu of Former Entheon Shares, on a one-for-one basis.

(Expressed in Canadian dollars)

1. NATURE OF BUSINESS AND GOING CONCERN, continued

For accounting purpose, the acquisition is considered to be outside the scope of IFRS 3 *Business Combinations* ("IFRS 3") as the Company did not constitute a business prior to the Transaction. As a result, the acquisition is accounted for in accordance with IFRS 2 *Share-based Payment* whereby Entheon Holdings is deemed to have issued shares and warrants in exchange for the net assets of the Company together with its listing status at the fair value of the consideration deemed received by Entheon Holdings. Entheon Holdings is deemed to be the continuing entity for accounting purpose.

In connection with the Transaction, the Company has assigned or disposed of all existing mineral resource properties, including the Company's rights under the option agreement dated March 31, 2017 between the Company and Les Ressources Tectonic Inc. as it relates to the UMEX project. In this regard, the Company entered into a binding agreement following a tender process on August 5, 2020 pursuant to which it has agreed to sell its interest in the UMEX project for a cash consideration of $278,000. The sale closed upon completion of the Transaction.

The allocation of the consideration for the purposes of the consolidated statement of financial position is as follows:

Net assets acquired:	$
Current assets	1,179,982
Current liabilities assumed	(160,979)
Net assets acquired	1,019,003
Consideration given:	
Value of common shares deemed to be issued by the Company (6,325,160 shares @ $0.375 per share)	2,371,935
Warrants deemed to be issued by the Company (4,652,978 warrants at a weighted average exercise price of $0.70 per warrant)	1,174,717
Legal and other transaction costs	208,169
	3,754,821
Total consideration	3,754,821
Total net assets acquired	1,019,003
Total listing transaction expense	2,735,818

1. NATURE OF BUSINESS AND GOING CONCERN, continued

These consolidated 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 $4,659,519 as at November 30, 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.

The continuing operations of the Company are dependent upon its ability to generate net income, manage cash on hand by reducing costs and expenses, and to raise adequate financing. The March 2020 pandemic outbreak of COVID-19 could 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 consolidated financial statements do not include adjustments that would be required if the going concern assumption is not an appropriate basis for preparation of the consolidated financial statements. These adjustments could be material.

These consolidated financial statements were authorized for issue on March 29, 2021 by the directors of the Company.

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

Statement of compliance

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

Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments that are measured at revalued amounts or fair values. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE, continued

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 consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated 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:

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.

iv) The valuation of shares and warrants in connection with the reverse acquisition requires estimation and assumptions for valuation techniques. Changes in such assumptions and estimates could materially impact the recorded amounts.

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE, continued

Significant estimates and assumptions, continued

Significant judgments

The preparation of these consolidated 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 consolidated 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.
ii) The determination of whether a business combination or an asset acquisition involves judgment regarding whether the acquirer meets the definition of business under IFRS 3.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been consistently applied to all years presented in these consolidated financial statements, unless otherwise indicated.

Financial instruments

Measurement – initial recognition

All financial assets and financial liabilities are initially recorded on the Company's consolidated statements of financial position when the Company becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially recorded at fair value, net of attributable transaction costs, except for those classified as fair value through profit or loss ("FVTPL"). Subsequent measurement of financial assets and financial liabilities depends on the classifications of such assets and liabilities.

Classification – financial assets

Amortized cost:

Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and that the contractual terms of the financial assets give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequent to initial recognition at amortized cost.

3. SIGNIFICANT ACCOUNTING POLICIES, continued

Financial instruments, continued

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. Interest income is recognized using the effect interest method, and is recognized in interest and other income, on the statement of comprehensive loss.

The Company currently has no financial assets measured at amortized cost.

Fair value through other comprehensive income ("FVTOCI")

Financial assets that are held within a business model whose objective is to hold financial assets in order to both collect contractual cash flows and selling financial assets, and that the contractual terms of the financial assets give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Upon initial recognition of equity securities, the Company may make an irrevocable election (on an instrument-by-instrument basis) to designate its equity securities that would otherwise be measured at FVTPL to present subsequent changes in fair value in other comprehensive income. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination. Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other OCI. The cumulative gain or loss is not reclassified to profit or loss on disposal of the instrument; instead, it is transferred to retained earnings.

The Company currently has no financial assets designated as FVTOCI.

Fair value through profit or loss ("FVTPL")

Financial assets are classified as fair value through profit or loss when the financial asset is held for trading or it is designated as fair value through profit or loss. A financial asset is classified as held for trading if: (i) it has been acquired principally for the purpose of selling in the near future; (ii) it is a part of an identified portfolio of financial instruments that the Company manages and has an actual pattern of short-term profit taking; or (iii) it is a derivative that is not designated and effective as a hedging instrument.

Financial assets classified as fair value through profit or loss are stated at fair value with any gain or loss recognized in the statement of comprehensive loss. The net gain or loss recognized incorporates any dividend or interest earned on the financial asset. The Company has classified its cash, investments in equity securities and investment in convertible notes at fair value through profit and loss.

3. SIGNIFICANT ACCOUNTING POLICIES, continued

Financial instruments, continued

Classification – financial liabilities

Financial liabilities that are not contingent consideration of an acquirer in a business combination, held for trading or designated as at FVTPL, are measured at amortized cost using the effective interest method.

Financial liabilities at amortized cost include accounts payable and convertible notes payable.

Financial liabilities classified FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Fair value changes on financial liabilities classified as FVTPL are recognized in the consolidated statements of loss and comprehensive loss. The Company does not have any financial liabilities at FVTPL.

Impairment of financial assets

The Company recognizes loss allowances for expected credit losses on financial assets measured at amortized cost. Loss allowances for accounts receivables are always measured at an amount equal to lifetime expected credit losses if the amount is not considered fully recoverable. A financial asset carried at amortized cost is considered credit-impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset that can be estimated reliably. Individually significant financial assets are tested for credit-impairment on an individual basis. The remaining financial assets are assessed collectively.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.

In assessing collective impairment, the Company uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

Losses are recognized in the statement of comprehensive loss and reflected in an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the consolidated statements of comprehensive loss.

3. SIGNIFICANT ACCOUNTING POLICIES, continued

Convertible notes

Convertible notes, where applicable, are separated into their financial liability and equity instrument components and accounted for using the effective interest method. The fair value of the liability component at the time of issue is determined based on an estimated interest rate of the convertible loan without the conversion feature. The fair value of the equity component is determined as the difference between the face value and the fair value of the liability component. Issuance costs of the convertible notes are applied as a reduction of proceeds and allocated pro-rata between the liability and equity components. The issuance costs applied to the liability component are recognized as accretion expense over the term of the convertible notes.

Debt issuance costs

Debt issue costs are recognized in connection with proposed financing transactions which are specifically identified in that the form of debt issuances is known and completion of the financing is probable. When the financing is completed, these costs are recognized and netted against the value of the debt for debt transactions. The debt is subsequently accreted to face value at maturity. The accretion amounts are included in interest and bank charges expense over the life of the debt. Debt issue costs include only those costs which are incremental and directly attributable to the proposed financing transaction. In the event that the transaction is abandoned, previously capitalized debt issue costs are expensed through the statement of comprehensive loss.

Share capital

The Company records proceeds from the issuance of its common shares as equity. Incremental costs directly attributable to the issue of new common shares are shown in equity as a deduction, net of tax, from the proceeds. Common shares issued for consideration other than cash are valued based on their market value at the date that the shares are issued.

Earnings / loss per share

Basic earnings/loss per share is calculated by dividing the earnings/loss attributable to common shareholders by the weighted average number of common shares outstanding in the period. For all periods presented, the earnings/loss attributable to common shareholders equals the reported earnings/loss attributable to owners of the Company. The diluted earnings/loss per share reflects all dilutive potential common shares equivalents, which comprise outstanding stock options and share purchase warrants, in the weighted average number of common shares outstanding during the period, if dilutive.

3. SIGNIFICANT ACCOUNTING POLICIES, continued

Lease

The Company recognizes a right-of-use asset and a lease liability based on the present value of the future lease payments at the commencement date. The commencement date is when the lessor makes the leased asset available for use by the Company, typically the possession date. The discount rate used in the present value calculation for lease payments is the incremental borrowing rate for each leased asset or portfolio of leased assets with similar characteristics by reference to the Company’s creditworthiness, the original term of the lease, the quality of the underlying leased asset, and the economic environment where the leased asset is located. The lease term is determined as the non-cancellable periods of a lease, together with periods covered by a renewal option if the Company is reasonably certain to exercise that option and a termination option if the Company is reasonably certain not to exercise that option.

Lease payments for short-term leases with a term of 12 months or less and leases of low-value assets are treated as operating leases, with rent expense recognized in cost of sales or selling, general and administrative expenses on a straight-line or other systematic basis.

Lease liabilities are measured at the present value of future lease payments, discounted using the Company’s incremental borrowing rates, and include the fixed payments, variable lease payments that depend on an index or a rate, less any lease incentives receivable. Subsequent to initial measurement, the Company measures lease liabilities at amortized cost using the effective interest rate method. Lease liabilities are remeasured when there are changes to the lease payments, a change in lease term, a change in the assessment of an option to purchase the underlying asset, a change in expected residual value guarantee, or a change in future lease payments due to a change in index or rate tied to the payment.

Right-of-use assets are measured at the initial amount of the lease liabilities, lease payments made at or before the commencement date less any lease incentives received, initial direct costs if any, and decommissioning costs to restore the site to the condition required by the terms and conditions of the lease. Subsequent to initial measurement, the Company applies the cost model to the right of- use assets and measures the asset at cost less any accumulated depreciation, accumulated impairment losses in accordance with IAS 36, and any re-measurements of the lease liabilities. Assets are depreciated from the commencement date on a straight-line basis over the earlier of the end of the assets’ useful lives or the end of the lease terms.

During the year ended November 30, 2020, all of the Company’s leases are short-term leases with a term of 12 months or less and recorded as operating leases.

3. SIGNIFICANT ACCOUNTING POLICIES, continued

Share-based payments

Options granted under the Company's stock option plan vest as determined by the directors at the time of grant.

The share option plan allows Company employees and consultants to acquire shares of the Company. The fair value of options granted is recognized as an employee or consultant expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

The Company has adopted the fair value method of accounting for all share-based compensation. The fair value of stock options granted is determined using the Black-Scholes option pricing model. Share-based compensation is expensed over the period of vesting and initially credited to stock options reserve. Any consideration paid on the exercise of stock options is credited to share capital. When options are exercised, previously recorded compensation is transferred from stock options reserve to share capital to fully reflect the consideration for the shares issued.

Where the share options are awarded to employees, the fair value is measured at grant date, and each tranche is recognized on the graded vesting method over the period during which the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in the statement of comprehensive loss, unless the fair value cannot be estimated reliably, in which case they are recorded at the fair value of the equity instruments granted.

3. SIGNIFICANT ACCOUNTING POLICIES, continued

Income taxes

Income tax expense comprises current and deferred tax and is recognized in operations except to the extent that it relates to business combinations, or items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes, except for temporary differences in assets and liabilities arising in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, transactions relating to investments in jointly controlled entities to the extent that they will not reverse in the foreseeable future, and transactions arising on the initial recognition of goodwill.

Deferred tax is recognized at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Reclassification

Certain comparative information in these consolidated financial statements has been reclassified to conform to the presentation of the current year consolidated financial statements.

(Expressed in Canadian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES, continued

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 consolidated financial statements. There new standards are either not applicable or are not expected to have a significant impact on the Company's financial statements.

4. 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.

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, November 30, 2020	**$**	**-**	**$**	**3,628**

(Expressed in Canadian dollars)

5. RELATED PARTY TRANSACTIONS AND BALANCES

Key management personnel comprise the Company's Board of Directors and executive officers. Key management personnel compensation is comprised of the following:

Management fees	**For the Year ended November 30, 2020**	**For the period from incorporation on June 17, 2019 to November 30, 2019**
Chief Executive Officer	$ 91,350	$ 17,500
Chief Financial Officer	56,349	10,500
Chief Science Officer and Director Operations	72,296	-
Corporate Secretary	26,250	-
Directors	13,498	6,250
	$ 259,743	$ 34,250

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 6). A loss on debt settlement of $23,000 was recognized in the consolidated statements of comprehensive loss for the year ended November 30, 2020.

The Company had a Credit Facility Agreement with a company controlled by the CEO (See Note 4). As at November 30, 2020, balance under the Credit Facility Agreement was fully paid off.

As at November 30, 2020, $4,570 (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.

6. SHARE CAPITAL

Authorized

Unlimited number of common shares without par value

Issued and outstanding

As of November 30, 2020, there were 40,388,852 (2019 - 20,820,001) common shares issued and outstanding.

<u>During the year ended November 30, 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 and share issuance costs of $27,888. 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 5). A loss on debt settlement of $23,000 was recognized in the consolidated statements of comprehensive loss for the year ended November 30, 2020.

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 and share issuance costs of $3,516. 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.

6. SHARE CAPITAL, continued

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 consolidated statements of comprehensive loss for the year ended November 30, 2020.

e) On November 5, 2020, in connection with the Transaction, the Company exchanged 34,063,692 shares with Former Entheon shareholders and deemed to have issued 6,325,160 shares in a share exchange with the Company's shareholders in the Transaction (Note 1).

<u>During the year ended November 30, 2019:</u>

a) On the date of incorporation, June 17, 2019, the Company issued 1 common share at $1.00 per share.

b) On August 12, 2019 and October 8, 2019, the Company issued a total of 3,500,000 founders' common shares at $0.005 per share for gross proceeds of $17,500.

c) During August 2019, the Company issued a total of 1,800,000 common shares with a fair value of $11,250 to settle $11,250 in accounts payable for past services rendered by the consultants.

d) On August 30, 2019, the Company repurchased 300,000 common shares from a consultant at $0.005 per share.

e) In November, 2019, the Company closed a private placement and issued a total of 13,320,000 common shares at $0.02 per share for gross proceeds of $266,400.

f) On November 29, 2019, the Company issued 2,500,000 common shares at $0.02 per share upon conversion of Hyperbridge Notes.

Stock option

The shareholders of the Company approved a share option plan (the "Plan") whereby the Board of Directors may grant to directors, officers, employees and suppliers of the Company share purchase options to acquire common shares of the Company. The terms of each share purchase option are determined by the Board of Directors. Options granted pursuant to the Plan shall vest and become exercisable by an optionee at such time or times as may be determined by the Board.

The aggregate number of common shares reserved for issuance pursuant to this Plan to all Participants shall not exceed 10% of the issued and outstanding common shares at the time of grant and the maximum number of common shares, which may be reserved for issuance to any optionee, may not exceed 10% of the outstanding common shares at the time of vesting and may not exceed 10% of the outstanding common shares to insiders within a one-year period. These options will expire no later than five years after being granted.

(Expressed in Canadian dollars)

6. SHARE CAPITAL, continued

Stock option, continued

The exercise price per share is established by the Board at the time the option is granted, but, in the event that the common shares are traded on an exchange, the exercise price shall not be less than the closing price of the common shares on the exchange on the trading day immediately preceding the date of the option grant.

Share purchase warrants

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

	Number Outstanding		Weighted Average Exercise Price
December 1, 2019	-	$	-
Issued	11,336,120		0.62
November 30, 2020	11,336,120	$	0.62

During the period ended November 30, 2019, there was no share purchase warrant activity.

As of November 30, 2020, the Company had share purchase warrants outstanding and exercisable to acquire common shares of the Company as follows:

Expiry Date	Number of convertible/ exchangeable securities outstanding	Number of listed securities issuable upon conversion/ exercise		Exercise Price
December 4, 2020[a]	651,144	651,144	$	0.75
December 4, 2020[a]	13,334	13,334		0.45
February 12, 2021[a]	2,000,000	2,000,000		0.48
April 20, 2021[a]	1,988,500	1,988,500		0.90
December 18, 2021	35,000	35,000		0.50
December 23, 2021	1,020,000	1,020,000		0.50
January 30, 2022	687,500	687,500		0.50
June 3, 2022	2,620,402	2,620,402		0.60
November 5, 2022	2,108,943	2,108,943		0.60
September 3, 2022	211,297	316,945		0.375
	11,336,120	11,441,768	$	0.62

[a] Warrants deemed to have been issued in connection with the Transaction

(Expressed in Canadian dollars)

7. RESEACH AND DEVELOPMENT EXPENSE

Research and development expenses consist of the following:

	Year ended November 30, 2020	For the period from incorporation on June 17, 2019 to November 30, 2019
Management and consulting fees	$ 370,478	$ 47,688
Payroll expense	6,646	-
Professional fees	65,436	6,362
	$ 442,560	$ 54,050

8. GENERAL AND ADMINSTRATIVE EXPENSE

General and administrative expenses consist of the following:

	Year ended November 30, 2020	For the period from incorporation on June 17, 2019 to November 30, 2019
Management and consulting fees	$ 634,528	$ 84,559
Marketing and travel	305,532	54,596
Payroll expense	20,092	-
Professional fees	81,722	64,408
Office and miscellaneous	134,197	16,787
Transfer agent and filing fees	19,406	-
	$ 1,195,477	$ 220,350

9. 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. The Company is not subject to any externally imposed capital requirements

(Expressed in Canadian dollars)

10. INCOME TAXES

The following table reconciles the amount of income tax recoverable on application of the combined statutory Canadian federal and provincial income tax rates:

	2020	2019
Loss before income taxes	$(4,381,491)	$ (278,028)
Statutory rates	27%	27%
Expected income tax recovery	(1,183,003)	(75,068)
Non-deductible and other items	664,003	(5,932)
Unrecognized temporary differences	519,000	81,000
Deferred income tax recovery	$ -	$ -

At November 30, 2020 and 2019, the amount of deductible temporary differences for which no deferred tax asset is recognized in the statements of financial position is as follows:

	2020	2019
Non-capital loss	$ 578,000	$ 75,000
Share issuance costs	22,000	6,000
Unrecognized deferred tax assets	(600,000)	(81,000)
Net deferred tax assets	$ -	$ -

As at November 30, 2020, the Company has non-capital losses of approximately $2,140,000 for Canadian income tax purposes that may be carried forward to reduce taxable income derived in future years. These losses, if not utilized, will expire from 2039 to 2040.

In assessing the realizability of deferred income tax assets, management considers whether it is probable that some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. The amount of deferred income tax asset considered realizable could change materially in the near term based on future taxable income during the carry forward period.

(Expressed in Canadian dollars)

11. FINANCIAL INSTRUMENTS

Fair Values and Classification

The Company's financial instruments consist of cash and cash equivalents, investment in convertible notes, investments in equity securities, 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	November 30, 2020	November 30, 2019
Cash	FVTPL	$ 2,787,006	$ 112,655
Investment in convertible notes	FVTPL	50,000	-
Investment in equity securities	FVTPL	62,330	-
Accounts payable	Amortized cost	728,192	80,542
Convertible notes payable	Amortized cost	-	3,029

IFRS 9 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;
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).

Cash and investments in equity securities is recorded at fair value and classified as level 1. Investment in convertible notes is recorded at fair value and classified as level 3. 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.

Financial instrument risk exposure

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 cash equivalents. 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 November 30, 2020 and 2019, no amounts were held as collateral.

(Expressed in Canadian dollars)

11. FINANCIAL INSTRUMENTS, 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 November 30, 2020, in the amount of $2,787,006 and working capital of $3,676,241 in order to meet short-term business requirements. Accounts payable have contractual maturities of approximately 30 to 90 days or are due on demand and are subject to normal trade terms.

The maturity profiles of the Company's contractual obligations and commitments as at November 30, 2020, are summarized as follows:

	Total	Less Than 1 Year	1-5 years	More Than 5 Years
Accounts payable	$ 728,192	$ 728,192	$ -	$ -
Total	$ 728,192	$ 728,192	$ -	$ -

(c) Market Risk

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

<u>Financial instrument risk exposure, continued</u>

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 cash and cash equivalents.

(Expressed in Canadian dollars)

11. FINANCIAL INSTRUMENTS, continued

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 exposed not exposed to any significant price risk.

12. INVESTMENTS

Continuity for the year ended November 30, 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) (c)	2756407 Ontario Inc. Convertible Note (d)	Total
Balance, November 30, 2019	$ -	$ -	$ -	$ -	$ -	$ -
Addition	198,000	100,000	2,500	-	50,000	350,500
Settlement	(187,266)	-	-	-		(187,266)
Loss on investment settlement	(10,734)	-	-	-	-	(10,734)
Share exchange	-	-	(110,585)	110,585	-	-
Realized gain on share exchange	-	-	108,085	-	-	108,085
Repayment of convertible note	-	(100,000)	-	-	-	(100,000)
Fair value adjustment	-	-	-	(48,255)	-	(48,255)
Balance, November 30, 2020	$ -	$ -	$ -	$ 62,330	$ 50,000	$ 112,330

12. INVESTMENTS, continued

(a) On February 15, 2020, the Company purchased a USD $150,000 convertible note issued by Entheos Science Systems Inc. ("Entheos") 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.

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

During the year ended November 30, 2020, the company received repayments of $187,586 and recorded a loss on the settlement of the Mindleap Convertible Note of $10,734.

12. INVESTMENTS, continued

(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 MindLeap's common shares that were held by the Company in consideration for an aggregate of 201,063 common shares in the capital of Mydecine. The transaction was closed on August 19, 2020 and the stock price on that day is $0.44. The agreement entailed that the purchase price at the time of closing is deemed to be $0.55 per share. As at initial issuance the fair value of the common shares was determined to be $110,585 based on deemed closing price of $0.55.

During the year ended November 30, 2020, the company recorded a gain on the Mydecine share exchange of $108,085.

(c) On November 30, 2020, Mydecine stock price was $0.31 per share. The fair value of the common shares was determined to be $62,330 based on market value and the Company recorded an unrealized loss of fair value adjustment of $48,255.

(d) On November 24, 2020, the Company completed a strategic investment of $50,000 in 2756407 Ontario Inc. (doing business as Wonder Scientific) ("Wonder Scientific"). Wonder Scientific's team of University Researchers and Product Development experts create custom, naturally derived, active pharmaceutical ingredients to supply the growing global clinical and commercial demand for psychedelics. The Company purchased unsecured convertible debentures (the "Debentures") of Wonder Scientific pursuant to a non-brokered private placement, with each such Debenture having a principal amount of $25,000 and being convertible into common shares of Wonder Scientific. The principal amount of the Debentures will automatically convert into securities of the Wonder Scientific as follows on the earlier of: (i) upon satisfaction or waiver of all conditions precedent to the completion of a going public transaction into common shares of Wonder Scientific at a deemed price per common share equal to a 20% discount to the price or deemed price attributed to the common shares pursuant to such going public transaction; or (ii) the maturity date into common shares at a price per common share equal to the conversion price.

13. SUBSEQUENT EVENTS

On December 3, 2020, the Company executed an investor relations consulting agreement with Joseph Cullen, pursuant to which the Company has agreed to pay Mr. Cullen a sum of $5,000 per month for a one-year term. In addition, pursuant to its stock option plan, the Company granted options to purchase up to 3,175,000 common shares in the Company (the "Options") to certain officers, directors and consultants of the Company. The Options are exercisable at $0.71 per share for a period of five years from the date of grant. Of the Options, 2,725,000 are subject to vesting over a 2-year term. The Options have been granted under and are governed by the terms of the Company's incentive stock option plan.

13. SUBSEQUENT EVENTS, continued

On December 9, 2020, the Company elected to exercise its option to purchase up to 9.9% of the common shares of Wonder Scientific. the Company paid an aggregate purchase price of $150,000 to exercise 937,500 shares of Wonder Scientific at an option exercise price of $0.16 per common share.

On December 10, 2020, the Company signed a share purchase agreement with Wonder Scientific, the security holders of Wonder Scientific (“Vendors”), and Global Health Clinics Ltd. (“Global Health”) whereby the Vendors shall sell, assign, and transfer to Global Health, and the Global Health shall purchase from the Vendors, all of the right, title, and interest in 100% of the issued and outstanding common shares of Wonder Scientific (“Purchased Shares”), free and clear of all adverse interests. Immediately prior to the acquisition closing, the Debentures will be converted to common shares and as such, the holders of the Debentures will be treated as holders of Purchased Shares for purposes of the acquisition closing. Upon closing the Company received 2,260,870 common shares of Global Health. Global Health operates a two-part system of customer lead generation and conversion, through its network of pavilions and the ownership and operation of five medical clinics that aim to connect Canadians with ACMPR license producers by advancing the understanding of medical cannabis and its applications, and the provision of related services and products for patients suffering from illness from which they may find relief with medical cannabis, including facilitating access to qualified health care practitioners, independent medical cannabis evaluations and related advice. Global Health is traded on the CSE under the trading symbol MJRX.

On December 23, 2020, the Company completed the first tranche of a non-brokered private placement financing for total gross proceeds of $3,174,374 (the "December 2020 Placement"). The majority of the December 2020 Placement was subscribed for by strategic investors. the Company has allotted and issued 4,232,499 units (the "December Units") at a price of $0.75 per December Unit. Each December Unit is comprised of one common share of the Company and one-half of one non-transferable warrant of the Company. Each warrant entitles the holder to purchase one additional common share of the Company for a period of two (2) years at a price of $1.00 per share, subject to accelerated expiry. In the event that, after four months and one day from issuance, the Company’s common share trade at a closing price at or greater than $1.50 per share for a period of 10 consecutive trading days, the Company may accelerate the expiry date of the warrants by giving notice to the holders thereof, and in such case, the warrants will expire on the 30th day after the date on which such notice is given by the Company (the “Acceleration Right”). Additionally, in connection with the December 2020 Placement, the Company paid finder's fees totaling $126,367 and issued an aggregate 168,490 finder's warrants (the "Finders’ Warrant") to an arm's-length parties. Each Finders’ Warrant is exercisable into one December Unit for a period of up to two years at a price of $0.75.

13. SUBSEQUENT EVENTS, continued

On January 4, 2021, the Company entered into a business arrangement with, and made a strategic investment in, Heading Health, LLC ("Heading Health"), a psychiatric clinic platform focused on the administration of psychedelic-assisted therapy to treat mental health disorders. In connection therewith, the Company and Heading Health executed a Letter of Intent (the “Heading Health LOI”) where the Company participated in a Series A Preferred stock financing, investing USD$200,000 (Cdn$255,760) for a 5% stake in Heading Health. Under the terms of the investment, the Company has the option to increase its overall holdings to up to 10% of Heading Health in the subsequent round of financing. This investment into Heading Health provides the Company with exposure to the ketamine-assisted therapy space, including Spravato, an FDA approved Ketamine product that is eligible for insurance reimbursement. This business arrangement allows access to data pertaining to ketamine therapy and the patient experience. This data will be used for research purposes to better inform the development of the Company's own psychedelic therapy experience. Heading Health will provide guidance regarding clinical practice and the use of biomarker capture devices both in general psychiatric practice and Ketamine treatments. The specific parameters of the arrangement have been outlined in the Heading Health LOI and are subject to the execution of a definitive agreement by both parties.

On January 11, 2021, the Company closed a second tranche of the December 2020 Placement for additional proceeds of $40,141. Pursuant to this second trance, the Company allotted and issued 53,521 December Units, all of which are also subject to the Acceleration Right.

On January 14, 2021, the Company completed its acquisition of HaluGen Life Sciences Inc. (“HaluGen”), a biotech company in the business of developing and commercializing a pre-screening test to identify genetic markers predictive of an individual’s reaction to hallucinogenic drugs. Pursuant to a share exchange agreement among the Company, HaluGen and the shareholders of HaluGen, the Company acquired all of the issued and outstanding shares in the capital of HaluGen (the “HaluGen Shares”) in exchange for 5,100,000 the Company’s common shares issued to the shareholders of HaluGen at a deemed price of $1.00 per HaluGen Share. The HaluGen Shares are subject to contractual restrictions on transfer, with 25% of the HaluGen Shares released at closing of the acquisition, and 25% to be released on the dates that are 4, 8, and 12 months following the closing date of the acquisition, respectively.

On February 25, 2021, the Company allotted and issued 900,000 common shares to Lobo Genetics Inc. ("Lobo") for fulfilling its performance milestone in accordance with a product development agreement among the Company, HaluGen and Lobo. The common shares are subject to a hold period of four months and one day.

On March 19, 2021, pursuant to its stock option plan, the Company granted options to purchase up to 50,000 common shares in the Company (the "Options") to a certain consultant of the Company. The Options are exercisable at $0.71 per share for a period of five years from the date of grant and are subject to vesting over a 2-year term. The Options have been granted under and are governed by the terms of the Company's incentive stock option plan.