A life sciences company

NEO:CYBN

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IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OW N EXAMINATION OF THE COMPANY AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THE SECURITIES OF THE COMPANY HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR BY ANY STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED ON THE ACCURACY OR ADEQUACY OF THIS PRESENTATION. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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Certain statements in this presentation constitute forward-looking information. All statements other than statements of historical fact contained in this presentation, including, without limitation, statements regarding Cybin's future, strategy, plans, objectives, goals and targets, and any statements preceded by, followed by or that include the words "believe", "expect", "aim", "intend", "plan", "continue", "will", "may", "would", "anticipate", "estimate", "forecast", "predict", "project", "seek", "should" or similar expressions or the negative thereof, are forward-looking statements. These statements are not historical facts but instead represent only Cybin's expectations, estimates and projections regarding future events. These statements are not guaranteeing future performance and involve assumptions, risks and uncertainties that are difficult to predict. Therefore, actual results may differ materially from what is expressed, implied or forecasted in such forward-looking statements. The forward-looking information and forward-looking statements included in this presentation are made as of the date of this presentation. The Company does not undertake an obligation to update such forward-looking information or forward-looking information to reflect new information, subsequent events or otherwise unless required by applicable securities law. Readers should not place undue importance on forward-looking information and should not rely upon this information as of any other date. Third party information has not been independently verified. No warranties or representations can be made as to the origin, validity, accuracy, completeness, currency or reliability of the information.

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The Company's actual financial position and results of operations may differ materially from management's current expectations and, as a result, the Company's revenue and expenses.

Cautionary Note Regarding Regulatory Matters

The Company conducts research and development on psilocybin mushrooms and is focused on developing and commercializing psychedelic-inspired regulated medicines. The Canadian and United States federal governments regulate drugs. Psilocybin is currently a Schedule III drug under the Controlled Drugs and Substances Act (Canada) and a Schedule I drug under the Controlled Substances Act. Unlike in Canada and the United States, psilocybin mushrooms are not an illegal drug under Jamaica's Dangerous Drugs Act, 1948. Health Canada and the Food and Drug Administration in the United States have not approved psilocybin as a drug for any indication. The Company does not deal with psychedelic substances except indirectly within laboratory and clinical trial settings conducted within approved regulatory frameworks in order to identify and develop potential treatments for medical conditions and, further, does not have any direct or indirect involvement with illegal selling, production or distribution of any substances in jurisdictions in which it operates. No product will be commercialized prior to applicable legal or regulatory approval. For these reasons, the Company may be (a) subject to heightened scrutiny by regulators, stock exchanges, clearing agencies and other authorities, (b) susceptible to regulatory changes or other changes in law, and (c) subject to risks related to drug development, among other things. There are a number of risks associated with the business of the Company. See "Risk Factors" herein.
The Company makes no medical, treatment or health benefit claims about the Company's proposed products. Health Canada, the Food and Drug Administration or other similar regulatory authorities have not evaluated claims regarding psilocybin or nutraceutical products. The efficacy of such products have not been confirmed by approved research. There is no assurance that the use of psilocybin or nutraceuticals can diagnose, treat, cure or prevent any disease or condition. Vigorous scientific research and clinical trials are needed. The Company has not conducted clinical trials for the use of its proposed products. Any references to quality, consistency, efficacy and safety of potential products do not imply that the Company verified such in clinical trials or that the Company will complete such trials. If the Company cannot obtain the approvals or research necessary to commercialize its business, it may have a material adverse effect on the Company's performance and operations.

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This presentation also contains or references certain market, industry and peer group data which is based upon information from independent industry publications, market research, analyst reports and surveys and other publicly available sources. Although the Company believes these sources to be generally reliable, such information is subject to interpretation and cannot be verified with complete certainty due to limits on the availability and reliability of data, the voluntary nature of the data gathering process and other inherent limitations and uncertainties. The Company has not independently verified any of the data from third party sources referred to in this presentation and accordingly, the accuracy and completeness of such data is not guaranteed.

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Management Team

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Doug Drysdale - Chief Executive Officer

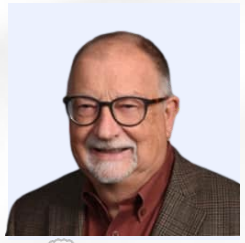
- An experienced Corporate Director and CEO: Doug has chaired the board of directors of a **NASDAQ**-listed company and, as a CEO for the past 12 years, has built and turned-around **3 pharmaceutical companies.**
- During Doug's **30 years** of experience in the healthcare sector, he has formed cohesive management teams, recruited board members, completed 15 corporate acquisitions across three continents and has raised **$4 billion** of both public and private capital.
- Led the turnaround of **Norwich Pharmaceutical**s alongside investors and became the Founding CEO of parent company, Alvogen Group. During his 5.5-year tenure as CEO, Alvogen grew from inception to **$450 million in revenues** across 35 countries.
- In early 2014, Doug led the recapitalization of NASDAQ-listed Pernix Therapeutics, raising **$65 million**. Within the first year of taking the helm as Chairman and CEO, Doug rebuilt the management team and board of directors, combined several operating locations, and grew the company's enterprise value from **$80 million to around $800 million**. Under Doug's leadership, Pernix **raised $465 million** of capital.
- From November 2017 to July 2020, Doug was a Director and CEO of Tedor Pharma, a family-owned contract manufacturing business. Doug's efforts to turnaround the business resulted in **60% revenue growth** in 2019, leading to Tedor being recognized as one of America's fastest-growing companies, making it to the 2020 Inc 5000 list.
- Former Head of M&A at Actavis Group, leading 15 corporate acquisitions across three continents, between 2004 and 2008, including a high-profile public hostile takeover attempt in Central Eastern Europe. Over this period, Doug raised approximately **$3 billion** of capital and managed lending syndicates including 25+ banks, to fund the company's growth. **Actavis was sold to Watson Pharmaceuticals in 2012 for EUR4.25 billion.**
- Doug holds a bachelor's degree in Microbial and Molecular Biology from the University of East Anglia in the U.K. and was recognized as **Entrepreneur of the Year** by Ernst and Young, in 2012. Doug is an enthusiastic traveler, having traveled to over 45 countries, is an avid reader and enjoys cooking and boating.

Alex Nivorozhkin, PhD - Chief Science Officer

- Lead NCE inventor of multiple successfully partnered drug discovery and development programs.
- Technology developer of the proprietary formulations for CNS drugs.
- Seasoned medicinal chemist, drug delivery expert and founder of multiple biotech companies.

Brett Greene - Chief Innovation Officer

- Research Administrator for the Center for Drug Discovery (one of the top Cannabinoid and Serotonin research centers in the world) for over a decade.
- Co-managed $80M + in federal funding for cannabinoid and serotonin research.
- Recognized leader in Psychedelics (co-founder, Psymposia)
- Co-managed the NIDA-sponsored Chemistry & Pharmacology of Drug Abuse (CPDA) conference for 5 years



Michael Palfreyman, PhD - Chief R&D Officer

- 30 years of preclinical/clinical development experience: Scriptgen, EnVivo Pharma, Sanofi, GSK, Amorsa Therapeutics, and others.
- Successfully led multiple IND filings and clinical programs.
- Significant portfolio of CNS therapeutics patents and commercial products.

Alex Belser, PhD – Chief Clinical Advisor

- Licensed psychologist, clinical supervisor, and psychedelic researcher at Yale in psilocybin clinical trials
- Active in the psychedelic research community for 20 years.
- Conducted clinical research with psilocybin and MDMA for a variety of indications.
- Research featured on front page of the NYT, in the Atlantic, the New Yorker, The Guardian, VICE, and in Michael Pollan's book, How to Change Your Mind.

Management Team

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Lilly BIOVAIL

Jukka Karjalainen Ph.D., M.D. - Chief Medical Officer

- Former Director of Medical and Regulatory Affairs and Corporate Vice President at Biovail Pharmaceuticals. Former Medical Director at Eli Lilly and Company (Finland) and multiple roles as C-level officer in private biotech companies.
- 25 years of pharma experience spanning multiple medical specialties, academic, clinical research regulatory affairs, preclinical, regulatory and clinical drug development from Phase I to Phase IV.
- Designed and managed large number of Phase 1a and b trials, hundreds of Phase 2-3 clinical registration trials, Phase 3b and 4 trials in Europe, Asia, US and Canada.
- 60 original publications in top-rated international medical journals, author of over 80 CSR's, 2 health outcome reports and 11 review articles.

CANADA GOOSE

Jacqueline Poriadjian - Chief Marketing Officer

- Entrepreneurial executive with 15+ years of global brand building experience across multiple industries.
- Extensive management experience, with P&L responsibility for **$500 million+** business lines.
- Former Head of Global Brand Marketing and Managing Director of International Distribution at **UFC**.
- Former Chief Marketing Officer at **Canada Goo**se and former Marketing Officer and Chief Revenue Officer at ecobee
- Serves on the board of The Supreme Cannabis Company Inc. (TSX: FIRE) and various private boards.

CIBC Scotiabank

Greg Cavers - Chief Financial Officer

- 15+ years experience creating efficient scalable operations financial reporting, IFRS; regulatory reporting OSFI.
- Former **Ontario Securities Commission** contracted Director of Finance.
- Former **Scotiabank** senior manager of enterprise functions.
- Former CFO of **Global Maxfin Investments Inc.**
- Former **CIBC** small business lending controller. Authority over assets of $31B for external reporting on a monthly and quarterly basis.

TRINITY VENTURE PARTNERS

Eric So - Co-founder, Executive Chairman & President

- Co-founder and Managing Director of **Trinity Venture Partners Inc.,** a Canadian boutique merchant bank.
- Veteran founder, investor, operator and advisor to disruptive companies
- Began his career practicing in the areas of corporate commercial, securities, finance and mergers and acquisitions at a leading firm.
- Successfully raised over **$100M** for various start-ups.

truverra

Paul Glavine - Co-founder & Chief Operating Officer

- Serial entrepreneur and investor with vast experience in the biotech and cannabis sectors.
- Co-founder of Global Canna Brands which was granted the **first ever** tier 3 cultivation license in Jamaica.
- Sold first cannabis start up **TruVerra** to Supreme Cannabis Company Inc.(TSX:FIRE).
- Has advised on M&A and other financings in excess of **$50M.**

TRINITY VENTURE PARTNERS

John Kanakis - Co-founder & SVP Business Development

- Co-Founder and Managing Director of **Trinity Venture Partners Inc,** a Canadian boutique merchant bank.
- Co-Founder of **multiple start-ups across various sectors**
- **10+ years** experience in medical device manufacturing and regulatory frameworks.
- Successfully raised over **$100M** for various start-ups.

Lilly ucb

Aaron Bartlone - SVP Quality Assurance & Regulatory Affairs

- Former Chief Quality, Patient Safety, HSE & Risk Officer at UCB, Inc leading a team of 1500+ colleagues in 54 countries.
- Former President at UCB, Inc leading US commercial operations through the restructuring into CNS and Immunology Business Units with annualized 27% P&L growth ($2.2B in revenue)
- Various Director level research, regulatory and managerial roles at Eli Lilly from1997 to 2006

Company **Highlights**

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Company **Snapshot**

We are Cybin Inc.

A leading biotech Company focused on progressing psychedelic medicines.

We're developing novel therapeutics, delivery methods, and treatment regiments to potentially treat neurological disorders.(1) (2)

Cybin has 8 patent application filings to date covering modified tryptamine and phenethylamine compounds and formulations. (2)

(1)Certain statements regarding psilocybin have not been evaluated by the Food and Drug Administration, Health Canada, or other similar regulatory authorities, nor has the efficacy of psilocybin been confirmed by approved research. There is no assurance that psilocybin can be used to diagnose, treat, cure or prevent any disease or condition and robust scientific research and clinical trials are needed.
(2) Forward-looking statements are subject to various risks and assumptions. See "Cautionary Statement Regarding Forward-Looking Information" on page 2 of this presentation. 6 out of the 8 patents are referenced as part of the acquisition of Adelia Therapeutics.

Team Highlights

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Experienced CEO with over **30 years** in the healthcare sector and has raised over **US$4B** in capital and has led over **US$5B** in M&A activity.

Medical team has over **300** combined peer reviewed publications covering various medical segments including addiction and psychedelics and has collectively been involved in **37 exits** across the biotech sector and various other verticals.

Management Team has facilitated billions in pharmaceutical sales through previous high level management roles and has successfully helped to develop multiple drugs including but not limited to Allegra, Sabril, Anzemet and Vaniqa.

Pedigree:

MERCK INVENTING FOR LIFE, élan, FOREST LABORATORIES, INC., ALPHARMA, gsk, SANOFI, actavis, Alvogen, Lilly, ucb, teva, Baxter

Our experience within the pharmaceutical industry gives us the understanding of the prerequisites involved in taking a drug to market.

Our management team has a proven track record in developing and commercializing dozens of therapeutics, including a modified psychedelic for treatment resistant depression.

Company **Highlights**

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Cybin aims to obtain regulatory approval for world's first approved psilocybin product targeting Major Depressive Disorder (MDD).(1)(2)(3)

8 patent filings covering novel psychedelic compounds, delivery mechanisms, supportive treatment platforms and a discovery pipeline of modified and novel tryptamines and phenylethylamines.

Drug discovery platform for tryptamine- and phenethylamine-based novel psychedelic therapeutics. (1)(2)(3)

Core indication focus is on **Major Depressive Disorder** and other CNS disorders with significant unmet need.(1)(2)(3)

Recently acquired Boston based pharmaceutical company **Adelia Therapeutics Inc.** for up to **US$15.75MM** in an all-stock transaction**.** The acquisition further progresses Cybin's IP strategy, expands US presence and adds a highly skilled scientific team.

Well funded to progress clinical trials and M&A strategy. Approximately **C$55M** raised across Seed, Series-A and Series-B financing rounds. Facilitated Canada's largest go-public financing round in the psychedelic sector by raising C$45M.

Strategic shareholder base with **a significant percentage** of the C**$45M** round being subscribed to by strategic US based biotech focused funds.

Commenced trading on the **NEO Exchange** under the ticker symbol **CYBN** on Nov 10, 2020.

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(2) Subject to receipt of all necessary regulatory approvals from all applicable governmental authorities, including, as applicable, the academic and scientific organizations with which Cybin is working. There are multiple risk factors regarding the ability to successfully commercially scale a chemically synthesized process to obtain psilocybin and other analogues.
(3) Certain statements regarding psilocybin have not been evaluated by the Food and Drug Administration, Health Canada, or other similar regulatory authorities, nor has the efficacy of psilocybin been confirmed by approved research. There is no assurance that psilocybin can be used to diagnose, treat, cure or prevent any disease or condition and robust scientific research and clinical trials are needed.

Market Outlook

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Opportunities & Challenges

- Over 700 million people affected with a form of mental illness, addiction or eating disorder.(1)
- Promising recent studies supporting efficacy of psychedelic molecules for depression, addiction, post-traumatic stress disorder (PTSD), and other conditions.(2)
- Few proven teams that are both intimately familiar with psychedelics and capable of developing modern medicines.
- Significant work remains to be done in creating FDA-approved drugs with accurate dosing, effective therapeutic regimens, proper quality control, safety and efficacy.

(1) Ritchie, H. and Roser, M. *Mental Health* 2018, https://ourworldindata.org/mentalheath
(2) Kyzar, E. J.; Nichols, C. D.; Gainetdinov, R. R.; Nichols, D. E.; Kalueff, A. V., Psychedelic Drugs in Biomedicine. *Trends Pharmacol Sci* 2017, *38* (11), 992-1005.

Our Goals

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Scalable and Patient Focused Solutions for Better Therapeutic Outcomes

Cybin aims to: (1) (2)

- Novel therapeutics based on psychedelic compounds such as Psilocybin, DMT, MDMA, and other analogues that will have improved pharmacokinetic profiles, while retaining the efficacy of the original molecules.
- Proprietary formulations for better controlled, more bioavailable medicines.
- Proprietary delivery mechanisms akin to intravenous route of administration.
- Treatment regiments combine moderate clinical and low maintenance (at home) doses to prolong therapeutic benefits and minimize need for multiple clinical treatments.
- Treatments that combine novel therapeutics, formulation and delivery mechanisms to enable controlled dosing, duration of action, and a minimization of unwanted side effects.

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Three **Pillar Strategy** (1) (2)

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Cybin aims to achieve the following three development strategies: (1) (2)

Pillar One:

A Novel Drug Discovery Platform (1)(2)

Seeks to Modify the API (New NCEs)

- Develop new APIs via selective modifications of multiple psychedelic molecules specifically to alter their pharmacokinetics without modifying their therapeutic potential.
- Modifications involve replacing selective hydrogens with deuterium atoms.
- Optimizing unique physicochemical attributes (salts, crystal forms, co-crystals, etc.)

Pillar Two:

Proprietary Drug Delivery & Formulation Approaches (1)(2)

Research and Develop

- Research and develop:
- Delivery system that attempts to bypass the liver metabolism with faster action and a direct path to brain.
- Extended-release formulations have the potential to reduce side effects and to control exposure.
- Efficient/rapid delivery and dose control by proprietary device platform.
- Delivery systems may be applied to many psychedelic drugs as well as compounds.

Pillar Three:

A Novel Treatment Regimen to Empower Clinicians with the Objective of Improving Patient Outcomes (1)(2)

Science and Technology Meet

- Software-based platform planned to gather clinical research data from psychedelic treatment.
- Machine learning based data analytics for improved patient outcomes.

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Development Programs (1) (2)

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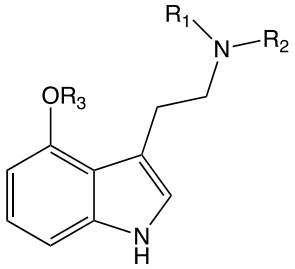
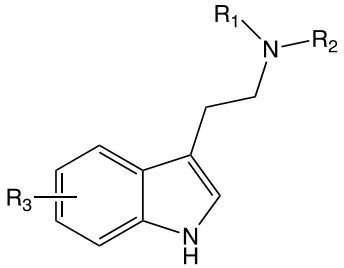
TRYPTAMINE DEVELOPMENT PROGRAMS

Psilocybin & Derivatives



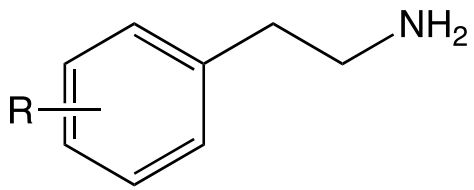
DMT & Analogues



Multiple NCEs
- DMT based deuterated scaffold
- 5-MeO-DMT based deuterated scaffold

Delivery Route, Benefits
- Intra-oral, Oral, Nasal, Inhalation
  - Enhanced bioavailability
  - Reduced toxicity
  - Better dosing control

PHENYLETHYLAMINES R&D PROGRAM



Multiple NCEs
- Deuterated scaffolds
- Novel derivatives

Delivery Route, Benefits
- Intra-oral, Oral, Nasal, Inhalation
  - Enhanced bioavailability
  - Reduced toxicity
  - Better dosing control

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Market Opportunity **Highlights for Psychedelics**

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Over 700 Million people are affected globally with some sort of mental illness, addiction or eating disorder(4)

Source: World Health Organization

US $2.5 Trillion

Global US$800B direct and US$1.7T indirect economic costs from mental disorders(1)

Source: National Centre For Biotechnology Information

US $467 Billion

American direct and indirect economic costs of mental disorders(2)

Source: National Institute of mental health

C $51 Billion

Canadian direct and indirect economic costs of mental disorders(3)

Source: Centre for Addiction and Mental Health

1 in 4 people

In the world will be affected by mental or neurological disorders at some point in their lives(5)

Source: World Health Organization

Big pharma stopped searching for the next Prozac (6)

"The theory fits in with psychiatry's attempt over the past half century to portray depression as a disease of the brain instead of an illness of the mind" (6)

"Taking a drug to tweak the biological chemical imbalances in the brain makes intuitive sense, but depression isn't caused by a chemical imbalance" (6)

(1) https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5007565/

(2) https://www.nimh.nih.gov/about/directors/thomas-insel/blog/2015/mental-health-awareness-month-by-the-numbers.shtml

(3) https://www.camh.ca/en/driving-change/the-crisis-is-real/mental-health-statistics

(4)(https://www.who.int/whr/2001/media_centre/press_release/en/) & (https://www.mirror-mirror.org/eating-disorders-statistics.htm) & (https://drugfree.org/learn/drug-and-alcohol-news/researchers-release-first-report-worldwide-addiction-statistics/)

(5)https://www.who.int/whr/2001/media_centre/press_release/en/

(6) https://qz.com/1162154/30-years-after-prozac-arrived-we-still-buy-the-lie-that-chemical-imbalances-cause-depression/

https://www.theguardian.com/society/2016/jan/27/prozac-next-psychiatric-wonder-drug-research-medicine-mental-illness

Serenity Life Sciences Inc. is a wholly-owned **subsidiary of Cybin**

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Serenity LIFE SCIENCES

We believe **the next 10 years** of newly discoverable data from psychedelic studies can potentially **create an entirely new marketplace of safe and effective drugs derived from psychedelics.** (1)(2)

JAMA Psychiatry | Positive clinical trials continue to be published (3)

Effects of Psilocybin-Assisted Therapy on Major Depressive Disorder

A Randomized Clinical Trial

Alan K. Davis, PhD[1,2]; Frederick S. Barrett, PhD[1]; Darrick G. May, MD[1]; et al

Published online November 4, 2020. doi:10.1001/jamapsychiatry.2020.3285

Key Points

Question Is psilocybin-assisted therapy efficacious among patients with major depressive disorder?

Findings In this randomized clinical trial of 24 participants with major depressive disorder, participants who received immediate psilocybin-assisted therapy compared with delayed treatment showed improvement in blinded clinician rater–assessed depression severity and in self-reported secondary outcomes through the 1-month follow-up.

Meaning This randomized clinical trial found that psilocybin-assisted therapy was efficacious in producing large, rapid, and sustained antidepressant effects in patients with major depressive disorder.

Current pharmacotherapies:

Although effective pharmacotherapies for depression are available, these drugs have limited efficacy, produce adverse effects, and are associated with patient adherence problems. Although many patients with depression showed reduced or remitted symptoms after treatment with existing pharmacotherapies, approximately 30% to 50% of patients did not respond fully and as many as 10% to 30% of patients were considered treatment-resistant, resulting in average effects that were only modestly larger than the effects of placebo

Psilocybin results from this study:

16 participants (67%) at week 1 and 17 (71%) at week 4 had a clinically significant response to the intervention ….. (54%) at week 4 met the criteria for remission of depression.

The effect sizes reported in this study were approximately 2.5 times greater than the effect sizes found in psychotherapy and more than 4 times greater than the effect sizes found in psychopharmacological depression treatment studies.

(1) Forward-looking statements are subject to various risks and assumptions. See "Cautionary Statement Regarding Forward-Looking Information" on page 2 of this presentation.
(2) https://www.theguardian.com/society/2016/jan/27/prozac-next-psychiatric-wonder-drug-research-medicine-mental-illness
(3) https://jamanetwork.com/journals/jamapsychiatry/fullarticle/2772630?resultClick=1)

Cybin Phase 2a & Phase 2b Clinical Trial expected to be conducted in patients with Major Depressive Disorder (MDD)(1) (2)

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TITLE: A Phase 2, Randomized, Parallel Group, Bioequivalence (BE) Study of Psilocybin 1 mg, 3 mg, 5 mg and 7 mg administered with Oral Film to 25 mg Oral Capsule Followed by Placebo-Controlled Safety and Efficacy Trial with Selected Dose in Patients with Major Depressive Disorder (MDD)

Marketing authorization submission will be targeted within 12 months in Jamaica with the potential to have a fully approved drug in 2.5 years as opposed to 5 to 6 years

(1) (2)

Study Subjects:

Phase 2a: 4 oral film doses to be studied in 8 patients per arm against oral 25 mg capsule with moderate depression (MADRS Montgomery–Åsberg Depression Rating Scale score 18-34) each, total 40 patients. Patients will be followed for 4 months for safety and efficacy.(1)

Phase 2b: Additional 120 patients will be enrolled in safety and efficacy trial with proven bioequivalence dose (80 in psilocybin, 40 in placebo group) commencing immediately after Phase 2a study: both under same regulatory clinical trial approval potentially saving 4-5 months in development time.(1)

In total 112 patients will be studied with psilocybin oral film.(1)

Objectives

Primary:

Phase 2a study: Choose the BE dose of Psilocybin administered with Oral Film to 25 mg oral capsule in subjects with MDD.(1)

Phase 2b: Evaluate clinical efficacy by MADRS (Montgomery–Åsberg Depression Rating Scale) score change post-dosing with Oral Film psilocybin film in comparison to placebo film.(1)

Secondary:

Phase 2a and 2b: Evaluate the safety and tolerability of Psilocybin.(1)

Cybin aims to become the first life sciences company to bring a psilocybin drug to market targeting major depressive disorder (1)(2)

We aim to commence the study in 2021 which will act as the precursor to a global drug commercialization strategy (1)(2)

Clinical Trial will be conducted through the University of West Indies (1)(2)

Clinical trial will abide by ICH and GCP guidelines. This study will allow us to use the data collected as a bridging strategy to enter other jurisdictions such as USA, Canada and Europe. (1)(2)

Stage 1 - Caribbean market (43M population)
Stage 2 - Other jurisdictions where psilocybin is legal
Stage 3 - USA (331M population) / Canada (37.7M population)

(1) Forward-looking statements are subject to various risks and assumptions. See "Cautionary Statement Regarding Forward-Looking Information" on page 2 of this presentation.
(2) Subject to receipt of all necessary regulatory approvals from all applicable governmental authorities, including, as applicable, the academic and scientific organizations with which Cybin is working. There are multiple risk factors regarding the ability to successfully commercially scale a chemically synthesized process to obtain psilocybin and other analogues

Benefits of Intra-oral Film Psilocybin and Psilocybin Analogue Delivery (1)

Serenity LIFE SCIENCES

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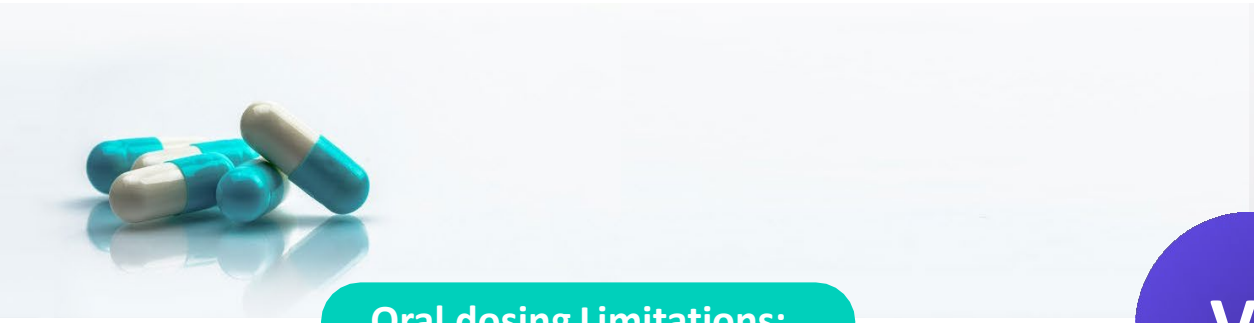
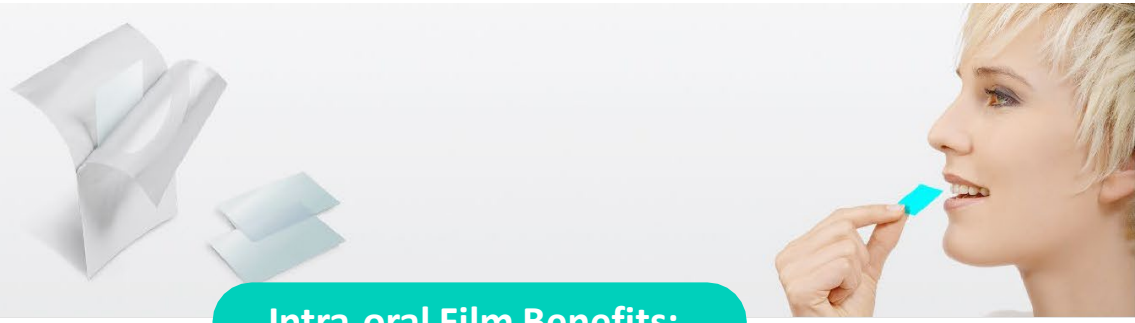




Oral dosing Limitations:

- **Low** bioavailability / first-pass metabolism
- **Slow onset** of action
- **Instability** in stomach acid
- Need to swallow and have liquid available for **ingestion**
- **Pill phobia and dysphagia** are real concerns for many neurotology and psychiatric patients
- No flexibility in administration after ingestion: **safety concern**

VS

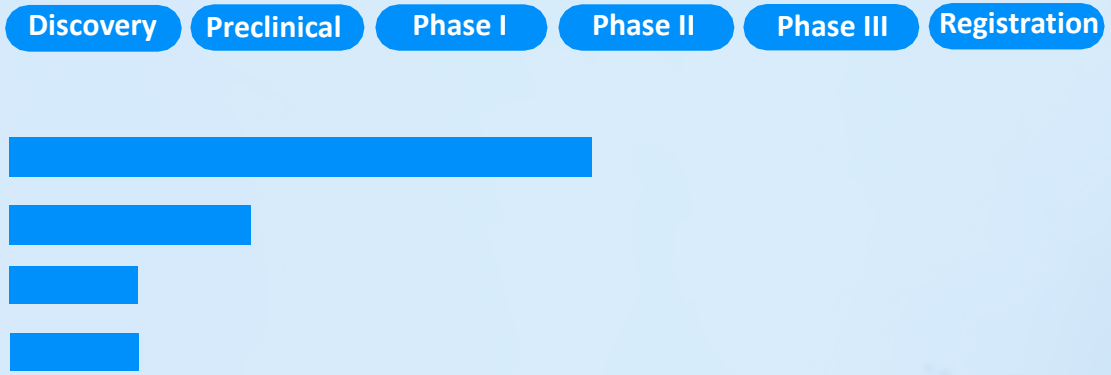
Intra-oral Film Benefits:

- **Increased** bioavailability
- **Faster onset** of action
- **Can be taken anytime** in oral cavity with no liquid needed
- Presents an alternative for patients with pill phobia and dysphagia
- Greater **flexibility in administration**

(1) https://www.ncbi.nlm.nih.gov/pmc/articles/PMC6848967/

Clinical Pipeline[1][2]

Molecule / Technology	Description	Indication / TA
PSY001 (Psilocybin)	Sublingual Film	MDD
ADLT 01 / PSY003	Inhalation Device	TRD
ADLT 02 / PSY004	Tryptamines (Deuteration)	Psychiatry / Neurology
ADLT 03 / PSY005	Phenethylamines	Psychiatry / Neurology



(1) Forward-looking statements are subject to various risks and assumptions. See "Cautionary Statement Regarding Forward-Looking Information" on page 2 of this presentation.
(2) Subject to receipt of all necessary regulatory approvals from all applicable governmental authorities, including, as applicable, the academic and scientific organizations with which Cybin is working. There are multiple risk factors regarding the ability to successfully commercially scale a chemically synthesized process to obtain psilocybin and other analogues

Cybin IP Portfolio and Technology Rights

Serenity LIFE SCIENCES

CYBIN

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8 Provisional Patent Filings

1. **Provisional patent application filed for oral film delivery mechanism** covering all psychedelic molecules delivered through oral films which increase bioavailability and allows for more consistent doses with similar bio- efficacy to oral capsules that carry almost 10x the dosage and cost.

2. **Provisional patent application filed for nebulization technology** covering various chemically synthesised psychedelic molecules which increases onset times in a similar route to intravenous treatments.

3. **Multiple patent applications filed for deuterated psychedelic molecules and analogues** which are expected to provide greater stability, better potency, more control over duration and greater bioavailability than other forms of chemical synthesis, bio synthesis or within their natural state. (1) (2)

4. **Discovery pipeline of** tryptamines and phenylethylamines alongside certain metabolites with the goal of building a database of molecules and their chemically synthesized pathways for the pharmaceutical industry. (1) (2)

5. **Patent application filed for** platforms that are expected to create supportive treatment regimens with the ongoing research of pre and post protocol as to enhance the patient experience. (1)

6. **Worldwide exclusive rights** to oral film technology from IntelGenx Corp. for the delivery of psilocybin and other psychedelic molecules. (1) (2)

Serenity Life Sciences Inc., A wholly-owned subsidiary of **Cybin Inc.** expects to file additional patents to protect various compounds, synthesis processes and protocols that are being developed internally and through key partnerships. (1)

(1) Forward-looking statements are subject to various risks and assumptions. See "Cautionary Statement Regarding Forward-Looking Information" on page 2 of this presentation.

(2) Subject to receipt of all necessary regulatory approvals from all applicable governmental authorities, including, as applicable, the academic and scientific organizations with which Cybin is working. There are multiple risk factors regarding the ability to successfully commercially scale a chemically synthesized process to obtain psilocybin and other analogues.

Executive Medical & Clinical Advisory Team

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Chris Sankey, M.D. - Clinic Advisor

- 20 years experience in the field of mental health and addiction and is currently the medical director of First Step Addiction Clinics, Sunrise Clinics and the staff physician at the Satellite Comprehensive Opioid Addiction Treatment Centre in Toronto.
- Held positions at the **University of Toronto** and **CAMH**. For the last decade he has been the Vice Chair of Addiction Medicine for the Ontario Medical Association and has worked as supervisor for the College of Physicians and Surgeons of Ontario.
- Previously appointed to a Minister of Health's Task Force.
- Contributed to scientific studies in mental health and was lead author for a recently published paper on patterns of opioid abuse in Ontario.

Doug Sommerville - Chief Pharmaceutical Strategist

- Former Country Head and Global SVP at Teva Canada, with record revenue exceeding $1.4B - more than 5 billion doses GMP production.
- 25 years experience in pharma business development, R&D, M&A in domestic and international medical markets.
- Past Chair of the Canadian Generic Pharmaceutical Association — $6B industry sales.
- Former Global Vice President at Baxter Healthcare Corporation.

Thomas Anderson - Clinical Research Advisor

- Research Director and co-founder of the Psychedelic Studies Research Program (PSRP) at the University of Toronto.
- Co-Founder of the **Canadian Centre for Psychedelic Science** which has published some of the first academic research on microdosing.
- PhD candidate and cognitive neuroscientist with the Regulatory and Affective Dynamics (RAD) Lab of Norman Farb, an associate professor of psychology at U of T Mississauga.
- Thomas' research is some of the first on psychedelic microdosing.
- Supported by the Natural Sciences and Engineering Council of Canada (NSERC) and the Stratas Foundation which recently awarded Thomas with an innovation award.

Rotem Petranker - Clinical Research Advisor

- Associate Director and co-founder of the Psychedelic Studies Research Program (PSRP) at the **University of Toronto.**
- Co-Founder of the **Canadian Centre for Psychedelic Science** which has published some of the first academic research on microdosing.
- BSc in psychology from the University of Toronto and an MA in social psychology from York University while currently undergoing his PhD candidacy at York University.
- Main research interests include sustained attention, emotion regulation and creativity which are ostensibly affected by psychedelics. Clinical interests include disorders amenable to psychedelic psychotherapy, including mood disorders and obsessive compulsive disorder.

Executive Research, Clinical and Regulatory Team

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THE UNIVERSITY OF THE WEST INDIES

Lorenzo Gordon, M.D. - Director of Research

- Current Vice Dean and Medical Director of the **Caribbean School of Medical Sciences**, Jamaica (CSMSJ) and is a graduate of the University of the West Indies, Mona.
- Holds a Doctor of Philosophy in Biochemistry as well as a medical degree from the Higher Institute of Medical Sciences of Havana, Cuba.
- Over 50 peer-reviewed publications.
- Currently serves as a member of the Medicinal Cannabis Unit (MCU) Advisory Board Committee, Ministry of Health; and as a consultant to the Economic Growth Council on Cannabis-related matters; the Cannabis Licensing Authority (CLA), The Bureau of Standards; for Protocol Development and Research for cannabis.

THE UNIVERSITY OF THE WEST INDIES

Natwaine Gardner, M.D. - Director of Product Development

- Biochemist by profession, Dr. Gardner holds a wealth of knowledge in applied organic chemistry and in research and product development. Dr. Gardner has obtained a BSc Biotechnology (hons) and PhD Biotechnology (high 7 commendation) from the University of the West Indies, Mona in the areas of substance abuse and addiction treatment.
- Numerous peer reviewed articles in the field of treating substance use disorders and has most recently served as a consultant to implementing the Medicinal Cannabis Unit, Ministry of Health; as well as in research and product development focusing on cannabis-related products.
- Over 50 peer-reviewed publications.

Scotiabank

Alan Ridgeway Ph.D. - Healthcare Research Advisor

- Worked as a publishing research analyst for more than 10 years, most recently at **Sprott Capital Partners.**
- Prior to joining Sprott Capital Partners, he was a top ranked analyst at **Scotiabank** covering the healthcare sector.
- Before working in the capital markets, Mr. Ridgeway held a postdoctoral fellowship at Harvard Medical School where he performed cancer research.
- Mr. Ridgeway holds a Ph.D. in Biochemistry from Western University, an MBA from Queen's University and is a CFA®Charterholder.

Loblaws

Lori Challenger - Director of Operations & Compliance

- Former Lead Compliance Program Designer of the non-medical cannabis compliance program at a major Canadian retailer.
- ISO 19600 Certified Senior Lead Compliance Manager and PROSCI Certified Change Management Practitioner.
- Vast knowledge in design and operation of "audit ready" compliance programs, regulatory and operations risk identification, mitigation, corrective action and management.

AIRD BERLIS

Sherri M. Altshuler - Regulatory Advisor

- Partner and Co-Chair of Capital Markets Group at Aird & Berlis LLP.
- Recognized in 2017 as one of Lexpert magazine's Rising Stars: Canada's Leading Lawyers Under 40 and, in 2018, as a leading lawyer to watch in the area of Corporate Finance & Securities. Also recognized as a leading lawyer in Cannabis Law by Chambers Canada and The Best Lawyers in Canada.
- Member of the TSX Venture Exchange Ontario Advisory Committee and a former member of the Ontario Securities Commission Small and Medium Enterprises Committee.
- Instructor of Corporate Finance course at Windsor Law School.

Government Relations, Communications Team & Legal Team

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Ontario

Eric Hoskins MD, DPhil, FRCPC, OC, MSC - Government Relations Advisor

- Former **Ontario health minister** responsible for one of the largest health care systems in North America (2014 – 2018).
- Former elected Member of Ontario Provincial Parliament with Cabinet positions in Health, Economic Development and Trade, Children and Youth Services, and Immigration.
- Government of Canada Chair, Advisory Council on the Implementation of National Pharmacare.
- Physician and public health specialist with more than thirty years' experience in public policy, complex diplomacy, international affairs, health care, media and economic development at the intersection of business, politics and complex social and political circumstances.
- Proven negotiator and navigator at the highest levels of government and bureaucracy.

S&A
Stosic & Associates

Aleksandar Stosic - Government Relations Advisor

- Founding Partner and CEO at **Stosic & Associates**, a Canadian boutique government relations firm.
- Executive Director to two senior Ontario Cabinet Ministers, including the Minister of Economic Development, Infrastructure, and Trade.
- Has held senior roles at the Privy Council Office in Ottawa, the Toronto Region Board of Trade, and internationally in the natural resources sector.
- Currently completing his PhD in Political Science.

S&A
Stosic & Associates

Derrick Araneda - Government Relations Advisor

- Partner at **Stosic & Associates**, a Canadian boutique government relations firm.
- Chief of Staff to Ontario Minister of Health & Long-Term Care from 2016 – 2018.
- Director roles from 2014-2016 with Ontario Government.
- MBA, IE Business School, Madrid, Spain.
- Previous work experience in Japan & Spain with high-growth education & technology start-ups.

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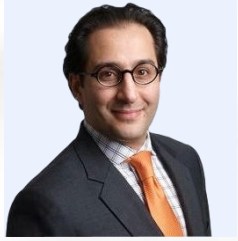

Gabe Fahel - Chief Legal Counsel

- Counsel with 20 years of corporate/commercial legal experience.
- Responsible for legal, compliance, corporate governance, security and regulatory affairs.
- Previously served as Legal Counsel for the Government of Canada as well as multiple private companies.
- LL.M. from NYU School of Law, LL.B. from the University of Windsor

Advisory Team

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McKENNA ACADEMY
OF NATURAL PHILOSOPHY

HEFFTER
RESEARCH INSTITUTE

Dennis McKenna - Advisor

- Professional and personal interests are focused on the interdisciplinary study of ethnopharmacology and **natural psychedelics**.
- 1979- 84 - Ph.D., Botanical Sciences, **University of British Columbia.**
- 1990-93– Director of Ethnopharmacology, **Shaman Pharmaceuticals**, San Carlos California.
- 2001-2017 – Adjunct Assistant Professor, Center for Spirituality and Healing, Academic Health Center, **University of Minnesota**.
- 1993 – Present — Founding Board member, **Heffter Research Institute.**
- 1993 – Organizer and key investigator, Hoasca Project, an international biomedical study of ayahuasca use by the UDV, a Brazilian religion.
- 2017 – Organized 50th Anniversary Symposium, Ethnopharmacologic Search for Psychoactive Drugs (ESPD50), Buckinghamshire, UK.
- Spring 2019 – Founded the **McKenna Academy of Natural Philosophy** as a provincial non-profit in British Columbia.

SUBVERSIVE CAPITAL

ASG
ALBRIGHT STONEBRIDGE GROUP

TILRAY

Michael Auerbach - Advisor

- Entrepreneur, investor, business consultant, media producer, and private diplomat.
- Founder of **Subversive Capital**, which is dedicated to investing in radical companies whose core missions subvert the status quo and require sophisticated government and regulatory strategies for success.
- General Partner of Subversive's venture platform and Opportunity Fund, and Chairman of Subversive REIT LP and Subversive Capital Acquisition Corp.
- Board member of **Tilray, Inc**. – the first Nasdaq-listed global cannabis company.
- In his capacity as a private diplomat, Mr. Auerbach serves as a Senior Vice President at **Albright Stonebridge Group**, the global consulting firm chaired by former Secretary of State Madeleine Albright.
- Prior to joining ASG, Michael founded and then sold a risk consulting firm to Control Risks – a leading global risk consulting firm.
- Michael started his career during the dot-com boom of the late 1990s running Panopticon Inc., a VC incubator concentrating on internet and mobile technology.
- Held senior positions at the Center for American Progress and The Century Foundation, where he concentrated on issues related to U.S. Foreign Policy, National Security, and Conflict Resolution.
- Served as a Visiting Professor at the New School for Social Research and also taught at the University of Cape Town and Cyprus College.
- Presently sits on the boards of the Theodore C. Sorensen Center for International Peace and Justice, The KiDS Board of NYU's Hassenfeld Children's Hospital, Next for Autism, which produces Night of Too Many Stars, and Sophie Gerson Healthy Youth Foundation.
- Mr. Auerbach received a M.A. in International Relations from Columbia University and a B.A. in Critical Theory from the New School for Social Research.

Board of **Directors**

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Eric Hoskins

Grant Froese

Mark Lawson

Eric So

Paul Glavine

Cybin In The Media

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FIERCE Pharma

ATAI and Cybin deliver longer-lasting psychedelic treatments

BY FRAISER KANSTEINER
SEP 16, 2020

Forbes

Former Actavis head of M&A joins psychedelics company as CEO

BY JAVIER HASSE
AUG 30, 2020

benzinga

Cybin Partners With Toronto Centre For Psychedelic Science

BY NATAN PONIEMAN
FEB 13, 2020

The Motley Fool

Cybin is looking into psilocybin as a mental-health therapy, and they have advantages that Compass Pathways lacks

BY JIM HALLEY
NOV 18, 2020

PSR PSYCHEDELIC SCIENCE REVIEW

Cybin's Sublingual Psilocybin Strips Head to Clinical Trials

BY BARBARA E. BAUER
SEP 2, 2020

U.S.News & WORLD REPORT

Psychedelic companies are seeking FDA approval to develop drugs to treat mental disorders

BY ELLEN CHANG
SEP 11, 2020

LUCID NEWS

Are Psilocybin Strips in Your Future?

BY COLLEEN NEWVINE
AUG 31, 2020

Nasdaq

Cybin is attracting talent from big drugmakers

BY KEITH SPEIGHTS
NOV 25, 2020

Some Of Our **Strategic Investors**

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RISK FACTORS

There are various risk factors that could cause the Company's future results to differ materially from those described in this presentation. The risks and uncertainties described below are those we currently believe to be material, but they are not the only ones we face. If any of the following risks, or any other risks and uncertainties that we have not yet identified or that we currently consider not to be material, actually occur or become material risks, our business, financial condition, results of operations and cash flows, and consequently the price of the common shares, could be materially and adversely affected. The risks discussed below also include forward-looking statements and our actual results may differ substantially from those discussed in these forward-looking statements. See "Cautionary Statement Regarding Forward-Looking" on page 2 of this presentation.

Novel Coronavirus "COVID-19"

The outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, including the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operating subsidiaries in future periods. However, depending on the length and severity of the pandemic, COVID-19 could impact the Company's operations, could cause delays relating to approval from Health Canada, the FDA and equivalent organizations in other countries, could postpone research activities, and could impair the Company's ability to raise funds depending on COVID-19s effect on capital markets. To the knowledge of the Company's management as of the date hereof, COVID-19 does not present, at this time, any specific known impacts to the Company in relation to the Company's plan of distribution and use of proceeds related to the Concurrent Offering, nor to the timelines, business objectives or disclosed milestones related thereto. The Company relies on third parties to conduct and monitor the Company's pre-clinical studies and clinical trials. However, to the knowledge of Company's management, the ability of these third parties to conduct and monitor pre-clinical studies and clinical trials has not been and is not anticipated to be impacted by COVID-19. The Company is not currently aware of any changes in laws, regulations or guidelines, including tax and accounting requirements, arising from COVID-19 which would be reasonably anticipated to materially affect the Company's business.

Limited Operating History

The common shares in the capital of the Company (the "Common Shares") commenced trading on the NEO on November 10, 2020 and therefore the Company has a limited operating history as a public company. To operate effectively, the Company will be required to continue to implement changes in certain aspects of its business, improve information systems and develop, manage and train management-level and other employees to comply with ongoing public company requirements. Failure to take such actions, or delay in implementation thereof, could adversely affect the business, financial condition, liquidity and results of operations of the Company and, more specifically, could result in regulatory penalties, market criticism or the imposition of cease trade orders in respect of the Common Shares.

The Company will be subject to all of the business risks and uncertainties associated with any new business enterprise, including the risk that it will not achieve its operating goals. In order for the Company to meet future operating and debt service requirements, it will need to be successful in its growth, marketing and sales efforts. Additionally, where the Company experiences increased production and future sales, its current operational infrastructure may require changes to scale its business efficiently and effectively to keep pace with demand and achieve long-term profitability. If the Company's products and services are not accepted by new customers, the Company's operating results may be materially and adversely affected.

Speculative Nature of Investment Risk

An investment in the securities of the Company carries a high degree of risk and should be considered as a speculative investment. The Company has no history of earnings, limited cash reserves, limited operating history, has not paid dividends, and is unlikely to pay dividends in the immediate or near future.

Regulatory Risks and Uncertainties In Canada, certain psychedelic drugs are classified as Schedule III drugs under the Controlled Drugs and Substances Act and as such, medical and recreational use is illegal under Canadian federal laws. All facilities engaged with such substances by or on behalf of the Company do so under current licenses and permits issued by appropriate federal, provincial and local governmental agencies. While the Company is focused on programs using psychedelic inspired compounds, the Company does not have any direct or indirect involvement with the illegal selling, production or distribution of any substances in the jurisdictions in which it operates and does not intend to have any such involvement. However, a violation of any Canadian federal laws and regulations could result in significant fines, penalties, administrative sanctions, convictions or settlements arising from civil proceedings initiated by either government entities in the jurisdictions in which the Company operates, or private citizens or criminal charges.

The loss of the necessary licenses and permits for Schedule III drugs could have an adverse effect on the Company's operations.

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

The success of the Company's business is dependent on the reform of controlled substances laws pertaining to psilocybin. If controlled substances laws are not favourably reformed in Canada, the United States, and other global jurisdictions, including Jamaica, the commercial opportunity that the Company is pursuing may be highly limited.

The Company makes no medical or treatment claims about psilocybin or the Company's proposed products. Statements regarding psilocybin have not been evaluated by Health Canada, the FDA or other similar regulatory authorities, nor has the efficacy of psilocybin been confirmed by approved research. There is no assurance that psilocybin can be used to diagnose, treat, cure or prevent any disease or condition. Robust scientific research is needed. In addition, the Company has not conducted clinical trials for the use of its proposed products. Any references to quality, consistency, efficacy and safety of potential products are not intended to imply that such claims have been verified in clinical trials or that the Company will be able to complete such trials. If the Company is not able to obtain the approvals or research necessary to commercialize its business, it may have a material adverse effect on the Company's performance and operations.

Jamaican Operations

In Jamaica, psilocybin is currently not regulated and a future decision to regulate psilocybin in Jamaica could have a material adverse effect on the business, financial condition and operating results of the Company. Should there occur a future decision in Jamaica to regulate psilocybin, the Company cannot predict the time required to secure all appropriate regulatory approvals for its products, or the extent of testing and documentation that may be required by governmental authorities in Jamaica. The impact of future compliance regimes in Jamaica and any potential delays in obtaining, or failure to obtain, possible regulatory approvals could have a material adverse effect on the business, financial condition and operating results of the Company.

Plans for Growth

The Company intends to grow rapidly and significantly expand its operations within the next 12 to 24 months. This growth will place a significant strain on the Company's management systems and resources. The Company will not be able to implement its business strategy in a rapidly evolving market, without an effective planning and management process. In particular, the Company may be required to manage multiple relationships with various strategic industry participants and other third parties, which relationships could be strained in the event of rapid growth. Similarly, a large increase in the number of third-party relationships the Company has, may lead to management of the Company being unable to manage growth effectively. The occurrence of such events may result in the Company being unable to successfully identify, manage and exploit existing and potential market opportunities.

Early Stage of the Industry and Product Development

Given the early stage of its product development, the Company can make no assurance that its research and development programs will result in regulatory approval or commercially viable products. To achieve profitable operations, the Company, alone or with others, must successfully develop, gain regulatory approval for, and market its future products. The Company currently has no products that have been approved by Health Canada, the United States Food and Drug Administration ("FDA") or any similar regulatory authority. To obtain regulatory approvals for its product candidates being developed and to achieve commercial success, clinical trials must demonstrate that the product candidates are safe for human use and that they demonstrate efficacy.

Many product candidates never reach the stage of clinical testing and even those that do have only a small chance of successfully completing clinical development and gaining regulatory approval. Product candidates can fail for a number of reasons, including, but not limited to, being unsafe for human use or due to the failure to provide therapeutic benefits equal to or better than the standard of treatment at the time of testing. Unsatisfactory results obtained from a particular study relating to a research and development program may cause the Company or its collaborators to abandon commitments to that program. Positive

results of early preclinical research may not be indicative of the results that will be obtained in later stages of preclinical or clinical research. Similarly, positive results from early-stage clinical trials may not be indicative of favourable outcomes in later-stage clinical trials, and the Company can make no assurance that any future studies, if undertaken, will yield favourable results.

The early stage of the Company's product development makes it particularly uncertain whether any of its product development efforts will prove to be successful and meet applicable regulatory requirements, and whether any of its product candidates will receive the requisite regulatory approvals, be capable of being manufactured at a reasonable cost or be successfully marketed. If the Company is successful in developing its current and future product candidates into approved products, it will still experience many potential obstacles, which would affect its ability to successfully market and commercialize such approved products, such as the need to develop or obtain manufacturing, marketing and distribution capabilities, price pressures from third-party payors, or proposed changes in health care systems. If the Company is unable to successfully market and commercialize any of its products, its financial condition and results of operations may be materially and adversely affected.

The Company can make no assurance that any future studies, if undertaken, will yield favorable results. Many companies in the pharmaceutical and biotechnology industries have suffered significant setbacks in later-stage clinical trials after achieving positive results in early-stage development, and the Company cannot be certain that it will not face similar setbacks. These setbacks have been caused by, among other things, preclinical findings made while clinical trials were underway or safety or efficacy observations made in clinical trials, including previously unreported adverse events. Moreover, preclinical and clinical data are often susceptible to varying interpretations and analyses, and many companies that believed their product candidates performed satisfactorily in preclinical studies and clinical trials nonetheless failed to obtain Health Canada or FDA approval. If the Company fails to produce positive results in future clinical trials and other programs, the development timeline and regulatory approval and commercialization prospects for the Company's leading product candidates, and, correspondingly, its business and financial prospects, would be materially adversely affected.

Preclinical testing and clinical trials for the Company's products may not achieve the desired results. The results of preclinical testing and clinical trials are uncertain. Product approvals are subject to a number of contingencies and may not be obtained in the time expected or at all. The Company's products may not attract a following among patients, retailers and/or providers. The Company expects to face an inherent risk of exposure to product liability claims, regulatory action and litigation if the products it plans to distribute are alleged to have caused loss or injury. There can be no assurance that the Company will be able to obtain or maintain product liability insurance on acceptable terms or with adequate coverage against potential liabilities.

The Company's business relies on its ability to access, develop, and sell psilocybin. Psilocybin is a controlled substance in many jurisdictions, including in Canada under Schedule III of the Controlled Drugs and Substances Act and in the United States. The Company may face difficulty accessing psilocybin and the public capital markets in Canada as a result of the response of regulators, stock exchanges, and other market participants to the Company's development and sale of a controlled substance. The Company may also have limited access to traditional banking services, as well as limited access to debt financing from traditional institutional lenders. The medical efficacy of psilocybin has not been confirmed and requires further study and scientific rigour.

RISK FACTORS

Limited Products

The Company will be heavily reliant on the production and distribution of psychedelics, nutraceuticals and related products. If they do not achieve sufficient market acceptance, it will be difficult for the Company to achieve profitability.

The Company's revenue will be derived almost exclusively from sales of psychedelic and nutraceutical-based products, and the Company expects that its psychedelic and nutraceutical-based products will account for substantially all of its revenue for the foreseeable future. If the psychedelic and nutraceutical market declines or psychedelics and nutraceuticals fail to achieve substantially greater market acceptance than it currently enjoys, the Company will not be able to grow its revenues sufficiently for it to achieve consistent profitability.

Even if products to be distributed by the Company conform to international safety and quality standards, sales could be adversely affected if consumers in target markets lose confidence in the safety, efficacy, and quality of psychedelic and nutraceutical-based products. Adverse publicity about psychedelic and nutraceutical-based products that the Company sells may discourage consumers from buying products distributed by the Company.

Limited Marketing and Sales Capabilities

The Company will, for the immediate future, have limited marketing and sales capabilities, and there can be no assurance that it will be able to develop or acquire these capabilities at the level needed to produce and deliver for sale, through industry partners, its products in sufficient commercial quantities. Further, there can be no assurance that the Company, either on its own or through arrangements with other industry participants, will be able to develop or acquire such capabilities on a cost-effective basis, or at all. Finally, there can be no assurance that the Company's industry partners will be able to market or sell the Company's products in compliance with requisite regulatory protocols or on a cost-effective basis. The Company's dependence upon third parties for the production, and marketing or sale, as applicable, of the Company's products could have a material adverse effect on the Company's business, financial condition and results of operations.

No Assurance of Commercial Success

The successful commercialization of the Company's products will depend on many factors, including, the Company's ability to establish and maintain working partnerships with industry participants in order to market its products, the Company's ability to supply a sufficient amount of its products to meet market demand, and the number of competitors within each jurisdiction within which the Company may from time to time be engaged. There can be no assurance that the Company or its industry partners will be successful in their respective efforts to develop and implement, or assist the Company in developing and implementing, a commercialization strategy for the Company's products.

No Profits or Significant Revenues

The Company has no history upon which to evaluate its performance and future prospects. The Company's proposed operations are subject to all the business risks associated with new enterprises. These include likely fluctuations in operating results as the Company makes significant investments in research, development and product opportunities, and reacts to developments in its market, including purchasing patterns of customers, and the entry of competitors into the market. The Company will only be able to pay dividends on any shares once its directors determine that it is financially able to do so. The Company cannot make any assurance that it will be profitable in the next three years or generate sufficient revenues to pay dividends to the holders of the Common Shares.

Reliance on Third Parties for Clinical Development Activities

The Company relies and will continue to rely on third parties to conduct a significant portion of its preclinical and clinical development activities. For example, clinical development activities include trial design, regulatory submissions, clinical patient recruitment, clinical trial monitoring, clinical data management and analysis, safety monitoring and project management. If there is any dispute or disruption in its relationship with third parties, or if it is unable to provide quality services in a timely manner and at a feasible cost, the Company's active development programs will face delays. Further, if any of these third parties fails to perform as the Company expects or if their work fails to meet regulatory requirements, the Company's testing could be delayed, cancelled or rendered ineffective.

Risks Related to Third Party Relationships

The Company intends to enter into strategic alliances with third parties that the Company believes will complement or augment its proposed business or will have a beneficial impact on the Company. Strategic alliances could present unforeseen integration obstacles or costs, may not enhance the Company's business, and may involve risks that could adversely affect the Company, including significant amounts of management time that may be diverted from operations in order to pursue and complete such transactions or maintain such strategic alliances. Future strategic alliances could result in the incurrence of additional debt, costs and contingent liabilities, and there can be no assurance that future strategic alliances will achieve, or that the Company's existing strategic alliances will continue to achieve, the expected benefits to the Company's business or that the Company will be able to consummate future strategic alliances on satisfactory terms, or at all. Any of the foregoing could have a material adverse effect on the Company's business, financial condition and results of operations.

In addition to the foregoing, the success of the Company's business will depend, in large part, on the Company's ability to enter into, and maintain collaborative arrangements with various participants in the psychedelic and nutraceutical industry. There can be no assurance that the Company will be able to enter into collaborative arrangements in the future on acceptable terms, if at all. There can be no assurance that such arrangements will be successful, that the parties with which the Company has or may establish arrangements will adequately or successfully perform their obligations under such arrangements, that potential partners will not compete with the Company by seeking or prioritizing alternate, competitor products. The termination or cancellation of any such collaborative arrangement or the failure of the Company and/or the other parties to these arrangements to fulfill their obligations could have a material adverse effect on the Company's business, financial condition and results of operations. In addition, disagreements between the Company and any of its industry partners could lead to delays or time consuming and expensive legal proceedings, which could have a material adverse effect on the Company's business, financial condition and results of operations.

Reliance on Contract Manufacturers

The Company has limited manufacturing experience and relies on contract manufacturing organizations ("CMOs") to manufacture its product candidates for preclinical studies and clinical trials. The Company relies on CMOs for manufacturing, filling, packaging, storing and shipping of drug product in compliance with current Good Manufacturing Practices ("cGMP") regulations applicable to its products. Health Canada ensures the quality of drug products by carefully monitoring drug manufacturers' compliance with cGMP regulations. The cGMP regulations for drugs contain minimum requirements for the methods, facilities and controls used in manufacturing, processing and packing of a drug product. There can be no assurances that CMOs will be able to meet the Company's timetable and requirements. The Company has not contracted with alternate suppliers for drug substance production in the event that the current provider is unable to scale up production, or if it otherwise experiences any other significant problems. If the Company is unable to arrange for alternative third-party manufacturing sources on commercially reasonable terms or in a timely manner, the Company may be delayed in the development of its product candidates. Further, CMOs must operate in compliance with cGMP and ensure that their appropriate permits and licences remain in good standing and failure to do so could result in, among other things, the disruption of product supplies. The Company's dependence upon third parties for the manufacture of its products may adversely affect its profit margins and its ability to develop and deliver products on a timely and competitive basis.

Commercial Scale Product Manufacturing

The Company's products will be manufactured in small quantities for preclinical studies and clinical trials by third party manufacturers. In order to commercialize its product, the Company needs to manufacture commercial quality drug supply for use in registration clinical trials. Most, if not all, of the clinical material used in phase 3/pivotal/registration studies must be derived from the defined commercial process including scale, manufacturing site, process controls and batch size. If the Company has not scaled up and validated the commercial production of its product prior to the commencement of pivotal clinical trials, it may have to employ a bridging strategy during the trial to demonstrate equivalency of early-stage material to commercial drug product, or potentially delay the initiation or completion of the trial until drug supply is available. The manufacturing of commercial quality product may have long lead times, may be very expensive and requires significant efforts including, but not limited to, scale-up of production to anticipated commercial scale, process characterization and validation, analytical method validation, identification of critical process parameters and product quality attributes, and multiple process performance and validation runs. If the Company does not have commercial drug supply available when needed for pivotal clinical trials, the Company's regulatory and commercial progress may be delayed, and it may incur increased product development costs. This may have a material adverse effect on the Company's business, financial condition and prospects, and may delay marketing of the product.

Safety and Efficacy of Products

Before obtaining marketing approval from regulatory authorities for the sale of the Company's product candidates, the Company must conduct preclinical studies in animals and extensive clinical trials in humans to demonstrate the safety and efficacy of the product candidates. Clinical testing is expensive and difficult to design and implement, can take many years to complete and has uncertain outcomes. The outcome of preclinical studies and early clinical trials may not predict the success of later clinical trials, and interim results of a clinical trial do not necessarily predict final results. A number of companies in the pharmaceutical and biotechnology industries have suffered significant setbacks in advanced clinical trials due to lack of efficacy or unacceptable safety profiles, notwithstanding promising results in earlier trials. The Company does not know whether the clinical trials it may conduct will demonstrate adequate efficacy and safety to result in regulatory approval to market any of its product candidates in any jurisdiction. A product candidate may fail for safety or efficacy reasons at any stage of the testing process. A major risk the Company faces is the possibility that none of its product candidates under development will successfully gain market approval from Health Canada, the FDA or other regulatory authorities, resulting in the Company being unable to derive any commercial revenue from them after investing significant amounts of capital in their development.

Clinical trials are conducted in representative samples of the potential patient population which may have significant variability. Clinical trials are by design based on a limited number of subjects and of limited duration for exposure to the product used to determine whether, on a potentially statistically significant basis, the planned safety and efficacy of any such product can be achieved. As with the results of any statistical sampling, the Company cannot be sure that all side effects of its products may be uncovered, and it may be the case that only with a significantly larger number of patients exposed to such product for a longer duration, may a more complete safety profile be identified. Further, even larger clinical trials may not identify rare serious adverse effects, or the duration of such studies may not be sufficient to identify when those events may occur. There have been products that have been approved by the regulatory authorities but for which safety concerns have been uncovered following approval. Such safety concerns have led to labelling changes or withdrawal of such products from the market, and the Company's products may be subject to similar risks. The Company might have to withdraw or recall its products from the marketplace. The Company may also experience a significant drop in the potential future sales of its products if and when regulatory approvals for such products are obtained, experience harm to its reputation in the marketplace or become subject to lawsuits, including class actions. Any of these results could decrease or prevent any sales of the Company's products, or substantially increase the costs and expenses of commercializing and marketing its products.

RISK FACTORS

Clinical Testing and Commercializing Product Candidates

Before obtaining marketing approval from regulatory authorities for the sale of the Company's product candidates, it must conduct pre-clinical studies in animals and extensive clinical trials in humans to demonstrate the safety and efficacy of the product candidates. Clinical testing is expensive and difficult to design and implement, can take many years to complete and has uncertain outcomes. The outcome of pre-clinical studies and early clinical trials may not predict the success of later clinical trials, and interim results of a clinical trial do not necessarily predict final results. A number of companies in the pharmaceutical and biotechnology industries have suffered significant setbacks in advanced clinical trials due to lack of efficacy or unacceptable safety profiles, notwithstanding promising results in earlier trails. The Company does not know whether the clinical trials it may conduct will demonstrate adequate efficacy and safety to result in regulatory approval to market any of its product candidates in any jurisdiction. A product candidate may fail for safety or efficacy reasons at any stage of the testing process. A major risk the Company faces is the possibility that none of its product candidates under development will successfully gain market approval from the FDA, or other regulatory authorities, resulting in the Company being unable to derive any commercial revenue from this business segment after investing significant amounts of capital in its development.

The Company cannot predict whether any clinical trials will begin as planned, will need to be restructured, or will be completed on schedule, or at all. The Company's product development costs will increase if it experiences delays in clinical testing. Significant clinical trial delays could shorten any periods during which the Company may have the exclusive right to commercialize its product candidates or allow its competitors to bring products to market before the Company, which would impair the Company's ability to successfully commercialize its product candidates and may harm its financial condition, results of operations and prospects.

The commencement and completion of clinical trials for the Company's products may be delayed for a number of reasons, including but not limited, to:

- failure by regulatory authorities to grant permission to proceed or placing clinical trials on hold;
- suspension or termination of clinical trials by regulators for many reasons, including concerns about patient safety or failure of the Company's CMOs to comply with cGMP requirements;
- any changes to the Company's manufacturing process that may be necessary or desired, delays or failure to obtain clinical supply from CMOs of the Company's products necessary to conduct clinical trials;
- product candidates demonstrating a lack of safety or efficacy during clinical trials, reports of clinical testing on similar technologies and products raising safety or efficacy concerns;
- clinical investigators not performing the Company's clinical trials on their anticipated schedule, dropping out of a trial, or employing methods not consistent with the clinical trial protocol, regulatory requirements or other third parties not performing data collection and analysis in a timely or accurate manner;
- failure of the Company's contract research organizations to satisfy their contractual duties or meet expected deadlines;
- inspections of clinical trial sites by regulatory authorities;
- regulatory authorities or ethics committees finding regulatory violations that require the Company to undertake corrective action, resulting in suspension or termination of one or more sites or the imposition of a clinical hold on the entire study;
- one or more regulatory authorities or ethics committees rejecting, suspending or terminating the study at an investigational site, precluding enrollment of additional subjects, or withdrawing its approval of the trial; or
- failure to reach agreement on acceptable terms with prospective clinical trial sites.

The Company's product development costs will increase if it experiences delays in testing or approval or if the Company needs to perform more or larger clinical trials than planned. Additionally, changes in regulatory requirements and policies may occur, and the Company may need to amend study protocols to reflect these changes. Amendments may require the Company to resubmit its study protocols to regulatory authorities or ethics committees for re-examination, which may impact the cost, timing or successful completion of that trial. Delays or increased product development costs may have a material adverse effect on the Company's business, financial condition and prospects.

Completion of Clinical Trials

As the Company's product candidates advance from preclinical testing to clinical testing, and then through progressively larger and more complex clinical trials, the Company will need to enroll an increasing number of patients that meet its eligibility criteria. There is significant competition for recruiting patients in clinical trials, and the Company may be unable to enroll the patients it needs to complete clinical trials on a timely basis or at all. The factors that affect the Company's ability to enroll patients are largely uncontrollable and include, but are not limited to, the size and nature of the patient population, eligibility and exclusion criteria for the trial, design of the clinical trial, competition with other companies for clinical sites or patients, perceived risks and benefits of the product candidate, and the number, availability, location and accessibility of clinical trial sites.

Nature of Regulatory Approvals

The Company's development and commercialization activities and product candidates are significantly regulated by a number of governmental entities, including Health Canada and the FDA. Regulatory approvals are required prior to each clinical trial and the Company may fail to obtain the necessary approvals to commence or continue clinical testing. The Company must comply with regulations concerning the manufacture, testing, safety, effectiveness, labeling, documentation, advertising, and sale of products and product candidates and ultimately must obtain regulatory approval before it can commercialize a product candidate. The time required to obtain approval by such regulatory authorities is unpredictable but typically takes many years following the commencement of preclinical studies and clinical trials. Any analysis of data from clinical activities the Company performs is subject to confirmation and interpretation by regulatory authorities, which could delay, limit or prevent regulatory approval. Even if the Company believes results from its sponsored clinical trials are favorable to support the marketing of its product candidates, Health Canada, the FDA or other regulatory authorities may disagree. In addition, approval policies, regulations, or the type and amount of clinical data necessary to gain approval may change during the course of a product candidate's clinical development and may vary among jurisdictions.

The Company has not obtained regulatory approval for any product candidate and it is possible that none of its existing product candidates or any future product candidates will ever obtain regulatory approval. The Company could fail to receive regulatory approval for its product candidates for many reasons, including, but not limited to failure to demonstrate that a product candidate is safe and effective for its proposed indication, failure of clinical trials to meet the level of statistical significance required for approval, failure to demonstrate that a product candidate's clinical and other benefits outweigh its safety risks, or deficiencies in the manufacturing processes or the failure of facilities of CMOs with whom the Company contracts for clinical and commercial supplies to pass a pre-approval inspection.

A regulatory authority may require more information, including additional preclinical or clinical data to support approval, which may delay or prevent approval and the Company's commercialization plans, or we may decide to abandon the development program. If the Company were to obtain approval, regulatory authorities may approve any of its product candidates for fewer or more limited indications than the Company request, may grant approval contingent on the performance of costly post-marketing clinical trials, or may approve a product candidate with a label that does not include the labeling claims necessary or desirable for the successful commercialization of that product candidate. Moreover, depending on any safety issues associated with the Company's product candidates that garner approval, Health Canada, the FDA or other regulatory authorities may impose a risk evaluation and mitigation strategy, thereby imposing certain restrictions on the sale and marketability of such products.

If there are changes in the application of legislation, regulations or regulatory policies, or if problems are discovered with the Company products, or if one of its distributors, licensees or co-marketers fails to comply with regulatory requirements, the regulators could take various actions. These include imposing fines on the Company, imposing restrictions on the Company's products or its manufacture and requiring the Company to recall or remove its products from the market. The regulators could also suspend or withdraw the Rustling Issuer's marketing authorizations, requiring it to conduct additional clinical trials, change its labeling or submit additional applications for marketing authorization. If any of these events occurs, the Company's ability to sell its products may be impaired, and it may incur substantial additional expense to comply with regulatory requirements, which could materially adversely affect its business, financial condition and results of operations.

Achieving Publicly Announced Milestones

From time to time, the Company may announce the timing of certain events it expects to occur, such as the anticipated timing of results from clinical trials. These statements are forward-looking and are based on the best estimates of management at the time relating to the occurrence of such events. However, the actual timing of such events may differ from what has been publicly disclosed. The timing of events such as initiation or completion of a clinical trial, filing of an application to obtain regulatory approval, or announcement of additional clinical trials for a product candidate may ultimately vary from what is publicly disclosed. See "Commercial Scale Product Manufacturing", "Safety and Efficacy of Products", "Clinical Testing and Commercializing Product Candidates", "Completion of Clinical Trials", and "Nature of Regulatory Approvals" as discussed under this heading "Risk Factors" for further disclosure of risks and events that may affect the timing of certain events the Company may announce.

The Company undertakes no obligation to update or revise any forward-looking information or statements, whether as a result of new information, future events or otherwise, except as otherwise required by-law. Any variation in the timing of previously announced milestones could have a material adverse effect on the Company's business plan, financial condition or operating results and the trading price of the Common Shares.

Unfavourable Publicity or Consumer Perception

The Company believes the psychedelic and nutraceutical industry is highly dependent upon consumer perception regarding the safety, efficacy and quality of psychedelic and nutraceutical products. Consumer perception of the Company's psychedelic and nutraceutical products can be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention and other publicity regarding the consumption of psychedelics and nutraceuticals. There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favourable to the psychedelic and nutraceutical industry or any particular product, or consistent with earlier publicity. Future research reports, findings, regulatory proceedings, litigation, media attention or other publicity that are perceived as less favourable than, or that question, earlier research reports, findings or publicity could have a material adverse effect on the demand for the Company's psychedelic or nutraceutical products and the business, results of operations, financial condition and cash flows of the Company. The Company's dependence upon consumer perceptions means that adverse scientific research reports, findings, regulatory proceedings, litigation, media attention or other publicity, whether or not accurate or with merit, could have a material adverse effect on the Company, the demand for the Company's psychedelic or nutraceutical products, and the business, results of operations, financial condition and cash flows of the Company. Further, adverse publicity reports or other media attention regarding the safety, efficacy and quality of psychedelic or nutraceutical products in general, or the Company's psychedelic or nutraceutical products and services specifically or associating the consumption of psychedelics or nutraceuticals with illness or other negative effects or events, could have such a material adverse effect. Such adverse publicity reports or other media attention could arise even if the adverse effects associated with such products resulted from consumers' failure to consume such products legally, appropriately or as directed.

The psilocybin and nutraceutical industry is highly dependent upon consumer perception regarding the medical benefits, safety, efficacy and quality of the psilocybin and nutraceuticals distributed for medical purposes to such consumers. There can be no assurance that future scientific research or findings on the medical benefits, viability, safety, efficacy and dosing of psilocybin or isolated constituents and/or nutraceuticals, regulatory proceedings, litigation, media attention or other research findings or publicity will be favourable to the industry or the Company or any particular product, or consistent with earlier publicity.

RISK FACTORS

Social Media

There has been a recent marked increase in the use of social media platforms and similar channels that provide individuals with access to a broad audience of consumers and other interested persons. The availability and impact of information on social media platforms is virtually immediate and many social media platforms publish user-generated content without filters or independent verification as to the accuracy of the content posted. Information posted about the Company may be adverse to the Company's interests or may be inaccurate, each of which may harm the Company's business, financial condition and results of operations.

Biotechnology and Pharmaceutical Market Competition

The biotechnology and pharmaceutical industries are intensely competitive and subject to rapid and significant technological change. The Company's competitors include large, well-established pharmaceutical companies, biotechnology companies, and academic and research institutions developing therapeutics for the same indications the Company is targeting and competitors with existing marketed therapies. Many other companies are developing or commercializing therapies to treat the same diseases or indications for which the Company's product candidates may be useful. Although there are no approved therapies that specifically target opioid addiction, some competitors use therapeutic approaches that may compete directly with the Company's product candidates.

Many of the Company's competitors have substantially greater financial, technical and human resources than the Company does and have significantly greater experience than the Company in conducting preclinical testing and human clinical trials of product candidates, scaling up manufacturing operations and obtaining regulatory approvals of products. Accordingly, the Company's competitors may succeed in obtaining regulatory approval for products more rapidly than the Company does. The Company's ability to compete successfully will largely depend on:

- the efficacy and safety profile of its product candidates relative to marketed products and other product candidates in development;
- the Company's ability to develop and maintain a competitive position in the product categories and technologies on which it focuses;
- the time it takes for the Company's product candidates to complete clinical development and receive marketing approval;
- the Company's ability to obtain required regulatory approvals;
- the Company's ability to commercialize any of its product candidates that receive regulatory approval;
- the Company's ability to establish, maintain and protect intellectual property rights related to its product candidates; and
- acceptance of any of the Company's product candidates that receive regulatory approval by physicians and other healthcare providers and payers.

Competitors have developed and may develop technologies that could be the basis for products that challenge the discovery research capabilities of products the Company is developing. Some of those products may have an entirely different approach or means of accomplishing the desired therapeutic effect than the Company's product candidates and may be more effective or less costly than its product candidates. The success of the Company's competitors and their products and technologies relative to the Company's technological capabilities and competitiveness could have a material adverse effect on the future preclinical studies and clinical trials of the Company's product candidates, including its ability to obtain the necessary regulatory approvals for the conduct of such clinical trials. This may further negatively impact the Company's ability to generate future product development programs using psychedelic inspired compounds.

If the Company is not able to compete effectively against its current and future competitors, the Company's business will not grow, and its financial condition and operations will substantially suffer.

Further, there can be no assurance that potential competitors of the Company, which may have greater financial, cultivation, production, sales and marketing experience, and personnel and resources than the Company, are not currently developing, or will not in the future develop, products and strategies that are equally or more effective and/or economical as any products or strategies developed by the Company or which would otherwise render the Company's business, products and strategies, as applicable, ineffective, or obsolete. Increased competition by larger and better financed competitors could materially and adversely affect the business, financial condition and results of operations of the Company.

Reliance on Key Executives and Scientists

The loss of key members of the Company's staff, could harm the Company. The Company does not have employment agreements with all members of its staff, although such employment agreements do not guarantee their retention. The Company also depends on its scientific and clinical collaborators and advisors, all of whom have outside commitments that may limit their availability to the Company. In addition, the Company believes that its future success will depend in large part upon its ability to attract and retain highly skilled scientific, managerial, medical, manufacturing, clinical and regulatory personnel, particularly as the Company expands its activities and seeks regulatory approvals for clinical trials. The Company enters into agreements with its scientific and clinical collaborators and advisors, key opinion leaders and academic partners in the ordinary course of its business. The Company also enters into agreements with physicians and institutions who will recruit patients into the Company's clinical trials on its behalf in the ordinary course of its business. Notwithstanding these arrangements, the Company faces significant competition for these types of personnel from other companies, research and academic institutions, government entities and other organizations. The Company cannot predict its success in hiring or retaining the personnel it requires for continued growth. The loss of the services of any of the Company's executive officers or other key personnel could potentially harm its business, operating results or financial condition.

Employee Misconduct

The Company is exposed to the risk of employee fraud or other misconduct. Misconduct by employees could include failures to comply with Health Canada and the FDA regulations, provide accurate information to Health Canada and the FDA, comply with manufacturing standards the Company has established, comply with federal and provincial healthcare fraud and abuse laws and regulations, report financial information or data accurately or disclose unauthorized activities to the Company. In particular, sales, marketing and business arrangements in the healthcare industry are subject to extensive laws and regulations intended to prevent fraud, kickbacks, self-dealing, and other abusive practices. These laws and regulations may restrict or prohibit a wide range of pricing, discounting, marketing and promotion, sales commission, customer incentive programs and other business arrangements. Employee misconduct could also involve the improper use of information obtained in the course of clinical trials, which could result in regulatory sanctions and serious harm to the Company's reputation. If any such actions are instituted against the Company, and the Company is not successful in defending itself or asserting its rights, those actions could have a substantial impact on the Company's business and results of operations, including the imposition of substantial fines or other sanctions.

Business Expansion and Growth

The Company may in the future seek to expand its pipeline and capabilities by acquiring one or more companies or businesses, entering into collaborations, or in-licensing one or more product candidates. Acquisitions, collaborations and in-licenses involve numerous risks, including, but not limited to substantial cash expenditures, technology development risks, potentially dilutive issuances of equity securities, incurrence of debt and contingent liabilities, some of which may be difficult or impossible to identify at the time of acquisition, difficulties in assimilating the operations of the acquired companies, entering markets in which the Company has limited or no direct experience, and potential loss of the Company's key employees or key employees of the acquired companies or businesses.

The Company has experience in making acquisitions, entering collaborations and in-licensing product candidates; however, the Company cannot provide assurance that any acquisition, collaboration or in-license will result in short-term or long-term benefits to it. The Company may incorrectly judge the value or worth of an acquired company or business or in-licensed product candidate. In addition, the Company's future success would depend in part on its ability to manage the rapid growth associated with some of these acquisitions, collaborations and in-licenses. The Company cannot provide assurance that it would be able to successfully combine its business with that of acquired businesses, manage a collaboration or integrate in-licensed product candidates. Furthermore, the development or expansion of the Company's business may require a substantial capital investment by the Company.

Negative Results of External Clinical Trials or Studies

From time to time, studies or clinical trials on various aspects of biopharmaceutical products are conducted by academic researchers, competitors or others. The results of these studies or trials, when published, may have a significant effect on the market for the biopharmaceutical product that is the subject of the study. The publication of negative results of studies or clinical trials or adverse safety events related to the Company's product candidates, or the therapeutic areas in which the Company's product candidates compete, could adversely affect its share price and the Company's ability to finance future development of its product candidates, and its business and financial results could be materially and adversely affected.

Product Liability

The Company currently does not carry any product liability insurance coverage. Even though the Company is not aware of any product liability claims at this time, its business exposes itself to potential product liability, recalls and other liability risks that are inherent in the sale of food products and nutraceuticals. The Company can provide no assurance that such potential claims will not be asserted against it. A successful liability claim or series of claims brought against the Company could have a material adverse effect on its business, financial condition and results of operations.

Although the Company intends to obtain adequate product liability insurance, it cannot provide any assurances that it will be able to obtain or maintain adequate product liability insurance of on acceptable terms, if at all, or that such insurance will provide adequate coverage against potential liabilities. Claims or losses in excess of any product liability cover that may be obtained by the Company could have a material adverse effect on its business, financial conditional and results of operations.

Some of the Company's agreements with third parties might require it to maintain product liability insurance. If the Company cannot obtain acceptable amounts of coverage on commercially reasonable terms in accordance with the terms set forth in these agreements, the corresponding agreements would be subject to termination, which could have a material adverse impact on its operations.

Enforcing Contracts

Due to the nature of the business of the Company and the fact that certain of its contracts involve psilocybin, the use of which is not legal under Canadian or U.S. federal law and in certain other jurisdictions, the Company may face difficulties in enforcing its contracts in Canadian or U.S. federal and state courts. The inability to enforce any of its contracts could have a material adverse effect on its business, operating results, financial condition or prospects.

In order to manage its contracts with contractors, the Company will ensure that such contractors are appropriately licensed. Were such contractors to operate outside the terms of these licenses, the Company may experience an adverse effect on its business, including the pace of development of its product.

RISK FACTORS

Product Recalls

Manufacturers, producers and distributors of products are sometimes subject to the recall or return of their products for a variety of reasons, including product defects, such as contamination, unintended harmful side effects or interactions with other substances, packaging safety and inadequate or inaccurate labelling disclosure. If any of the Company's products are recalled due to an alleged product defect or for any other reason, the Company could be required to incur the unexpected expense of the recall and any legal proceedings that might arise in connection with the recall. The Company may lose a significant amount of sales and may not be able to replace those sales at an acceptable margin or at all. In addition, a product recall may require significant management attention.

Although the Company's suppliers have detailed procedures in place for testing its products, there can be no assurance that any quality, potency or contamination problems will be detected in time to avoid unforeseen product recalls, regulatory action or lawsuits. Additionally, if the Company is subject to recall, the image of the Company could be harmed. A recall for any of the foregoing reasons could lead to decreased demand for the Company's products and could have a material adverse effect on the results of operations and financial condition of the Company. Additionally, product recalls may lead to increased scrutiny of the Company's operations by regulatory agencies, requiring further management attention, potential loss of applicable licenses and potential legal fees and other expenses.

Distribution and Supply Chain Interruption

The Company is susceptible to risks relating to distributor and supply chain interruptions. Distribution in Canada and other jurisdictions will be largely accomplished through independent contractors, therefore, an interruption (e.g., a labour strike) for any length of time affecting such independent contractors may have a significant impact on the Company's ability to sell its products. Supply chain interruptions, including a production or inventory disruption, could impact product quality and availability. Inherent to producing products is a potential for shortages or surpluses in future years if demand and supply are materially different from long-term forecasts. The Company monitors category trends and regularly reviews maturing inventory levels.

Difficulty to Forecast

The Company must rely largely on its own market research to forecast sales as detailed forecasts are not generally obtainable from other sources at this early stage of the psychedelic and nutraceutical industry. A failure in the demand for the Company's psychedelic and nutraceutical industry products to materialize as a result of competition, technological change or other factors could have a material adverse effect on the business, results of operations and financial condition of the Company.

Promoting the Brand

Promoting the Company's brand will be critical to creating and expanding a customer base. Promoting the brand will depend largely on the Company's ability to provide psychedelic and nutraceutical products to the market. Further, the Company may, in the future, introduce new products or services that its customers do not like, which may negatively affect the brand and reputation. If the Company fails to successfully promote its brand or if it incurs excessive expenses in this effort, its business and financial results from operations could be materially adversely affected. The regulatory framework may change at any time creating challenges around branding restrictions for the Company.

Product Viability

If the Company's psychedelic and nutraceutical products are not perceived to have the effects intended by the end user, the Company's business may suffer. In general, psychedelic and nutraceutical products have minimal long-term data with respect to efficacy, unknown side effects and/or interaction with individual human biochemistry or other supplements or medications. As a result, the Company's psychedelic and nutraceutical products could have certain side effects if not used as directed or if taken by an end user that has certain known or unknown medical conditions. Further, the Company's business involves the growing of an agricultural product and is subject to the risks inherent in the agricultural business, such as insects, plant diseases and similar agricultural risks.

Success of Quality Control Systems

The quality and safety of the Company's products are critical to the success of its business and operations. As such, it is imperative that the Company (and its service providers') quality control systems operate effectively and successfully. Quality control systems can be negatively impacted by the design of the quality control systems, the quality of training programs and adherence by employees to quality control guidelines. Any significant failure or deterioration of such quality control systems could have a material adverse effect on the Company's business and operating results.

Reliance on Key Inputs

The Company's business is expected to be dependent on a number of key inputs and their related costs including raw materials and supplies. Any significant interruption or negative change in the availability or economics of the supply chain for key inputs could materially impact the business, financial condition and operating results of the Company. Examples of potential risks include, but are not limited to, the risk that crops may become diseased or victim to insects or other pests and contamination, or subject to extreme weather conditions such as excess rainfall, freezing temperature, or drought, all of which could result in low crop yields, decreased availability of mushrooms, and higher acquisition prices. Any inability to secure required supplies and services or to do so on appropriate terms could have a materially adverse impact on the business, financial condition and operating results of the Company.

Liability Arising from Fraudulent or Illegal Activity

The Company is exposed to the risk that its employees, independent contractors, consultants, service providers and licensors may engage in fraudulent or other illegal activity. Misconduct by these parties could include intentional undertakings of unauthorized activities, or reckless or negligent undertakings of authorized activities, in each case on the Company's behalf or in its service that violate (i) various laws and regulations, including healthcare laws and regulations, (ii) laws that require the true, complete and accurate reporting of financial information or data, (iii) the terms of the Company's agreements with third parties. Such misconduct could expose the Company to, among other things, class actions and other litigation, increased regulatory inspections and related sanctions, and lost sales and revenue or reputational damage.

The precautions taken by the Company to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting the Company from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. Such misconduct may result in legal action, significant fines or other sanctions and could result in loss of any regulatory license held by the Company at such time. The Company may be subject to security breaches at its facilities or in respect of electronic document or data storage, which could lead to breaches of applicable privacy laws and associated sanctions or civil or criminal penalties; events, including those beyond the control of the Company, may damage its operations. In addition, these events may negatively affect customers' demand for the Company's products. Such events include, but are not limited to, non-performance by third party contractors; increases in materials or labour costs; breakdown or failure of equipment; failure of quality control processes; contractor or operator errors; and major incidents and/or catastrophic events such as fires, explosions, earthquakes or storms. As a result, there is a risk that the Company may not have the capacity to meet customer demand or to meet future demand when it arises. Failure to comply with health and safety laws and regulations may result in additional costs for corrective measures, penalties or in restrictions on the Company's manufacturing operations.

Operating Risk and Insurance Coverage

The Company does not have adequate insurance to protect its assets, operations and employees. While the Company may, in the future obtain insurance coverage to address all material risks to which it is exposed and is adequate and customary in its proposed state of operations, such insurance will be subject to coverage limits and exclusions and may not be available for the risks and hazards to which the Company is expected to be exposed. In addition, no assurance can be given that such insurance will be adequate to cover the Company's liabilities or will be generally available in the future, or if available, that premiums will be commercially justifiable. If the Company were to incur substantial liability and such damages were not covered by insurance or were in excess of policy limits, or if the Company were to incur such liability at a time when it is not able to obtain liability insurance, its business, results of operations and financial condition could be materially adversely affected.

Costs of Operating as Public Company

As a public company, the Company will incur significant legal, accounting and other expenses. As a public company, the Company is subject to various securities rules and regulations, which impose various requirements on the Company, including the requirement to establish and maintain effective disclosure and financial controls and corporate governance practices. The Company's management and other personnel need to devote a substantial amount of time to these compliance initiatives. Moreover, these rules and regulations will increase the Company's legal and financial compliance costs and make some activities more time-consuming and costly.

Management of Growth

The Company may be subject to growth-related risks, including capacity constraints and pressure on its internal systems and controls. The ability of the Company to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Company to deal with this growth may have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Conflicts of Interest

The Company may be subject to various potential conflicts of interest because of the fact that some of its officers and directors may be engaged in a range of business activities. The Company's executive officers and directors may devote time to their outside business interests, so long as such activities do not materially or adversely interfere with their duties to the Company. In some cases, the Company's executive officers and directors may have fiduciary obligations associated with these business interests that interfere with their ability to devote time to the Company's business and affairs and that could adversely affect the Company's operations. These outside business interests could require significant time and attention of the Company's executive officers and directors. In addition, the Company may also become involved in other transactions which conflict with the interests of its directors and the officers who may from time-to-time deal with persons, firms, institutions or companies with which the Company may be dealing, or which may be seeking investments similar to those desired by it. The interests of these persons could conflict with those of the Company, and from time to time, these persons may be competing with the Company for available investment opportunities.

Conflicts of interest, if any, will be subject to the procedures and remedies provided under applicable laws. In particular, in the event that such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with applicable laws, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company.

RISK FACTORS

Foreign Operations

In addition to operations carried out in Canada, the Company intends to carry out international operations through an office in Jamaica. As a result, the Company may be subject to political, economic and other uncertainties, including, but not limited to, cancellation or modification of contract rights, foreign exchange restrictions, currency fluctuations, export quotas, royalty and tax increases and other risks arising out of foreign governmental sovereignty over the areas in which the Company's operations are conducted, as well as risks of loss due to civil strife, acts of war, guerrilla activities and insurrections.

The Company's international operations may also be adversely affected by laws and policies of Canada affecting foreign trade, taxation and investment. In the event of a dispute arising in connection with its foreign operations, the Company may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdiction of courts in Canada or enforcing Canadian judgments in foreign jurisdictions.

Similarly, to the extent that the Company's assets are located outside of Canada, investors may have difficulty collecting from the Company any judgments obtained in the Canadian courts and predicated on the civil liability provisions of securities laws. Consequently, investors may be effectively prevented from pursuing remedies against the Company under Canadian securities laws or otherwise. The Company may also be hindered or prevented from enforcing its rights with respect to a governmental entity or instrumentality because of the doctrine of sovereign immunity

RISKS RELATED TO INTELLECTUAL PROPERTY

Trademark Protection

Failure to register trademarks for the Company or its products could require the Company to rebrand its products resulting in a material adverse impact on its business.

Trade Secrets

The Company relies on third parties to develop its products and as a result, must share trade secrets with them. The Company seeks to protect its proprietary technology in part by entering into confidentiality agreements and, if applicable, material transfer agreements, collaborative research agreements, consulting agreements or other similar agreements with its collaborators, advisors, employees and consultants prior to beginning research or disclosing proprietary information. These agreements typically restrict the ability of the Company's collaborators, advisors, employees and consultants to publish data potentially relating to its trade secrets. Its academic and clinical collaborators typically have rights to publish data, provided that the Company is notified in advance and may delay publication for a specified time in order to secure any intellectual property rights arising from the collaboration. In other cases, publication rights are controlled exclusively by the Company, although in some cases the Company may share these rights with other parties. The Company may also conduct joint research and development programs which may require it to share trade secrets under the terms of research and development collaboration or similar agreements. Despite the Company's efforts to protect its trade secrets, the Company's competitors may discover its trade secrets, either through breach of these agreements, independent development or publication of information. A competitor's discovery of the Company's trade secrets may impair its competitive position and could have a material adverse effect on its business and financial condition.

Patent Law Reform

As is the case with other biotechnology and pharmaceutical companies, the Company's success is heavily dependent on intellectual property rights, particularly patents. Obtaining and enforcing patents in the biopharmaceutical industry is a technologically and legally complex process, and obtaining and enforcing biopharmaceutical patents is costly, time consuming and inherently uncertain. Recent patent reform legislation could increase the uncertainties and costs surrounding the prosecution of the Company's and its licensors' or collaborators' patent applications and the enforcement or defense of the Company or its licensors' or collaborators' issued patents.

Patent Litigation and Intellectual Property

The Company has applied for a provisional patent application but there can be no assurance that it or a successor application will issue into a valid patent. Such failure to issue could have a material adverse effect on the Company. In the event that a patent issued to the Company is challenged, any of Company's patents may be invalidated (although at this time the Company does not have any issued patents). The Company could also become involved in interference or impeachment proceedings in connection with one or more of its patents or patent applications to determine priority of invention.

Patent litigation is becoming widespread in the pharmaceutical industry and the Company cannot predict how this will affect its efforts to form strategic alliances, conduct clinical testing, or manufacture and market any of its product candidates that it may successfully develop. If the Company becomes involved in any litigation, interference, impeachment or other administrative proceedings, it will likely incur substantial expenses and the efforts of its technical and management personnel will be significantly diverted. The Company cannot make any assurances that it will have the financial or other resources necessary to enforce or defend a patent infringement or proprietary rights violation action. Moreover, if the Company's products infringe patents, trademarks or proprietary rights of others, it could, in certain circumstances, become liable for substantial damages, which also could have a material adverse effect on the business of the Company, its financial condition and results of operation. Patent litigation is less likely during development as many jurisdictions contain exemptions from patent infringement for the purpose of obtaining regulatory approval of a product. Where there is any sharing of patent rights either through co-ownership or different licensed "fields of use", one owner's actions could lead to the invalidity of the entire patent. If the Company is unable to avoid infringing the patent rights of others, the Company may be required to seek a license, defend an infringement action or challenge the validity of the patents in court. Such results could have a material adverse effect on the Company. Regardless of the outcome, patent litigation is costly and time consuming. In some cases, the Company may not have sufficient resources to bring these actions to a successful conclusion, and, even if the Company is successful in these proceedings, it may incur substantial costs and divert management time and attention in pursuing these proceedings, which could have a material adverse effect on the Company.

Any infringement or misappropriation of the Company's intellectual property could damage its value and limit its ability to compete. In addition, the Company's ability to enforce and protect its intellectual property rights may be limited in certain countries outside the U.S., which could make it easier for competitors to capture market position in such countries by utilizing technologies that are similar to those developed or licensed by the Company. Competitors may also harm the Company's sales by designing products that mirror the capabilities of its products or technology without infringing on its intellectual property rights. If the Company does not obtain sufficient protection for its intellectual property, or if it is unable to effectively enforce its intellectual property rights, its competitiveness could be impaired, which would limit its growth and future revenue. The Company may also find it necessary to bring infringement or other actions against third parties to seek to protect its intellectual property rights. Litigation of this nature, even if successful, is often expensive and time- consuming to prosecute and there can be no assurance that the Company will have the financial or other resources to enforce its rights or be able to enforce its rights or prevent other parties from developing similar technology or designing around its intellectual property.

The Company is not aware of any infringement by it of any person's or entity's intellectual property rights. In the event that products sold by the Company are deemed to infringe upon the patents or proprietary rights of others, the Company could be required to modify its products or obtain a license for the manufacture and/or sale of such products or cease selling such products. In such event, there can be no assurance that the Company would be able to do so in a timely manner, upon acceptable terms and conditions, or at all, and the failure to do any of the foregoing could have a material adverse effect upon the Company's business. If the Company's products or proposed products are deemed to infringe or likely to infringe upon the patents or proprietary rights of others, the Company could be subject to injunctive relief and, under certain circumstances, become liable for damages, which could also have a material adverse effect on the Company's business and its financial condition.

Protection of Intellectual Property

The Company will be able to protect its intellectual property from unauthorized use by third parties only to the extent that the Company's proprietary technologies, key products and any future products are covered by valid and enforceable intellectual property rights including patents or are effectively maintained as trade secrets and provided the Company has the funds to enforce its rights, if necessary.

Third-Party Licenses

A substantial number of patents have already been issued to other biotechnology and pharmaceutical companies. To the extent that valid third-party patent rights cover the Company's products or services, the Company or its strategic collaborators would be required to seek licenses from the holders of these patents in order to manufacture, use or sell these products and services and payments under them would reduce the Company's profits from these products and services. The Company is currently unable to predict the extent to which it may wish or be required to acquire rights under such patents, the availability and cost of acquiring such rights and whether a license to such patents will be available on acceptable terms or at all. There may be patents in the U.S. or in foreign countries or patents issued in the future that are unavailable to license on acceptable terms. The Company's inability to obtain such licenses may hinder or eliminate its ability to manufacture and market its products.

Further, if the Company obtains third-party licenses but fails to pay annual maintenance fees, development and sales milestones, or it is determined that the Company does not use commercially reasonable efforts to commercialize licensed products, the Company could lose its licenses which could have a material adverse effect on its business and financial condition.

Environmental Regulation and Risks

The Company's operations are subject to environmental regulations that mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which could stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations.

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

Amendments to current laws, regulations and permits governing the production of cannabis oil and related products, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in expenses, capital expenditures or production costs or reduction in levels of production or require abandonment or delays in development.

RISK FACTORS

FINANCIAL AND ACCOUNTING RISKS

Substantial Number of Authorized but Unissued Common Shares

The Company has an unlimited number of Common Shares that may be issued by the Company board without further action or approval of the Shareholders. While the Company board will be required to fulfill its fiduciary obligations in connection with the issuance of such Common Shares, the Common Shares may be issued in transactions with which not all of the Shareholders agree, and the issuance of such Common Shares will cause dilution to the ownership interests of the Shareholders.

Dilution

The financial risk of the Company's future activities will be borne to a significant degree by purchasers of the Common Shares. If the Company issues Common Shares from its treasury for financing purposes, control of the Company may change, and purchasers may suffer additional dilution.

Negative Cash Flow from Operating Activities

The Company has had negative cash flow from operating activities since inception. Significant capital investment will be required to achieve the Company's existing plans. The Company's net losses have had and will continue to have an adverse effect on, among other things, shareholder equity, total assets and working capital. The Company expects that losses may fluctuate from quarter to quarter and year to year, and that such fluctuations may be substantial. The Company cannot predict when it will become profitable, if at all. Accordingly, the Company may be required to obtain additional financing in order to meet its future cash commitments.

Additional Capital Requirements

As a research and development company, the Company expects to spend substantial funds to continue the research, development and testing of its product candidates and to prepare to commercialize products subject to applicable regulatory approval. Substantial additional financing may be required if the Company is to be successful in continuing to develop its business and its products. No assurances can be given that the Company will be able to raise the additional capital that it may require for its anticipated future development. Any additional equity financing may be dilutive to investors and debt financing, if available, may involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Company, if at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion.

Lack of Significant Product Revenue

To date, the Company has generated some product revenue and cannot predict when and if it will generate significant product revenue. The Company's ability to generate significant product revenue and ultimately become profitable depends upon its ability, alone or with partners, to successfully develop its product candidates, obtain regulatory approval and commercialize products, including any of its current product candidates or other product candidates that it may develop, in-license or acquire in the future. The Company does not anticipate generating revenue from the sale of products for the foreseeable future. The Company expects its research and development expenses to increase in connection with its ongoing activities, particularly as it advances its product candidates through clinical trials.

Estimates or Judgments Relating to Critical Accounting Policies

The preparation of financial statements in conformity with the International Financial Reporting Standards requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. The Company bases its estimates on historical experience and on various other assumptions that it believes to be reasonable under the circumstances, as provided in the notes to the financial statements of the Company, the results of which form the basis for making judgments about the carrying values of assets, liabilities, equity, revenue and expenses that are not readily apparent from other sources. The Company's operating results may be adversely affected if the assumptions change or if actual circumstances differ from those in the assumptions, which could cause its operating results to fall below the expectations of securities analysts and investors, resulting in a decline in the share price of the Company. Significant assumptions and estimates used in preparing the financial statements include those related to income tax credits receivable, share based payments, impairment of non-financial assets, fair value of biological assets, as well as cost recognition.

RISKS RELATED TO THE COMMON SHARES

Market for the Common Shares

There can be no assurance that an active trading market for the Common Shares will develop or, if developed, that any market will be sustained. The Company cannot predict the prices at which the Common Shares will trade. Fluctuations in the market price of the Common Shares could cause an investor to lose all or part of its investment in Common Shares. Factors that could cause fluctuations in the trading price of the Common Shares include: (i) announcements of new offerings, products, services or technologies; commercial relationships, acquisitions or other events by the Company or its competitors; (ii) price and volume fluctuations in the overall stock market from time to time; (iii) significant volatility in the market price and trading volume of cannabis companies; (iv) fluctuations in the trading volume of the Common Shares or the size of the Company's public float; (v) actual or anticipated changes or fluctuations in the Company's results of operations; (vi) whether the Company's results of operations meet the expectations of securities analysts or investors; (vii) actual or anticipated changes in the expectations of investors or securities analysts; (viii) litigation involving the Company, its industry, or both; (ix) regulatory developments; (x) general economic conditions and trends; (xi) major catastrophic events; (xii) escrow releases, sales of large blocks of the Common Shares; (xiii) departures of key employees or members of management; or (xiv) an adverse impact on the Company from any of the other risks cited herein.

Significant Sales of Common Shares

Although Common Shares held by existing shareholders of the Company will be freely tradable under applicable securities legislation, the Common Shares held by the Company's directors, executive officers, Control persons and certain other securityholders may be subject to contractual lock-up restrictions and may also be subject to escrow restrictions pursuant to the policies of the NEO Exchange. Sales of a substantial number of the Common Shares in the public market after the expiry of lock-up or escrow restrictions, or the perception that these sales could occur, could adversely affect the market price of the Common Shares and may make it more difficult for investors to sell Common Shares at a favourable time and price.

Volatile Market Price for the Common Shares

The securities market in Canada has recently experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any market for the Common Shares will be subject to market trends generally, notwithstanding any potential success of the Company. The value of the Common Shares distributed hereunder will be affected by such volatility.

The volatility of the Common Shares may affect the ability of holders to sell the Common Shares at an advantageous price or at all. Market price fluctuations in the Common Shares may be adversely affected by a variety of factors relating to the Company's business, including fluctuations in the Company's operating and financial results, such results failing to meet the expectations of securities analysts or investors and downward revisions in securities analysis' estimates in connection therewith, sales of additional Common Shares, governmental regulatory action, adverse change in general market conditions or economic trends, acquisitions, dispositions or other material public announcements by the Company or its competitors, along with a variety of additional factors, including, without limitation, those set forth under the heading "Forward-Looking Statements". In addition, the market price for securities on stock markets, including the NEO Exchange is subject to significant price and trading fluctuations. These fluctuations have resulted in volatility in the market prices of securities that often has been unrelated or disproportionate to changes in operating performance. These broad market fluctuations may materially adversely affect the market price of the Company.

Additionally, the value of the Common Shares is subject to market value fluctuations based upon factors that influence the Company's operations, such as legislative or regulatory developments, competition, technological change and changes in interest rates or foreign exchange rates. There can be no assurance that the market price of the Common Shares will not experience significant fluctuations in the future, including fluctuations that are unrelated to the Company's performance.

Tax Issues

There may be income tax consequences in relation to the Common Shares, which will vary according to circumstances. Independent advice from tax and legal advisers should be obtained.

Discretion Over the Use of Proceeds

The Company has discretion concerning the use of the net proceeds of the Company's recent equity offerings as well as the timing of their expenditures and may apply the net proceeds of the Company's recent equity offerings ng in ways other than as disclosed. The results and the effectiveness of the application of the net proceeds are uncertain. If the net proceeds are not applied effectively, the Company's business, prospects, financial position, financial condition or results of operations may suffer.

No Dividends

The Company's current policy is, and will be, to retain earnings to finance the development and enhancement of its products and to otherwise reinvest in the Company. Therefore, the Company does not anticipate paying cash dividends on the Common Shares in the foreseeable future. The Company's dividend policy will be reviewed from time to time by the Company's board of directors in the context of its earnings, financial condition and other relevant factors. Until the time that the Company does pay dividends, which it might never do, its shareholders will not be able to receive a return on their Common Shares unless they sell them.

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