Ketamine One

**ANNUAL INFORMATION FORM**

FOR THE FINANCIAL YEAR ENDED JULY 31, 2020

**July 27, 2021**

**KETAMINEONE CAPITAL LIMITED**
**ANNUAL INFORMATION FORM**
**FOR THE FINANCIAL YEAR ENDED JULY 31, 2020 AND SUBSEQUENT PERIOD**
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## GENERAL MATTERS

### Date of Information

In this AIF, unless the context otherwise requires, the “Company” or “KetamineOne” refers to KetamineOne Capital Limited.

This AIF applies to the business activities and operations of the Company for the year ended July 31, 2020, as updated to July 27, 2021. Unless otherwise indicated, the information in this AIF is given as of the date hereof.

### Currency

Unless otherwise indicated, in this AIF all references to "$" are to Canadian dollars and to "USD$" are to U.S. dollars.

### Cautionary Statement on Forward Looking Statements

The information provided in this AIF, including schedules and information incorporated by reference, may contain “forward-looking statements” about the Company. In addition, the Company may make or approve certain statements in future filings with Canadian securities regulatory authorities, in press releases, or in oral or written presentations by representatives of the Company that are not statements of historical fact and may also constitute forward-looking statements. All statements, other than statements of historical fact, made by the Company that address activities, events or developments that the Company expects or anticipates will or may occur in the future are forward-looking statements, including, but not limited to, statements preceded by, followed by or that include words such as “may”, “will”, “would”, “could”, “should”, “believes”, “estimates”, “projects”, “potential”, “expects”, “plans”, “intends”, “anticipates”, “targeted”, “continues”, “forecasts”, “designed”, “goal”, or the negative of those words or other similar or comparable words. Although the Company believes that the expectations reflected in these forward-looking statements are based on reasonable assumptions, there are a number of risks and uncertainties that could cause actual results to differ materially from such forward-looking statements. These include, among others, the cautionary statements under “Description of Business”.

Specific forward-looking information contained in this AIF include, among others, statements, management’s beliefs, expectations or intentions regarding the following:

- timelines;
- strategic plans;
- the business and operations of the Company;
- the business, operations, strategies and expectations of the Company;
- the Company’s business objectives and discussion of trends affecting the business of the Company;
- the fund available to the Company and the principal purposes of those funds;
- anticipated revenues and cash flows from operations and funding requirements of the Company;
- capital, operating and general expenditures;
- expectations regarding the ability to raise capital;
- anticipated revenues to be realized by the Company from future contracts;

- treatment under governmental regulatory regimes and expectations with respect to regulatory approvals; and
- other forward-looking statements including, but not limited to, information concerning the intentions, plans and future actions of the Company.

Forward-looking statements are based on reasonable assumptions, estimates, analysis and opinions of management made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances at the date that such information is made available. Forward-looking statements are inherently subject to known and unknown risks and uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking statements. Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended, including the factors and risks described or referred to elsewhere herein, as well as unanticipated and/or unusual events. Many of such factors are beyond the Company's ability to predict or control. Risks and uncertainties that may affect forward-looking statements include, but are not limited to, those which relate to the following:

- the limited operating history of members of the Company;
- the current lack of profitability of the Company;
- the need to obtain additional financing and uncertainty as to the availability and terms of future financing;
- the ability to acquire funds necessary for general working capital and continuing operations;
- reliance on sale of equity or investments to access funds required;
- the possibility that opportunities will arise that require more cash than the Company has or can reasonably obtain;
- uncertainties associated with business opportunities that may be presented to, or pursued by the Company;
- parameters and assumptions underlying future acquisitions;
- risks relating to acquisitions of equity securities;
- risks associated with the mental health sector;
- the Company’s operations, strategies and profitability may be adversely affected by competition from other similar entities;
- uncertainties related to early stage of technology and product development;
- uncertainties related to regulatory regimes and laws;
- dependence on key personnel;
- fluctuations in the currency markets and stock market volatility;
- going concern considerations;
- conflicts of interest;
- changes in the regulatory environment;
- competition for, among other things, capital, acquisitions, equipment and skilled personnel;
- operating or technical difficulties in connection with business activities;
- the possibility of cost overruns or unanticipated expenses; and
- the other factors discussed under the heading “*Risk Factors*”.

The reader is cautioned that the foregoing list of factors is not exhaustive of the factors that may affect forward looking statements. New factors emerge from time to time, and it is not possible for management to predict all such factors and to assess in advance the impact of each such factor on the business of KetamineOne or the companies in which it is invested, or the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statement. The reader is also cautioned to consider these and other factors, uncertainties and potential events carefully and not to put undue reliance on forward-looking statements. Although the forward-looking statements contained in this Listing Statement are based upon what management of KetamineONe currently believes to be reasonable assumptions; actual results, performance or achievements could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits will be derived therefrom. These forward-looking statements are made as of the date of this AIF and, other than as specifically required by law, KetamineOne does not assume any obligation to update or revise any forward-looking statement to reflect events or circumstances after the date on which such statement is made, or to reflect the occurrence of unanticipated events, whether as a result of new information, future events or results, or otherwise.

Consequently, all forward-looking statements made in this AIF and other documents of the Company are qualified by such cautionary statements and there can be no assurance that the anticipated results or developments will actually be realized or, even if realized, that they will have the expected consequences to or effects to the Company.

The cautionary statements contained or referred to in this section should be considered in connection with any subsequent written or oral forward-looking statements that the Company and/or persons acting on its behalf may issue. The Company undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, other than as required under securities legislation. See "*Description of the Business – Risk Factors*".

## MARKET AND INDUSTRY DATA

Certain market and industry data contained in this AIF may be based upon information from government or other third-party publications, reports and websites or based on estimates derived from such publications, reports and websites. Government and other third-party publications and reports do not guarantee the accuracy or completeness of their information. While management believes this data to be reliable, market and industry data is subject to variations and cannot be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data-gathering process and other limitations and uncertainties inherent in any statistical survey. Accordingly, the accuracy, currency and completeness of this information cannot be guaranteed. The Company has not independently verified any of the data from government or other third-party sources referred to in this AIF or ascertained the underlying assumptions relied upon by such sources.

## GLOSSARY OF TERMS

"**Akiva**" means Akiva Systems Inc., a private company incorporated pursuant to the laws of British Columbia;

"**Akiva Investment**" has the meaning ascribed to that term in the section enttield *General Development of the Business – Three Year History*;

"**Akiva Shares**" means common shares in the capital stock of Akiva;

"**AIF**" means this annual information form including the schedules attached hereto;

"**Annual Financial Statements**" means the audited annual financial statements of the Issuer for the fiscal years ended July 31, 2020, 2019 and 2018, respectively, and includes the statements of financial position, statements of comprehensive loss, changes in shareholders' equity (deficiency), and cash flows for the years then ended. The Annual Financial Statements previously filed with applicable securities commissions are available on the Issuer's SEDAR profile at www.sedar.com and are incorporated into this AIF;

"**ASC**" means the Alberta Securities Commission;

"**Audit Committee**" means the audit committee of KetamineOne;

"**Auditor**" means Dale Matheson Carr-Hilton LaBonte LLP, Chartered Professional Accountants, the auditor of the Company;

"**BCBCA**" means the *Business Corporations Act* (British Columbia), as amended, including the regulations promulgated thereunder;

"**BCSC**" means the British Columbia Securities Commission;

"**Board of Directors**" means the board of directors of KetamineOne;

**"CEO"** means Chief Executive Officer;

**"CFO"** means Chief Financial Officer;

"**Champignon**" means Champignon Brands Inc., a private company incorporated under the BCBCA;

"**Champignon Investment**" has the meaning ascribed to such term in the section entitled *General Development of the Business – Three Year History*;

"**Champignon Shares**" means common shares in the capital stock of Champignon;

"**Common Shares**" means the common shares in capital of KetamineOne;

"**Company**" or "**KetamineOne**" means KetamineOne Capital Limited;

“**Consolidation**” means the consolidation of the Company’s issued and outstanding Common Shares on the basis of ten pre-consolidation shares for one post-consolidated share completed on July 23, 2020;

“**CSE**” means the Canadian Securities Exchange;

“**Endeavor**” means Endeavor Trust Corporation;

“**EVVO**” means EVVO Labs Pte. Ltd., a private company incorporated and existing pursuant to the laws of the Republic of Singapore;

“**EVVO Agreement**” means the subscription agreement dated February 26, 2018 between the Company and EVVO;

“**EVVO Investment**” has the meaning ascribed to such term in the section entitled *General Development of the Business – Three Year History*;

“**EVVO Note**” has the meaning ascribed to such term in the section entitled *General Development of the Business – Three Year History*;

“**EVVO Shares**” means the common shares in the capital stock of EVVO;

“**EVVO Solutions**” means EVVO Solutions Pte. Ltd., a company incorporated and existing pursuant to the laws of Singapore;

“**forward-looking statements**” has the meaning ascribed to such term under the heading *“Cautionary Statement on Forward Looking Statements”*;

“**Fourth-Link**” means Fourth-Link Inc., a company incorporated and existing pursuant to the laws of the Republic of Korea and listed on KOSDAQ;

“**Fourth-Link Investment**” has the meaning ascribed to such term in the section entitled *General Description of the Business – Three Year History*;

“**Gold Lion**” means Gold Lion Resources Inc., a publicly listing company incorporated under the BCBCA;

“**Gold Lion Investment**” has the meaning ascribed to such term in the section entitled *General Development of the Business – Three Year History*;

“**Gold Lion Shares**” means common shares in the capital stock of Gold Lion;

“**KOSDAQ**” means the KOSDAQ trading board of KRX, the Korea Exchange;

“**Material Adverse Effect**” has the meaning ascribed to such term in the section entitled “*Risk Factors*”;

“**MD&A**” means management’s discussion and analysis;

“**NEO**” means the NEO Exchange;

“**Old Option Plan**” means the stock option plan established by KetamineOne as described in the section entitled *Market for Securities*. A copy of the Old Option Plan previously filed with applicable securities commissions is available on the Company’s SEDAR profile at www.sedar.com;

“**OTC**” means the OTC Market;

“**Person**” means a company or individual;

“**Promoter**” means, (a) a Person or Company who, acting alone or in conjunction with one or more other Persons, Companies or a combination thereof, directly or indirectly, takes the initiative in founding, organizing or substantially reorganizing the business of an issuer, or (b) a Person or Company who, in connection with the founding, organizing or substantial reorganizing of the business of an issuer, directly or indirectly, receives in consideration of services or property, or both services and property, 10% or more of any class of securities of the issuer or 10% or more of the proceeds from the sale of any class of securities of a particular issue, but a Person or Company who receives such securities or proceeds either solely as underwriting commissions or solely in consideration of property shall not be deemed a "Promoter" if such Person or Company does not otherwise take part in founding, organizing, or substantially reorganizing the business;

“**Securities Act**” means the *Securities Act* (British Columbia), as amended, including the regulations promulgated thereunder;

“**SEDAR**” means the System for Electronic Document Analysis and Retrieval;

“**Shareholders**” means the holders of the Common Shares;

“**Stock Option Plan**” means the 20% rolling stock option plan of KetamineOne;

"**Stock Options**" means incentive stock options to purchase shares of KetamineOne;

“**Subsidiaries**” means the direct and indirect subsidiaries of the Company;

“**TSX-V**” means the TSX Venture Exchange Inc.; and

"**Warrants**" means warrants to purchase Common Shares;

## CORPORATE STRUCTURE

### Name, Address and Incorporation

The Company was incorporated under the BCBCA under the name "Cabernet Capital Inc.". The Company changed its name to "Auralite Investments Inc." on September 7, 2018, to "Myconic Capital Corp." on July 23, 2020 and to "KetamineOne Capital Limited" on June 3, 2021. The Company's Common Shares are listed for trading on the NEO under the symbol "MEDI". Prior to listing on the NEO, the Company's Common Shares were listed for trading on the CSE under the symbol "MEDI" and prior to listing on the CSE, the Company's Common Share were listed for trading on the TSX-V under the symbol "AAAA".

The Company's head office and registered and records office is located at #340, 1917 West 4th Avenue, Vancouver, British Columbia, V6J 1M7. KetamineOne's corporate website is www.ketamine.one. The information contained on the Company's website is not incorporated by reference into this AIF.

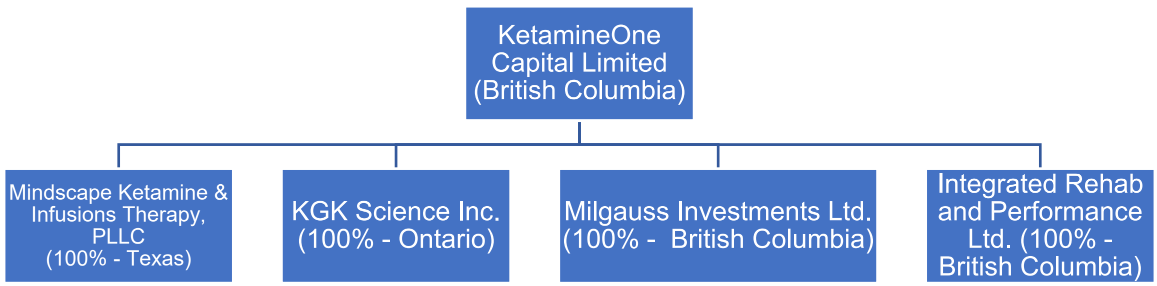
The Company trades on the NEO under the symbol "MEDI". The Company also trades on the OTC under the symbol "KONEF". The Company is a reporting issuer in each of British Columbia, Alberta and Ontario.

### Intercorporate Relationships

The following chart illustrates, as at the date of this AIF, the Company's Subsidiaries, the percentage of voting securities of each that are held by KetamineOne either directly or indirectly, and their respective jurisdictions of incorporation, continuance, formation or organization.

| Subsidiary Name | Ownership by KetamineOne | Jurisdiction of Incorporation |
|---|---|---|
| Mindscape Ketamine & Infusions Therapy, PLLC | 100% | Texas, USA |
| KGK Science Inc. | 100% | British Columbia |
| Integrated Rehab and Performance Ltd. | 100% | British Columbia |
| Milgauss Investments Ltd. | 100% | British Columbia |

Set forth below is a corporate organization chart of the Company and the Subsidiaries as of the date of this AIF:




## GENERAL DEVELOPMENT OF THE BUSINESS

The Company is focused on consolidating medical clinics and becoming a North American leader in mental health treatments. It is working to provide the critical infrastructure needed to develop and deliver breakthrough mental health treatments. Currently, the Company has a network of 16 clinics across North America, with plans to further consolidate the highly fragmented industry. The recent addition of KGK Science Inc. as the company's contract research division also places the company at the forefront of premium clinical research based on its 23-year history and extensive experience in pharmaceuticals, cannabis and the emerging psychedelic medicine industries. As a collective enterprise, KetamineOne is dedicated to helping solve the growing need for safe and accessible mental health therapy.

### Three Year History

The development of the Company's business over the preceding three completed financial years and for the period since July 31, 2020, is described below. For more information, please refer to the Company's publicly available disclosure information found under the Company's profile on SEDAR.

On September 7, 2018, the Company acquired 5% of the issued and outstanding shares of EVVO for a cash purchase price of $1,500,000 (the "**EVVO Investment**"). The Company concurrently acquired unsecured convertible debentures of Fourth-Link, having a face value of 2.5 billion KRW in exchange for 16,800,000 common shares of the Company having a fair value of $4,740,476 (the "**Fourth-Link Investment**"). The debentures are unsecured, and bear interest at 4% per annum payable every 3 months, and may be converted into common stock of Fourth-Link at any time from March 3, 2018 to maturity at a conversion price of 1,532 KRW per common share. Both the EVVO Investment and the Fourth-Link Investment were negotiated at arm's length.

Completion of the acquisition qualified the Company to list on the TSX-V as a Tier 2 Investment Issuer focused on the high tech sector.

EVVO is an information and communication technology services aggregator providing managed secured enterprise-class Cloud-based solutions, infrastructure and network access. EVVO is part of the EVVO Solutions group of companies based in Singapore. Meanwhile, Fourth-Link specializes in information technology solutions in South Korea and was publicly traded company on the KOSDAQ. Fourth-Link was founded in 1996 and is headquartered in Seongnam, South Korea. Fourth-Link is a vendor to many Korean government agencies and is currently the lead IT systems solutions provider to the Incheon Airport terminal expansion. In addition, Fourth-Link also wholly owns Certon Company, the leading Blockchain research and solutions development team in South Korea.

In connection with the above described transactions and listing, the Company also changed its name to Auralite Investments Inc. Additionally, Hock Ghim Toh and Kwang Meng Alvin Tan replaced Dorian Banks and Melissa Bajic on the Board of Directors.

On November 2, 2018, the Company completed a private placement where it issued 2,240,000 shares at a price of $1.56 per share for gross proceeds of $3,500,000. On November 27, 2018, the Issuer issued 2,400 common shares at $0.25 per share pursuant to the exercise of warrants for proceeds of $600. On December 3, 2018, the Company issued 28,800 common shares at $0.25 pursuant to the exercise of warrants for proceeds of $7,201. The fair value on grant of $4,113 related to these exercised warrants was reclassified from share payment reserve to share capital.

In December, 2018, the Company appointed Terry Thompson and Jason Morton to the Board of Directors. Mr. Thompson also assumed the role of CFO of the Company, following Hani Zabaneh's retirement from both his director and CFO positions which Mr. Zabaneh had held since the Issuer's inception.

On April 16, 2019, the Company purchased and cancelled 180,000 shares from its CEO for total consideration of $33,750. The Company reduced share capital for the average book value of the common shares repurchased of $73,800, and charged deficit for the difference between the consideration paid and the average book value.

On April 25, 2019, the Company announced that it had amended its investment policy to broaden and diversify the eligible industries of its investment targets. The Company's amended investment policy now permits the Issuer to explore strategic investments within the real estate; cannabis; and, mining and exploration sectors. The Issuer's former investment policy was focused solely on the high-tech sector.

On July 11, 2019, the Company completed a strategic investment into British Columbia based, craft mushroom distributor and product formulator, Champignon Brands Inc. ("**Champignon**"), acquiring 2,000,000 common shares of Champignon for cash consideration of $150,000. Champignon is a private research driven company specializing in the formulation and end distribution of a suite of premium artisanal mushroom health supplements, with the objective of promoting holistic health and wellness. In connection with the Issuer's strategic investment into Champignon, the Company amended its investment policy to include the health and wellness sector and has formally assembled a dedicated heath and wellness investment committee to explore complementary investments within this burgeoning industry.

On July 11, 2019, James Morton resigned from the Board of Directors.

On January 23, 2020, Hock Ghim Toh resigned from the Board of Directors.

On February 2, 2020, the Fourth-Link convertible debentures in the aggregate principal amount of 2.5 Billion KRW (CAD $2,880,000) reached maturity. The debentures are unsecured, and bear interest at 4% per annum payable every 3 months, and may be converted into common stock of Fourth-Link at any time from March 3, 2018 to maturity at a conversion price of 1,532 KRW per common share. The fair value of the investment on initial recognition was $4,740,476, which was based on the quoted market price of Fourth-Link's shares on the closing date. The Company is pursuing legal action against Fourth-Link for the redemption of the debentures since Fourth-Link was delisted from the KOSDAQ and the Company is unable to convert its shares. Due to the uncertainty of the Issuer's ability to recover any value from the debentures, the investment was written off, resulting in a loss of $4,740,476. In the opinion of the Company's management, the biggest contributing factor to the poor performance of the Fourth-Link investment was the extensive regulatory review and approval period for the Company's initial acquisition of the Fourth-Link debentures. The Company's intention was to quickly convert the debentures into shares in order to leverage the strong anticipated performance of Fourth-Link's common stock during the period immediately following the anticipated completion of the transaction. However, regulatory and KOSDAQ approval of the investment required approximately 12 months. By the time the transaction was approved, Fourth-Link's share prices had begun to significantly decline, and shortly thereafter Fourth-Link experienced financial difficulties, resulting in the de-listing of its common shares and its default on the convertible debt. Had the Company's investment been approved sooner, the Company believes that it would have been able to convert and liquidate its position while earning a healthy return on investment.

On April 13, 2020, the Company announced its $100,000 investment into Akiva. Pursuant to the investment, the Company will acquire an aggregate of 1,000,000 Akiva Shares and 500,000 common share purchase warrants exercisable for an additional 500,000 Akiva Shares at a price of $0.40 for a period of 24 months from issuance (collectively, the "**Akiva Investment**"). Akiva is a private early-stage developer of educational hardware and software for children with special needs, utilizing a virtual reality platform. Closing of the Akiva Investment was announced on May 22, 2020.

During the period ended April 30, 2020, Champignon became a publicly traded company on the CSE (symbol CSE: SHRM), subsequently, the Company sold 1,423,000 million shares of Champignon for a gain of $308,844. As at April 30, 2020, the fair value of the remaining shares was $513,530, which was based on the share price at the end of the trading session on April 30, 2020.

On May 22, 2020, the Company announced its $1,000,000 investment into Gold Lion. Pursuant to the investment, the Company acquired an aggregate of 2,000,000 Gold Lion Shares and 2,000,000 Gold Lion Share purchase warrants exercisable for an additional 2,000,000 Gold Lion Shares at a price of $0.75 for a period of 24 months from issuance. Gold Lion is a British Columbia based gold exploration company listed on the CSE (CSE: GL). Gold Lion holds property interests in British Columbia, Canada, and Idaho, USA, with its primary properties being the "Robber Gulch", "Erikson Ridge" and "South Orogrande" properties in Idaho, USA.

On May 22, 2020, the Company disposed of its interest in EVVO, back to EVVO, in consideration for $254,220 ($250,000 Singapore dollars), secured by a promissory note (the "**EVVO Note**"). The EVVO Note is due one year from issuance and is secured by a pledge of the EVVO Shares sold back to EVVO. The original $1,500,000 value of the EVVO investment was primarily based on a significant prospective long-term contract which EVVO was in the process of securing with the Government of Singapore. However, due to a sudden shift and decline in the perceived benefit of block chain technology, EVVO failed to secure the contract, resulting in a substantial devaluation of the company.

On May 26, 2020, the Company appointed James Henning as a director of the Issuer. Mr. Terry Thompson concurrently resigned as a director and as the CFO of the Issuer. Mr. Peter Nguyen was appointed as the CFO to replace Mr. Thompson. Mr. Nguyen currently also serves as a Director of the Company. On May 27, 2020 Alvin Tan resigned from the Company's Board of Directors.

On July 23, 2020, the Company changes its name from "Auralite Investments Inc." to "Myconic Capital Corp.".

On August 6, 2020, the Company completed the consolidation of its issued and outstanding common shares on the basis of ten pre-consolidation shares for one post-consolidation share.

On September 18, 2020, the Company appointed Natasha Raey to the Board of Directors.

On November 13, 2020, the Company's Common Shares were approved for listing on the CSE under the trading symbol "MEDI". The Company's Common Shares voluntarily delisted from the TSX-V at the close of market on November 12, 2020, and commenced trading on the CSE on November 13, 2020.

On January 11, 2021, the Company completed a private placement where it issued 22,699,997 units ("**Units**") at a price of $0.20 per Unit for gross proceeds of $4,539,999.40. Each Unit is comprised of one common share and one common share purchase warrant (a "**Warrant**"), each Warrant entitling the holder to acquire one additional Common Share at a price of $0.40 per Share for a period of five (5) years from the date of issuance. The Company also appointed Brendan Purdy to the Board of Directors.

On January 15, 2021, the Company split its issued and outstanding common shares on a two-for-one basis.

On March 10, 2021, the Company announced that it had entered into a letter of intent for the acquisition of all of the issued and outstanding shares of Mindscape Ketamine & Infusions Therapy, PLLC ("**Mindscape**"), a mental health and pain clinic based in Houston, Texas. Pursuant to the letter of intent, the Company paid USD $75,000 cash and USD $100,000 payable in Common Shares.

On April 5, 2021, the Company announced that it had acquired the rights to a letter of intent providing for the acquisition of all of the issued and outstanding shares of NY Ketamine Medical Practice PLLC, a leading mental health and pain clinic based in New York, New York. Pursuant to the terms of the letter of intent, the Company would pay approximately USD $10,000,000, payable in cash and Common Shares, along with additional Shares pursuant to achieving certain milestone events.

On April 7, 2021, the Company appointed Adam Deffett, CFA, as Vice President of Capital Markets & Communications. 16,400 Common Shares at a deemed price of $1.22 per Common

Share were issued to Mr. Deffett in connection with his appointment as Vice President of Capital Markets & Communications.

On April 20, 2021, the Company entered into a letter of intent with Tristar Wellness LLC, operator of a wellness clinic in the Miami Beach area. Pursuant to the terms of the letter of intent, it is contemplated that the Company would acquire 49% of all issued and outstanding shares of Tristar for a net purchase price of USD $818,300, comprised of (i) US $523,300 in Common Shares; (ii) US $245,000 in cash; and (iii) US $50,000 working capital to be applied to search engine optimization and marketing purposes.

On April 21, 2021, the Company completed its acquisition of all of the issued and outstanding equity of Mindscape. As a result, the Company made a cash payment of US$50,000 and issued 94,292 Common Shares to the sole owner of Mindscape. Mindscape is a clinic in Houston, Texas, offering affordable delivery of concierge IV ketamine therapy for treatment-resistant mood disorders, mental health disorders, and chronic pain conditions.

On April 23, 2021, the Company entered into a letter of intent to acquire 100% of all issued and outstanding shares of Integrated Rehab and Performance Ltd. ("**IRP**"), which operates Canada's first and only multidisciplinary physical therapy clinic exclusively for patients who are past or present, personnel of the Canadian Armed Forces or Royal Canadian Mounted Police, and first responders. Pursuant to the letter of intent, the Company issued $1,000,000 in Common Shares.

On April 28, 2021, the Company engaged Meadowbank Strategic Partners Inc., a corporate consultancy based in Calgary, Alberta, to provide investor relations, capital markets and corporate development advisory services for an initial term of six months. Meadowbank will be paid a minimum cash fee of $3,500 plus GST, per month.

On May 10, 2021, the Company executed and closed an asset purchase agreement for the acquisition of certain clinical assets as an investment from Canabo Medical Corporation, a wholly-owned subsidiary of Aleafia Health Inc. Pursuant to the asset purchase agreement, the Company issued 7,000,000 Common Shares at a deemed price of $1.50 per Common Share.

On May 18, 2021, the Company moved the listing of the Common Shares from the CSE to the NEO. The Company's Common Shares were delisted from the CSE on May 20, 2021.

On May 27, 2021, the Company entered into a share purchase agreement to acquire 100% of each class of the issued and outstanding shares of KGK Science Inc. ("**KGK**") from Auxly Cannabis Group Inc. ("**Auxly**"). The Company will pay a base amount of $12.5 million in aggregate to Auxly over time in the form of $1.5 million in cash payable on closing, $1.0 million in cash payable six months from closing and $10.0 million in Common Shares. The Company also extended to Auxly a service credit valued at $2.5 million, for a term of 10 years, towards any services that Auxly engages KGK to perform.

The Company also issued an aggregate of 1,950,000 stock options to certain directors, officers and consultants to purchase up to 1,950,000 Common Shares at a price of $1.70 per Share for a period of five years from the date of grant.

On June 1, 2021, the Company changed its name to "KetamineOne Capital Limited" from "Myconic Capital Corp.". Concurrently, the Company transitioned to a single-purpose company from an investment issuer. The Company also appointed Dr. Mark Kimmins as the Company's

Chief Medical Officer, Najla Guthrie as the Company's Chief Research Officer and Keith White as the Company's President of Clinic Operations.

On June 3, 2021, the Company entered into an agreement based on the letter of intent to acquire 100% of the outstanding and issued shares of IRP. Pursuant to the terms of the agreement, IRP's founder and CEO, Steven Inglefield, agreed to become a director of the Company. As consideration for the acquisition, the Company shall pay $1,000,000 in Common Shares and up to an additional 700,000 Common Shares upon IRP successfully reaching certain revenue and expansion milestones.

The Company also closed the acquisition of KGK from Auxly and paid $1,500,000 in cash and issued 6,451,612 Common Shares, with a subsequent amount of $1,000,000 in cash due to be paid six months from closing. The Company issued an aggregate of 967,741 Common Shares to retain a former officer of KGK, who was appointed as a current officer of the Company.

The Company's requested review for a symbol change was completed by the OTC Markets Group. The new OTC symbol was changed to "KONEF".

On June 7, 2021, the Company announced that its wholly-owned Mindscape facility in Houston, Texas became one of the first centers to introduce and explore Immersive Virtual Reality as a way to enhance patient experiences s part of ketamine-assisted treatments.

The Company also appointed Dr. Quang Henderson to its Advisory Board and as Chair of its Clinic Innovation Council.

On June 7, 2021, the Company entered into an arrangement agreement with its wholly-owned subsidiary Milgauss Investments Ltd. ("**Milgauss**"). In accordance with the terms of the arrangement agreement, the Company will transfer the investments and certain securities held by it in exchange for 1,007,729 common shares of Milgauss. The Company proposes that the transaction be carried out by way of statutory plan of arrangement where shareholders of the Company would exchange their existing Common Shares for the same number of new Common Shares and common shares of Milgauss. It is anticipated that each shareholder will receive 1/110 of a Milgauss common share for each Common Share held.

The Company also granted an aggregate of 100,000 stock options to a certain officer to purchase up to 100,000 Common Shares at a price of $1.87 per Share for a period of five years from the date of grant.

On June 14, 2021, the Company appointed Loreto Grimaldi to the Board of Directors. Mr. Grimaldi brings over 25 years of corporate, transactional and governance experience to the Company. He is licensed to practice law in Ontario and New York State, and maintains active memberships in the American Bar Association, the Association of Corporate Counsel, the National Association of Corporate Directors, and the Institute of Corporate Directors. Mr. Grimaldi is expected to provide invaluable insights to the Company as it grows, due to his previous time spent in the healthcare and technology industries, among others.

On June 15, 2021, the Company closed the previously announced acquisition of Integrated Rehab and Performance Ltd. ("**IRP**"). Pursuant to the terms of the definitive agreement, the Company acquired 100% of the outstanding and issued shares of IRP and IRP's founder and CEO, Steven Inglefield, has become a director of the Company. The acquisition is expected to provide locations across the Company's clinical network with the benefits of a model honed through 10,000 unique treatments for past or present personnel of the Canadian Armed Forces and the Royal Canadian Mounted Police, as well as first responders including firefighters, law enforcement officers, paramedics and emergency medical technicians, Beyond IRP's primary location in Victoria, British Columbia, the Company will next begin treating military veterans and first responders at its Halifax clinic with plans to apply IRP's treatment model and best practices at other clinics in locations with a higher population density of veterans and first responders. The resulting treatments are expected to combine the efficacy of multidisciplinary pain management and physical therapy with the Company's ketamine-assisted mental health approaches and psychedelic medicines. As consideration for the transaction, the Company issued 602,410 Common Shares (the "Consideration Shares") at a price of $1.66 per Common Share. The Consideration Shares are subject to a lockup period that is 18 months in length, with 5% percent of the Consideration Shares freely tradable on the closing date and 15.83% percent released quarterly over six quarters from the closing date. The Company paid a finder's fee of 42,169 common shares (the "Finder Shares") to an arm's length finder in connection with the closing of the transaction.

On June 17, 2021, the Company provided guidance on several new strategic initiatives on behalf of its wholly-owned contract research organization, KGK. KGK is rapidly being integrated into the Company's mental health platform, accelerating the ability to foster value creation through the Company's clinic portfolio, grow its work with existing third-party clients and establish a leadership position in psychedelic research and clinical trial work. Being at the forefront of psychedelics research strongly position the Company and KGK to generate defendable intellectual property and secure first mover advantages. Further, the Company is pleased to report that KGK has recently been awarded a new clinical trial contract, a research project and has also completed two studies.

On June 18, 2021, the Company announced it has engaged a small number of arm's length service providers to assist with investor relations, media and public awareness:

a) CanaComGroup ("CCG") has been engaged to provide an investor awareness program to engage with the online community and help achieve a better understanding of the Company ("CCG Services") for a period of six months, subject to the terms of the service agreement (the "CCG Agreement") entered into between the Company and CCG. Pursuant to the CCG Agreement, CCG will be paid an up-front cash amount of $50,000 plus Goods and Services Tax ("GST") for the CCG Services to be provided over the six-month term;

b) CFN Enterprises Inc. ("CFN Media") has been engaged to provide investor relations and media services (the "CFN Media Services") for an initial term of three months, subject to the terms of the service agreement (the "CFN Media Agreement") entered into between the Company and CFN Media. Pursuant to the terms of the CFN Media Agreement, CFN Media will be paid an aggregated cash fee of US $27,000 over the three-month term; and

c) Proactive Investors North America Inc. ("Proactive") has been engaged to assist the Company in enhancing its online profile with the global investment community (the "Proactive Services") for a period of thirteen months, subject to the terms of the service agreement (the "Proactive Agreement") executed between the Company and Proactive. Pursuant to the terms of the Proactive Agreement, Proactive will be paid an up-front cash amount of $25,000 plus GST for the Proactive Services to be provided over the 13-month term.

On June 18, 2021, the Company granted an aggregate of 50,000 Stock Options to a director to purchase up to 50,000 Common Shares of the Company at a price of $1.70 per Common Share for a period of five years from the date of grant. 50% of the Stock Options vest six months from the date of grant with the remaining 50% of the Stock Options vesting twelve months after the date of the grant.

On July 7, 2021, the Company appointed Adam Deffett as the Company's interim CEO effective immediately. Mr. Deffett will continue to perform his duties as VP Capital Markets while holding the title of Interim CEO. On the same day, Robert Meister stepped down as CEO, President and Corporate Secretary and also resigned from the Board of Directors to facilitate the Company's pursuit of its new business strategy. The Company has launched a search process to identify appropriate candidates and will ultimately hire a permanent CEO to lead the Company, which it expects to complete in the coming months. As consideration for Mr. Deffett's appointment as Interim CEO, the Company has granted him an aggregate of 200,000 Stock Options to purchase up to 200,000 Common Shares of the Company at a price of $1.55 per Common Share for a period of five years from the date of grant, pursuant to its stock option plan. Fifty per cent of the Stock Options vest four months from the date of grant, with the remaining 50 per cent of the Stock Options vesting 12 months after the date of the grant.

**Significant Acquisitions**

On April 21, 2021, the Company completed its acquisition of all of the issued and outstanding equity of Mindscape. As a result, the Company made a cash payment of US$50,000 and issued 94,292 Common Shares to the sole owner of Mindscape. Mindscape is a clinic in Houston, Texas, offering affordable delivery of concierge IV ketamine therapy for treatment-resistant mood disorders, mental health disorders, and chronic pain conditions.

On May 10, 2021, the Company executed and closed an asset purchase agreement for the acquisition of certain clinical assets as an investment from Canabo Medical Corporation, a wholly-owned subsidiary of Aleafia Health Inc. Pursuant to the asset purchase agreement, the Company issued 7,000,000 Common Shares at a deemed price of $1.50 per Common Share.

On June 3, 2021, the Company closed the acquisition of KGK from Auxly and paid $1,500,000 in cash and issued 6,451,612 Common Shares, with a subsequent amount of $1,000,000 in cash due to be paid six months from closing.

On June 15, 2021, the Company closed the acquisition of IRP and issued 602,410 Consideration Shares. The Consideration Shares are subject to a lockup period that is 18 months in length, with 5% percent of the Consideration Shares freely tradable on the closing date and 15.83% percent released quarterly over six quarters from the closing date. The Company also paid a finder's fee of 42,169 Finder Shares to an arm's length finder in connection with the closing of the transaction.

## DESCRIPTION OF THE BUSINESS

**General**

Prior to the listing on the CSE, the Company was a publicly listed investment issuer on the TSX-V trading under the symbol "AAAA". The Issuer previously sought high return investment opportunities in privately held and publicly traded companies, with a focus on companies active in the high-tech, real estate, cannabis, mining and health & wellness sectors.

The Company is now a company focused on consolidated medical clinics and becoming a North American leader in mental health treatments. It is working to provide the critical infrastructure needed to develop and deliver breakthrough mental health treatments. Currently, the Company has a network of 16 clinics across North America, with plans to further consolidate the highly fragmented industry. The recent addition of KGK as the Company's contract research division also places the Company at the forefront of premium clinical research based on its 23-year history and extensive experience in pharmaceuticals, cannabis, and the emerging psychedelic medicine industries.

The Company's capital structure consists of cash and share capital. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Issuer's management to sustain future development of the business. In order to carry out the planned activities and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements.

**Summary of Operations**

The Company is a next generation wellness company focused on ketamine-assisted therapies and psychedelic medicines. Its vision is to become a North American leader in mental health. The Company operates a growing number of healthcare clinics, thereby helping patients access plant-derived medicines, psychedelics, and other forms of mental healthcare. The Company exists to make breakthrough treatments more accessible and to offer patients transformational experiences.
It's focus it to:

- Build a network of clinics with unrivalled patient experiences;
- Provide research expertise and operations to help drive the industry forward;
- Develop wearable technologies to track specific and vital information for psychedelic therapies.

The Company is developing next generation experiences, centred around the newest breakthroughs in mental health, which include werables, digital therapeutics, post treament care and telemedicine.

Ketamine has been in use since the 1970s as a safe and effective anesthetic around the world and has been on the WHO's Essential Medicine List since 1985. Ketamine is an NMDA receptor antagonist that interacts with some of the brain's neurotransmitters. Ketamine's effects include relieving anxiety and pain relief, and acting as an antidepressant. Under medical supervision, lower doses of ketamine can allow users to relax their mind and allow them to temporarily disengage from their routine thought patterns. When combined with psychotherapy, studies found it can be helpful in reducing anxiety and depression. A 2006 study found a significant improvement in depression in less than 2 hours after a Ketamine infusion and a response rate of 70% after 24 hours[1].

Intravenous ketamine is the most researched method of ketamine administration. While intravenous ketamine has previously been used as an anesthetic, a lower dose of ketamine is typically given for depression. Ketamine can rapidly reduce suicidal ideation (life threatening thoughts and acts) and relieve other serious symptoms of depression. Treatments include: anxiety, severe depression, PTSD, chronic pain and addiction.

Spravato™ is a nasal-spray form of ketamine (esketamine) developed by Jansen Pharmaceuticals and approved by the FDA and Health Canada for treatment-resistant depression and major depressive disorder. Spravato™ must be administered in a certified healthcare setting under supervision of a healthcare provider. A single infusion of esketamine can mitigate the symptoms of suicidal ideation within 2-4 hours[2].

The Company works to actively identify and acquire individual clinics, entire clinic networks, and other facilities with the strong potential to add value to its clinic portfolio. The Company intends to expand the service offering of any acquired medical clinics to offer a broader scope of treatments, including intravenous ketamine treatments, ketamine-assisted psychotherapy and the administration of Spravato (esketamine) nasal spray. The proposed retrofit of the Company's clinics is not expected to affect their existing revenue streams.

KGK is rapidly being integrated into Ketamineone's mental health platform, accelerating the ability to foster value creation through the Company's clinic portfolio, grow its work with existing third party clients, and establish a leadership position in psychedelic research and clinical trial work. Being at the forefront of psychedelics research strongly positions KetamineOne and KGK to generate defendable intellectual property and secure first-mover advantages.

The Company will be utilizing a first-of-its-kind wearable device to track patient vitals before, during, and after psychedelic-assisted therapies. It will be able to build objective data around the patient experience by measuring physical signals and responses is expected to enable the company to refine and adjust clinical processes, while providing great opportunities to advance psychedelic therapy research. The wearables program allows clinicians to customize precise treatment plans by tracking key metrics such as sleep, exercise, heart rate, and mood, whether a patient is at home or in the clinic. Combining wearable devices with software, information and services to empower patients by providing additional tools to help them reach their treatment goals. Incremental cash flow from operations through the sale of wearable devices for patients enrolled in the company ' s clinic based treatment programs.

**Management and Directors**

As of the date hereof, the following individuals represent the principal management of the Company:

- Adam Deffett, interim CEO; and
- Peter Nguyen, CFO and Director.

[1] https://pubmed.ncbi.nlm.nih.gov/16894061/

[2] https://www.uptodate.com/contents/ketamine-and-esketamine-for-treating-unipolar-depression-in-adults-administration-efficacy-and-adverse-effects/abstract/48,56,57

As of the date hereof, the following individuals represent the non-management board directors of the Company:

- James Henning, member of the Audit Committee;
- Natasha Raey, member of the Audit Committee;
- Brendan Purdy, member of the Audit Committee;
- Loreto Grimaldi; and
- Steven Inglefield

## RISK FACTORS

The risks and uncertainties described herein are not the only risks and uncertainties that the Company faces. Additional risks and uncertainties of which management is not currently aware or that management currently believes to be immaterial may also materially adversely affect the Company's business, assets, liabilities, financial condition, results of operations, prospects, cash flows and the value or future trading price of the Common Shares (one or more of the foregoing, a "**Material Adverse Effect**"). The occurrence of any of the possible events and risks described below and elsewhere in this AIF could have a Material Adverse Effect.

This AIF also contains forward-looking statements that involve risks and uncertainties. The Company's actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including the risks described below and elsewhere in this AIF. See "*Cautionary Note Regarding Forward-Looking Statements*".

The Company is exposed in varying degrees to a variety of risks, some of which may be anticipated by the Company and some of which may not be anticipated. The risk factors below detail some, but not all, of the risks that the Company is subjected to.

*COVID-19 Outbreak Risks*

The Company’s business, operations and financial condition could be materially adversely affected by public health crises, including epidemics, pandemics and or other health crises, such as the outbreak of COVID-19. The current COVID-19 global health pandemic is significantly impacting the global economy, including commodity and financial markets. The full extent and impact of the COVID-19 pandemic is unknown and, to date, has included volatility in financial markets, volatility in commodity prices (including precious metals), significant restrictions on travel, temporary business closures, quarantines, and a general reduction in economic and consumer activity, globally, all of which raise concern about a prolonged global recession. In addition, the COVID-19 outbreak may result in operating, supply chain and project development delays which may have material adverse effects on the operations of third parties in which the Company has an interest. Such third party operations may be suspended for precautionary purposes, or due to the imposition of emergency measures or other government action to combat the spread of COVID-19. If the operation or development of one or more third party businesses in which the Company holds an interest is suspended, it may have a material adverse impact on the Company’s results of operations and financial condition, or on the trading price of the Company’s securities.

Additional pandemic-related risks to Company’s business include without limitation, the risk of breach of material contracts, employee health, workforce productivity, limitations on travel, the availability of industry experts and personnel, unknown adverse global public health developments, and other factors beyond the Company's control, any of which may have a material and adverse effect on the Company's business, financial condition, results of operations, and securities.

As at the date of this Listing Statement, the duration of any business disruptions and related financial impact of the COVID-19 outbreak cannot be reasonably estimated. It is unknown whether and how the Issuer may be affected if the COVID-19 outbreak persists for an extended period of time.

*The Market price of the Common Shares may experience significant volatility*

The market price for Common Shares may be subject to general volatility. Factors such as variations in the Company's financial results, announcements by the Company, developments affecting the business and customers, general interest rate levels, the market price of the Common Shares and general market volatility could cause the market price of the Common Shares to fluctuate significantly.

In addition, future sales or the availability for sale of substantial amounts of Common Shares in the public market could adversely affect the prevailing market price of the Common Shares and could impair the Company's ability to raise capital through future sales of its securities.

*Conflicts of interest may arise between the Company and its directors and management*

The directors and officers of the Company will not be devoting all of their time to the affairs of the Company. The directors and officers of the Company are directors and officers of other companies, some of which will be in similar businesses as those of the Company. The directors and officers of the Company are required by law to act in the best interests of the Company. They have the same obligations to the other companies in respect of which they act as directors and officers. Discharge by the directors and officers of their obligations to the Company may result in a breach of their obligations to the other companies, and in certain circumstances this could expose the Company to liability to those companies. Similarly, discharge by the directors and officers of their obligations to the other companies could result in a breach of their obligations to act in the best interests of the Company. Such conflicting legal obligations may expose the Company to liability to others and impair its ability to achieve its business objectives.

*The Company has a limited operating history and a history of net losses, and may not achieve or maintain profitability in the future*

The Company generated a net gain of $1,126,874 and a net loss of $6,578,929 for the years ended July 31, 2020 and 2019. The Company's accumulated deficit as of April 30, 2021 was $8,509,255. The Company intends to continue to expend significant funds to develop its business. As the Company grows, the Company expects the aggregate amount of these expenses will also continue to grow. The Company has no source of operating cash flow and there is no assurance that sufficient funding will be available in the future. Management has the option to raise funds through a combination of equity and/or debt financing, along with a sale of investments. The success of these plans will depend upon the ability of the Company to generate cash flows from its portfolio investments.

The Company's efforts to grow the business may be more costly than expected and the Company may not be able to increase its revenue enough to offset higher operating expenses. The

Company may incur significant losses in the future for a number of reasons, including as a result of unforeseen expenses, difficulties, complications and delays, the other risks described in this document and in the Company's public disclosure record and other unknown events. The amount of future net losses will depend, in part, on the growth of the Company's future expenses and its ability to generate revenue. If the Company continues to incur losses in the future, the net losses and negative cash flows incurred to date, together with any such future losses, will have a material adverse effect on the Company's stockholders' equity and working capital. Even if the Company achieves profitability in the future, it may not be able to sustain profitability in subsequent periods. If the Company is unable to achieve and sustain profitability, the market price of the Common Shares may significantly decrease and the Company's ability to raise capital, expand its business or continue operations may be impaired. A decline in the Company's value may also cause investors to lose all or part of their investment.

*The Company may be unable to attract or retain key personnel with sufficient experience in the mental health industry, and the Company may be unable to attract, develop and retain additional employees required for the Company's development and future success.*

The Company's success is largely dependent on the performance of its board and management team. Qualified individuals are in high demand, and the Company may incur significant costs to attract and retain them. The loss of the services of any key personnel, or an inability to attract other suitably qualified persons when needed, could prevent the Company from executing on its business plan and strategy, and the Company may be unable to find adequate replacements on a timely basis, or at all. The Company does not currently maintain key-person insurance on the lives of any of the Issuer's key personnel.

*The Company may not be able to secure adequate or reliable sources of funding required to operate its business*

The continued development of the Company's business will require additional financing and there is no assurance that the Company will obtain the financing necessary to be able to achieve its business objectives. The Company's ability to obtain additional financing will depend on investor demand, the Company's performance and reputation, market conditions and other factors. The Company's inability to raise such capital could result in the delay or indefinite postponement of the Company's current business or in its inability to continue to carry on its business. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favorable to the Company.

In addition, from time to time, the Company may enter into transactions to acquire assets. The Company's continued growth may be financed, wholly or partially, with debt, which may increase the Company's debt levels. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Company to obtain additional capital and to pursue business opportunities, including potential acquisitions. Debt financings may also contain provisions that, if breached, may entitle lenders or their agents to accelerate repayment of loans or realize upon security over the Company's assets, and there is no assurance that the Company would be able to repay such loans in such an event or prevent the enforcement of security granted pursuant to any such debt financing.

*Fraud by a Target Company*

While the Company makes every effort to verify the accuracy of information provided to it when making a decision on whether to invest or acquire a company, a target company may misrepresent information relating its financial health, operations or compliance with the terms under which the Company makes such a decision. In cases of fraud, it is unlikely that the Company will be able to realize on the benefits it anticipated when acquiring or investing in such company, which could have a Material Adverse Effect.

*Lack of Control or significant influence over Companies in which the Company Invests*

In certain cases, the Company invests or may invest in securities of companies that the Company does not control or influence. These investments will be subject to the risk that the company in which the investment is made may make business, financial or management decisions with which the Company does not agree or that the majority stakeholders or management of the company may take risks or otherwise act in a manner that does not serve the Company's interests. If any of the foregoing were to occur, the values of investments by the Company could decrease and the Company's financial condition and cash flow could suffer as a result.

*Due Diligence*

The due diligence process that the Company undertakes in connection with acquisitions may not reveal all facts that may be relevant in connection therewith. Before making acquisitions, the Company conducts due diligence that it deems reasonable and appropriate based on the facts and circumstances applicable to each transaction. When conducting due diligence, the Company may be required to evaluate important and complex business, financial, tax, accounting, environmental and legal issues. Outside consultants, legal advisors, accountants and investment banks may be involved in the due diligence process to varying degrees depending on the type of investment. Nevertheless, when conducting due diligence and making an assessment regarding an acquisition, the Company relies on the resources available to it, including information provided by the target of the acquisition and, in some circumstances, third-party investigations. The due diligence investigations that the Company carries out with respect to acquisitions may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such acquisition opportunities. Moreover, such an investigation will not necessarily result in the acquisition being successful. Any of the foregoing could have a Material Adverse Effect.

*Risk Management Efforts May Not Be Effective*

The Company could incur substantial losses and its business operations could be disrupted if the Company is unable to effectively identify, manage, monitor and mitigate financial risks, such as credit risk, interest rate risk, liquidity risk, and other market-related risk, as well as operational risks related to the Company's business, assets and liabilities. To the extent that the Company's models used to assess the creditworthiness of potential acquisition targets do not adequately identify potential risks, this could result in higher risk than anticipated. The Company's risk management policies, procedures and techniques, may not be sufficient to identify all of the risks that the Company is exposed to, mitigate the risks that are identified or identify concentrations of risk or additional risks to which the Company may become subject in the future.

*Reliance on Data from Third Parties*

The Company's ability to review and select potential acquisition targets depends on, among other things, credit, identification and other relevant information that the Company receives from third parties, including credit bureaus. If this information becomes unavailable or becomes more expensive to access, it could increase the Company's costs as it seeks alternative sources of information. If this third party data is incorrect, the Company's ability to identify potential acquisition targets may suffer and the Company's business may be harmed. Other competitors to the Company may also have access to the same or additional data on potential acquisition targets and as a result, the Company may face competition in acquiring the interests it acquires in acquisition targets.

*Tax and accounting requirements may change in ways that are unforeseen to the Company and the Company may face difficulty or be unable to implement or comply with any such changes*

The Company is subject to numerous tax and accounting requirements, and changes in existing accounting or taxation rules or practices, or varying interpretations of current rules or practices, could have a significant adverse effect on the Company's financial results, or the manner in which the Company conducts its business. The Company currently has international operations and plans to expand such operations in the future. These operations, and any expansion thereto, will require the Company to comply with the tax laws and regulations of multiple jurisdictions, which may vary substantially. Complying with the tax laws of these jurisdictions can be time consuming and expensive and could potentially subject the Company to penalties and fees in the future if the Company were to fail to comply.

*The Company may not be able to successfully identify and execute future transactions or to successfully manage the impacts of such transactions on the Company's operations.*

Material acquisitions, dispositions and other strategic transactions involve a number of risks, including: (i) the potential disruption of the Company's ongoing business; (ii) the distraction of management away from the ongoing oversight of the Company's existing business activities; (iii) incurring additional indebtedness; (iv) the anticipated benefits and cost savings of those transactions not being realized fully, or at all, or taking longer to realize than anticipated; (v) an increase in the scope and complexity of the Company's operations; and (vi) the loss or reduction of control over certain of the Company's assets.

The existence of one or more material liabilities of a company that are unknown to the Company at the time of acquisition could result in the Company incurring the liabilities under the acquisition, or not realizing the expected benefits of such acquisition. A strategic transaction may result in a significant change in the nature of the Company's business, operations and strategy, and the Company may encounter unforeseen obstacles or costs in implementing a strategic transaction or integrating any acquired business into its operations.

*The Company incurs increased costs as a result of operating as a public company and the Company's management will be required to devote substantial time to compliance*.

The Company is a public company and incurs significant legal, accounting and other expenses. In addition, securities laws and regulations and stock exchanges rules and polices impose various requirements on public companies, including requirements to file annual, quarterly and event-driven reports with respect to the Company's business and financial condition and operations and to establish and maintain effective disclosure and financial controls and corporate governance practices. The Company's management and other personnel have limited experience operating a public company, which may result in operational inefficiencies or errors, or a failure to improve or maintain effective internal controls over financial reporting and disclosure controls and procedures necessary to ensure timely and accurate reporting of operational and financial results. The Company's existing management team will need to devote a substantial amount of time to these matters, and may need to hire additional personnel to assist the Company with complying with these requirements. Moreover, these rules and regulations will increase the Company's legal and financial compliance costs and will make some activities more time consuming and costly.

In addition, changing laws, regulations and standards relating to corporate governance and public disclosure are creating uncertainty for public companies, increasing legal and financial compliance costs and making some public company required activities more time consuming. These laws, regulations and standards are subject to varying interpretations, in many cases due to their lack of specificity and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. The Company intends to acquire assets and comply with evolving laws, regulations and standards, and this acquisition may result in increased general and administrative expenses and divert management's time and attention from revenue generating activities to compliance activities. If the Company's efforts to comply with new laws, regulations and standards differ from the activities intended by regulatory or governing bodies, regulatory authorities may initiate legal proceedings against the Company and its business may be harmed.

Being a public company and complying with applicable rules and regulations will make it more expensive for the Company to obtain director and officer liability insurance, and the Company will incur substantially higher costs to obtain coverage. These factors could also make it more difficult for the Company to attract and retain qualified executive officers and board members.

*Management may not be able to successfully implement adequate internal controls over financial reporting.*

Proper internal control systems and disclosure are critical to the operation of a public company. However, the Company does not expect that its internal controls will prevent all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Further, the design of a control system must reflect the fact that there are resource constraints and the benefits of such controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. Due to the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and may not be detected in a timely manner or at all. If the Company cannot provide reliable financial reports or prevent fraud, the Company's reputation and operating results could be materially adversely affected, which could cause investors to lose confidence in the Company and its reported financial information, which in turn could result in a reduction in the value of the Common Shares.

*Tax Issues*

Income tax consequences in relation to the Common Shares will vary according to the circumstances of each investor. Prospective investors should seek independent advice from their own tax and legal advisors.

*Dividends*

The Company has not paid any dividends on its outstanding Common Shares. Any payments of dividends on the Common Shares will be dependent upon the financial requirements of the Company to finance future growth, the financial condition of the Company and other factors which the Company's Board of Directors may consider appropriate in the circumstance. It is unlikely that the Company will pay dividends in the immediate or foreseeable future

*Conflicts of Interest*

Certain of the directors and officers of the Company are also directors and officers of other companies involved in the mental health industry and conflicts of interest may arise between their duties as officers and directors of the Company and as officers and directors of such other companies.

*Political and Economic Instability*

The Company may be affected by possible political or economic instability. The risks include, but are not limited to, terrorism, military repression, extreme fluctuations in currency exchange rates and high rates of inflation. Changes in medicine and agriculture development or shifts in political attitude in certain countries may adversely affect the Company's business. Operations may be affected in varying degrees by government regulations with respect to restrictions on production, distribution, price controls, export controls, income taxes, expropriation of property, maintenance of assets, environmental legislation, land use, land claims of local people and water use. The effect of these factors cannot be accurately predicted.

*Limited Operating History*

The Company has limited operating history. The Company and its business prospects must be viewed against the background of the risks, expenses and problems frequently encountered by companies in the early stages of their development, particularly companies in new and rapidly evolving markets. There is no certainty that the Company will be able to operate profitably.

*Need to Manage Growth*

The Company could experience rapid growth in revenues, personnel, complexity of administration and in other areas. There can be no assurance that the Company will be able to manage the impact that growth could place on the Company's administrative infrastructure, systems and controls. If the Company is unable to manage future growth effectively, the Company's business, operations and operating results and financial condition may be materially adversely affected.

*Minority Shareholder Risk*

Insiders of the Company own approximately <1% of the Company's outstanding Common Shares. Accordingly, insiders of the Company will likely be able to exercise effective control over all matters requiring the approval of the Common Shareholders, including the election of directors and significant corporate transactions.

*Regulatory Risks*

The business and activities of the Company will be heavily regulated in all jurisdictions where it will carry on business. The proposed activities of the Company will be subject to various laws, regulations and guidelines by governmental authorities, including, but not limited to, the FDA. Laws and regulations, applied generally, grant government agencies and self-regulatory bodies broad administrative discretion over the activities of the Company, including the power to limit or restrict business activities as well as impose additional disclosure requirements on the Company's products and services. The Company's business objectives are contingent upon, in part, compliance with regulatory requirements enacted by these governmental authorities and obtaining all regulatory approvals, where necessary, for the provision of its services. The Company cannot predict the impact of the compliance regime that is implemented for the United States psychedelics industry. Any delays in obtaining, or failure to obtain regulatory approvals would significantly delay the development of markets and products and could have a material adverse effect on the business, results of operations and financial condition of the Company. Although the operations of the Company are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail the Company's ability to conduct business in the jurisdictions and industries in which it currently operates or intends to operate. Amendments to current laws and regulations governing the Company's current and/or intended operations, more stringent implementation thereof or other unanticipated events could have a material adverse impact on the business, financial condition and operating results of the Company.

*Permits and Licenses*

The Company believes it currently has all permits and licences that are necessary to carry on its business. It may require additional licences or permits in the future and there can be no assurance that we will be able to obtain all such additional licences and permits. In addition, there can be no assurance that any existing licences and permits will be renewable if and when required or that such existing licences and permits will not be revoked.

*Changes in Laws, Regulations and Guidelines*

The Company's operations will be subject to various laws, regulations, guidelines and licensing requirements in the United States, Canada and potentially other jurisdictions. Although the Company is expected to comply with all such laws, any changes to such laws, regulations, guidelines and policies due to matters beyond the control of the Company could have a material adverse effect on the Company's business, results of operations and financial condition.

*General Healthcare Regulations*

Healthcare service providers in the United States are subject to various government regulations and licensing requirements and, as a result, the Company's businesses operate in an environment in which government regulations and funding play a key role. The level of government funding directly reflects government policy related to healthcare spending, and decisions can be made regarding such funding that are largely beyond the business' control. Any change in governmental regulation, delisting of services, and licensing requirements relating to healthcare services, or their interpretation and application, could adversely affect the business, financial condition and results of operations of the business. In addition, the Company could incur significant costs in the course of complying with any changes in the regulatory regime. Non-compliance with any existing or proposed laws or regulations could result in audits, civil or regulatory proceedings, fines, penalties, injunctions, recalls or seizures, any of which could adversely affect the reputation, operations, or financial performance of the Company.

*Reliance on Physicians and other Healthcare Professionals*

The Company relies heavily on the availability of physicians and other healthcare professionals to provide services at its facilities. If physicians and other healthcare professionals were unable or unwilling to provide these services in the future, this would cause interruptions in the Company's business until these services are replaced. As such, vacancies and disabilities relating to the Company's current medical staff may cause interruptions in the Company's business and result in lower revenues. As the Company expands its operations, it may encounter difficulty in securing the necessary professional medical and skilled support staff to support its expanding operations. There is currently a shortage of certain medical physicians in the United States and this may affect the Company's ability to hire physicians and other healthcare practitioners in adequate numbers to support its growth plans, which may adversely affect the business, financial condition and results of operations.

*Confidentiality of Personal and Health Information*

The Company and its employees and consultants have access, in the course of their duties, to the personal information of clients of the Company and specifically their medical histories. The Company's operations located in the United States are subject to HIPAA and other privacy regulations. HIPAA contains standards relating to the transmission, privacy and security of health information by healthcare providers and healthcare plans. The Health Information Technology for Economic and Clinical Health Act ("HITECH Act"), passed as part of the American Recovery and Reinvestment Act of 2009, represented a significant expansion of the HIPAA privacy and security laws. HIPAA generally does not preempt state law. Therefore, because many states have privacy laws that provide more stringent privacy protections than those imposed by HIPAA, the Company must address privacy issues under those state laws as well. In addition to HIPAA and the HITECH Act, the Company is also subject to federal laws and regulations governing patient records involving substance abuse treatment, as well as other federal privacy laws and regulations. There can be no assurance that the Company's existing policies, procedures and systems will be sufficient to address the privacy concerns of existing and future clients whether or not such a breach of privacy were to have occurred as a result of the Company's employees or arm's length third parties. If a client's privacy is violated, or if the Company is found to have violated any law or regulation, it could be liable for damages or for criminal fines and/or penalties.

*Business Exposure to New Clinical Modalities*

The use of psychedelics in the treatment of medical conditions is relatively new. The Company currently uses ketamine, off-label, in specific mental health treatment protocols. In the future, as new psychedelics are approved for use, the Company also intends to incorporate them into its practices. However, no assurance can be given that such new psychedelics will become available for use, and no assurance can be given that the Company will be successful in the long term in building its business through new clinical modalities.

*Risks Associated with the Regulated Psychedelics Industry*

The Company's business activities rely on newly established and/or developing laws and regulations, relating to the regulated psychedelics industry. These laws and regulations are rapidly evolving and subject to change with minimal notice. The psychedelics industry may come under the scrutiny or further scrutiny of the FDA or the NEO. It is impossible to determine the extent of the impact of any new laws, regulations or initiatives that may be proposed, or whether any proposals will become law. The regulatory uncertainty surrounding the Company's industry may adversely affect the business and operations of the Company, including without limitation, the costs to remain compliant with applicable laws and the impairment of its ability to raise additional capital, which could reduce, delay or eliminate any return on investment in the Company. The Company proposes to (i) develop psychedelic-assisted psychotherapy protocols, and (ii) expand its network of mental health clinics. Psychedelic-assisted therapy is a new and emerging industry with substantial existing regulations and uncertainty as to future regulations. There is no assurance the Company will be able to derive meaningful revenue from its investment in psychedelic therapy development, or to pursue that business to the extent currently proposed. In addition, there would be no assurance that the psychedelic market and industry would continue to exist and grow as anticipated or function and evolve in a manner consistent with management's expectations and assumptions. Any event or circumstance that adversely affects the psychedelic industry and market could have a material adverse effect on the Company's business, financial conditions and results of operations.

*Unfavourable Publicity or Consumer Perception Towards Psychedelics*

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 psychedelics industry. 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-assisted psychotherapy business.

*Supply Risk*

We require commercial scale and quality manufactured pharmaceutical drugs such as ketamine to be available for clinical use. If we do not have a commercial-grade drug supply when needed, we may need to delay patient treatments, and our business operations could suffer significant harm. If we are subject to quality, cost or delivery issues with the preclinical and clinical-grade materials supplied by contract manufacturers or if we do not have commercial drug supply available when needed for clinical trials, our regulatory and commercial progress may be delayed, and we may incur increased product development costs. This may have a material adverse effect on our business, financial condition and prospects, and may delay marketing of the product.

## DIVIDENDS AND DISTRIBUTIONS

Although the Board of Directors is permitted to declare dividends on the Common Shares from time to time out of available funds, it is the current policy of the Board of Directors to reinvest any profits in the development and advancement of the Company's business. No dividends have been declared on the Common Shares in the three most recently completed financial years.

## DESCRIPTION OF CAPITAL STRUCTURE

### General Description of Capital Structure

The authorized capital of the Company consists of an unlimited number of Common Shares.

As of the date of this AIF, the Company has the following securities outstanding:

| Type of Securities | Number of Securities | Exercise Price ($) | Expiry Date |
|---|---|---|---|
| Common Shares | 119,014,018 | N/A | N/A |
| Warrants | 45,399,994 | 0.20 | January 11, 2026 |

| Type of Securities | Number of Securities | Exercise Price ($) | Expiry Date |
|---|---|---|---|
| Stock Options | 2,650,000 | 0.89 | March 22, 2026 |
| Stock Options | 375,000 | 1.30 | April 1, 2026 |
| Stock Options | 1,950,000 | 1.70 | May 26, 2026 |
| Stock Options | 225,000 | 1.75 | June 4, 2026 |
| Stock Options | 100,000 | 1.87 | June 7, 2026 |
| Stock Options | 50,000 | 1.70 | June 18, 2026 |
| Stock Options | 200,000 | 1.55 | July 7, 2026 |

*Common Shares*

The holders of Common Shares are entitled to receive notice of and to attend and vote at all meetings of the Common Shareholders of the Company and each Common Share confers the right to one vote in person or by proxy at all meetings of the Common Shareholders of the Company. The holders of the Common Shares are entitled to receive such dividends in any financial year as the Board of Directors may by resolution determine. In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, the holders of the Common Shares are entitled to receive the remaining property and assets of the Company. The Common Shares do not carry any pre-emptive rights, conversion or exchange rights, or redemption, retraction, purchase for cancellation or surrender rights. The Articles of the Company do not have any sinking or purchase fund provisions and do not have provisions permitting or restricting the issuance of additional securities and any other material restrictions. The Articles of the Company also do not have any provisions requiring a securityholder to contribute additional capital.

### Constraints

The Company does not have any constraints imposed on the ownership of its securities to ensure that the Company has a required level of Canadian ownership.

### Ratings

The Company does not have any ratings for its securities from a rating organization.

## MARKET FOR SECURITIES

### Trading Price and Volume

The Common Shares are currently listed for trading on the NEO under the trading symbol “MEDI”. The following chart sets out the high and low trading prices and volume of Common Shares traded for the year ended July 31, 2020 and subsequently.

| Month / Year | High $ | Low $ | Volume |
|---|---|---|---|
| July 1 – 16, 2021 | 1.63 | 1.40 | 204,765 |
| June 2021 | 1.93 | 1.20 | 428,442 |
| May 2021 | 2.06 | 1.35 | 271,674 |
| April 2021 | 1.89 | 1.20 | 747,117 |
| March 2021 | 1.32 | 0.46 | 1,538,367 |
| February 2021 | 1.00 | 0.42 | 6,245 |
| January 2021 | 0.70 | 0.275 | 52,839 |
| December 2020 | 0.85 | 0.20 | 127,938 |
| November 2020 | 0.265 | 0.260 | 7,600 |
| October 2020 | 0.30 | 0.30 | 1,000 |
| September 2020 | 0.32 | 0.30 | 2,000 |
| August 2020 | 0.64 | 0.64 | 500 |
| July 2020 | 0.42 | 0.27 | 21,400 |
| June 2020 | 0.80 | 0.50 | 11,800 |
| May 2020 | 0.80 | 0.25 | 15,420 |
| April 2020 | 1.60 | 0.50 | 7,800 |
| March 2020 | 1.60 | 1.60 | - |
| February 2020 | 1.60 | 1.60 | - |
| January 2020 | 2.50 | 1.60 | 52,000 |
| December 2019 | 5.50 | 2.50 | 500 |
| November 2019 | 5.50 | 5.50 | - |
| October 2019 | 6.80 | 5.50 | 100 |
| September 2019 | 6.90 | 6.80 | 100 |

**Prior Sales**

The following table sets out the securities that are not listed or quoted on a marketplace and were issued by the Company during the financial year ended July 31, 2020 and subsequently:

| Date | Number of Securities | Type of Securities | Exercise Price ($) |
|---|---|---|---|
| January 11, 2021 | 45,399,994 | Warrants | 0.20 |
| March 22, 2021 | 2,650,000 | Stock Options | 0.89 |
| April 1, 2021 | 375,000 | Stock Options | 1.30 |
| April 7, 2021 | 16,400 | Common Shares | n/a |

| Date | Number of Securities | Type of Securities | Exercise Price ($) |
|---|---:|---:|---:|
| April 21, 2021 | 94,292 | Common Shares | n/a |
| May 10, 2021 | 7,500,000 | Common Shares | n/a |
| May 26, 2021 | 1,950,000 | Stock Options | 1.70 |
| June 2, 2021 | 7,419,353 | Common Shares | n/a |
| June 4, 2021 | 225,000 | Stock Options | 1.75 |
| June 7, 2021 | 100,000 | Stock Options | 1.87 |
| July 18, 2021 | 50,000 | Stock Options | 1.70 |
| July 7, 2021 | 100,000 | Stock Options | 1.55 |

### Stock Option Plan

The Company's Stock Option Plan was first adopted in 2017 and became a "rolling" stock option plan upon completion of the Company's qualifying transaction on September 7, 2018, whereby the aggregate number of shares reserved for issuance, together with any other shares reserved for issuance under any other plan or agreement of the Company, did not exceed ten (10%) percent of the total number of issued shares (calculated on a non-diluted basis) at the time an option is granted (the "**Old Option Plan**"). The Old Option Plan was approved by the Company's shareholders on December 18, 2018.

At the annual general meeting of the Company's shareholders held on February 26, 2021, the shareholders approved the new stock option plan whereby the aggregate number of shares reserved for issuance, together with any other shares reserved for issuance under any other plan or agreement of the Company, shall not exceed twenty (20%) percent of the total number of issued shares.

## ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

In connection with the former listing of the Company's Common Shares on the TSX-V, principals of the Company entered into an escrow agreement dated September 14, 2017 (the "**Escrow Agreement**") pursuant to the requirements of National Policy 46-201 – *Escrow for Initial Public Offerings* ("**NP 46-201**"). Escrow releases are scheduled at periods specified in NP 46-201 for merging issuers, that is, 10% were released the listing date (September 7, 2018) followed by six subsequent releases of 15% every six months thereafter. The form of the escrow agreement is provided in NP 46-201 and a copy of the Escrow Agreement is available under the Company's profile on SEDAR at www.sedar.com.

On April 16, 2019, 180,000 shares held in escrow were cancelled. As at the date of this AIF, there were 180,000 shares held in escrow remaining. The table below includes the details of escrowed securities that are held by principals of the Company as at the date of this AIF:

| Name of Securityholder | Designation of Class Held in Escrow | Number of Securities Held in Escrow | Percentage of Class [(1)] |
|---|---|---|---|
| Kwang Meng Alvin Tan[(2)] | Common Shares | 180,000 | <1% |

**Notes:**
(1) The total issued and outstanding Common Shares is 119,014,018 on an undiluted basis.
(2) Kwang Meng Alvin Tan served as a Director of the Company from September 7, 2018 to May 27, 2020.

## DIRECTORS AND OFFICERS

### Name, Occupation and Security Holding

The following table sets forth for each of the directors and officers of the Company, their name, province/state and country of residence; their principal occupations or employment; a brief biographical description; the date on which they became directors of the Company; their independence; their memberships with the applicable committees of the Company as of the date of this AIF.

| Name of Director / Officer | Common Shares Beneficially Owned, Directly or Indirectly, or Controlled or Directed [(1)] | Number of Stock Options Held [(1)] |
|---|---|---|
| **Adam Deffett** | | |
| Ontario, Canada<br>Interim CEO since July 7, 2021 | 16,400 | 350,000 |
| | Principal Occupation for the past five years: Mr. Deffett is a senior capital markets professional with over 15 years of experience in the Canadian equity markets. Mr. Deffett began his career at RBC Capital Markets and has held senior positions in both sales and trading at various Canadian banks and independent dealers. Mr. Deffett is a CFA Charterholder. | |
| **Peter Nguyen** | | |
| *British Columbia, Canada*<br>Director since July 16, 2019 and CFO since May 26, 2020 (not-independent) | Nil | 50,000 |
| | Principal Occupation for the past five years: Mr. Nguyen is a Chartered Accountant with more than 10 years' in various financial reporting and business strategy positions. Mr. Nguyen currently is the Director of Finance at Pashleth Merchant Capital since May 2018. | |
| **James Henning** | | |
| *British Columbia, Canada*<br>Independent director and member of the Audit Committee since May 26, 2020 | Nil | 50,000 |
| | Principal Occupation for the past five years: Mr. Henning is a Chartered Accountant and founder and President of Corpfinance Advisors Inc. since 1984. | |

| Name of Director / Officer | Common Shares Beneficially Owned, Directly or Indirectly, or Controlled or Directed (1) | Number of Stock Options Held (1) |
|---|---|---|
| **Natasha Raey** | | |
| *British Columbia, Canada*<br>Independent director and member of the Audit Committee since September 18, 2020 | 200 | 50,000 |
| | Principal Occupation for the past five years: Ms. Raey currently is a Project Manager at Ridge Meadows Division of Family Practice since November 2020 and previously was the CEO of Cadence Health Centre from January 2016 to November 2020. | |
| **Brendan Purdy** | | |
| *Ontario, Canada*<br>Independent director and member of the Audit Committee since January 7, 2021 | Nil | 50,000 |
| | Principal Occupation for the past five years: Corporate Secretary and director of Global Blockchain Technologies Corp.; CEO and President of Element 79 Capital Inc.; former CEO and director of Enforcer Gold Corp.; director of each of Supreme Metals Corp. and ZTest Electronics Inc.; former director, CEO and Chairman of High Hampton Holdings Corp. (CSE:HC) from November 2016 to December 2017; CEO and director of Seaway Energy Services from April, 2016 to October 2016; a director of Greenock Resources Inc. from October 2015 to February, 2016. | |
| **Loreto Grimaldi** | | |
| *Ontario, Canada*<br>Independent director since June 11, 2021 | Nil | 50,000 |
| | Principal Occupation for the past five years: He is currently Chief Operating and Legal Officer of Tricor Automotive Group Inc., a finance and insurance business in the auto sector. He is also the Co-Founder of Fleets Coffee, a disruptive global food tech business. Most recently, Loreto was SVP General Counsel and Corporate Secretary of ECN Capital Corp., a publicly-traded North American specialty finance business. Prior roles include: EVP Chief Legal Officer and Secretary of Progressive Waste Solutions, now Waste Connections Inc. (WCN:TO), one of North America's largest waste management and recycling operators; COO General Counsel and Secretary of MedAvail Technologies Inc. (MDVL:NASD), a disruptive North American healthcare technology business; and Vice President and Associate General Counsel of Symcor Inc., a North American technology services provider owned by three of Canada's largest banks. | |
| **Steven Inglefield** | | |
| *British Columbia, Canada*<br>Independent director since June 21, 2021 | Nil | Nil |
| | Principal Occupation for the past five years: He is currently the Chief Executive Officer of Integrated Rehab and Performance Ltd, a company exclusively catering to the rehabilitation of military veterans, active | |

| Name of Director / Officer | Common Shares Beneficially Owned, Directly or Indirectly, or Controlled or Directed (1) | Number of Stock Options Held (1) |
|---|---|---|
| | Canadian Armed Forces and first responders. Mr Inglefield is also the Chief Operating Officer of Angela Cote Inc - a successful franchise consulting company focused on improving the performance of North American franchise systems, boasting a portfolio that includes, but is not limited to, health and wellness, professional services, food and beverage, commodities and home service. | |

**Notes:**

(1) The number of Common Shares beneficially owned, controlled or directed, directly or indirectly, by the above directors and officers is based on information furnished by the directors and officers themselves and from the insider reports available at www.sedi.ca.

**Common Share Ownership**

As of the date hereof, the directors and senior officers of KetamineOne as a group beneficially own, directly or indirectly, or over which control or direction is exercised, 200 of the issued and outstanding Common Shares, representing <1% of the total votes attaching to all of the outstanding voting securities of KetamineOne on a non-diluted basis (or 750,000 Common Shares representing approximately 0.63% of the total outstanding voting securities of KetamineOne on a partially diluted basis, assuming exercise of the Stock Options held by the directors and senior officers).

**Board of Directors Committees**

The Board of Directors has one standing committee which is the Audit Committee.

The Audit Committee's Charter

The Audit Committee has a charter. A copy of the Audit Committee charter is attached hereto as Schedule "A".

Composition of the Audit Committee

The current members of the Audit Committee are James Henning (Chair), Natasha Raey and Brendan Purdy. All members of the Audit Committee are considered to be financially literate. Messrs. Henning and Purdy and Ms. Raey are not executive officers of the Company and, therefore, are independent members of the Audit Committee. A member of the Audit Committee is independent if the member has no direct or indirect material relationship with the Company. A material relationship means a relationship which could, in the view of the Board of Directors, reasonably interfere with the exercise of a member's independent judgement.

A member of the Audit Committee is considered financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company.

Relevant Education and Experience

The following describes the education and experience of each member of the Audit Committee that is relevant to the performance of his responsibilities as an Audit Committee member:

*James Henning* - Mr. James Henning is a Chartered Accountant and the founder and president of Corpfinance Advisors Inc. since 1984. Mr. Henning has solid expertise and practical experience in valuating businesses in a broad range of industries. He has assisted companies in financing, public offerings and restructuring. Areas of expertise include retail cannabis, manufacturing, telecommunications, software, biomedical, oil and gas services, and renewable energy industries. Mr. Henning has served as a CFO and director for a number of TSX Venture Exchange and Canadian Securities Exchange listed companies over the past several years.

*Natasha Raey* – Ms. Natasha Raey is a serial entrepreneur and consultant whose current work is focused on the healthcare, cannabis, and wellness industries. Ms. Raey has managed the planning and development of large scale health centres in both Vancouver and Toronto. In 2019, Ms. Raey founded Bloom & Elix, an enterprise developing wellness and brain health supplements for women. She also serves as an independent business, marketing and public relations consultant for a number of social enterprises, public institutions and non-government organizations. Ms. Raey holds a Masters of Health Administration from The University of British Columbia, and BSc Molecular Biology and Biochemistry (Honors) from Simon Fraser University.

*Brendan Purdy* – Mr. Brendan Purdy is a practicing securities lawyer focused on the resource, life sciences, and technology sectors. In his private practice, he has developed extensive experience with respect to public companies, capital markets, mergers and acquisitions, and other transactions fundamental to the Canadian junior equity markets. Prior to receiving his J.D. from the University of Ottawa, Mr. Purdy completed a Bachelor of Management and Organizational Studies degree from the University of Western Ontario, majoring in finance and administration.

Each member of the Company's Audit Committee has adequate education and experience that is relevant to their performance as an Audit Committee member and, in particular, the requisite education and experience that have provided the member with:

(a) an understanding of the accounting principles used by the Company to prepare its financial statements and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;

(b) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements or experience actively supervising individuals engaged in such activities; and

(c) an understanding of internal controls and procedures for financial reporting.

Audit Committee Oversight

The Audit Committee has not made any recommendations to the Board of Directors to nominate or compensate any external auditor.

Reliance on Certain Exemptions

The Company's auditors, Dale Matheson Carr-Hilton LaBonte LLP, Chartered Professional Accountants, have not provided any material non-audit services.

Pre-Approval Policies and Procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services.

External Auditor Service Fees

The Audit Committee has reviewed the nature and amount of the non-audited services provided by Dale Matheson Carr-Hilton LaBonte LLP to the Company to ensure auditor independence. The following table outlines the fees incurred by Dale Matheson Carr-Hilton LaBonte LLP for audit and non-audit services in the last two financial years:

| **Nature of Services** | **Fees paid to Auditor in YE July 31, 2020** | **Fees paid to Auditor in YE July 31, 2019** |
|---|---|---|
| Audit Fees | $20,000 | $23,000 |
| Audit-Related Fees | $3,500 | $Nil |
| Tax Fees | $1,500 | $945 |
| All other Fees | $244 | $6,126 |
| **TOTAL** | $25,244 | **$7,071** |

**Notes:**

(1) "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of the Company's consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.

(2) "Audit-Related Fees" include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.

(3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.

(4) "All Other Fees" include all other non-audit services.

**Cease Trade Orders, Bankruptcies, Penalties or Sanctions**

To the knowledge of the Company, no director or executive officer of the Company is, as at the date of this AIF, or was within 10 years before the date of this AIF, a director, chief executive officer or chief financial officer of any company (including the Company), that:

(a) was subject to an order that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer, or

(b) was subject to an order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer, other than:

Brendan Purdy was an independent director of Boomerang Oil, Inc. ("Boomerang") when cease trade orders were issued by the BCSC and ASC in 2015 due to Boomerang failing to file its annual audited financial statements for the fiscal year ended September 30, 2014, and its MD&A relating thereto, as required under Part 5 of National Instrument 51-102 – *Continuous Disclosure Obligations*. Boomerang continues to be subject to renewed cease trade orders.

For the purposes of subsection (a), "order" means: (i) a cease trade order, (ii) an order similar to a cease trade order; or (iii) an order that denied the relevant company access to any exemption under securities legislation, which was in effect for more than 30 consecutive days.

To the knowledge of the Company, no director or executive officer of the Company, or a Common Shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company:

(a) is, as at the date of this AIF, or has been within the 10 years before the date of this AIF, a director or executive officer of any company (including the Company) that, while that person was acting in the that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; has, within the 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or Common Shareholder;

(b) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(c) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

**Conflicts of Interest**

The directors are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interests that they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the Board of Directors, any director in a conflict will disclose his interest and abstain from voting on such matter.

To the best of the Company's knowledge, there are no known existing or potential conflicts of interest among the Company, its promoters, directors and officers or other members of management of the Company or of any proposed promoter, director, officer or other member of management as a result of their outside business interests, except that certain of the directors and officers serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to the Company and their duties as a director or officer of such other companies. All related party transactions during each reporting period are detailed in the Company's MD&A for the fiscal year ended July 31, 2020 and the Company's MD&A for the nine-month period ended April 30, 2021

## PROMOTERS

The Company does not have any Promoters.

## LEGAL PROCEEDINGS AND REGULATORY ACTIONS

### Legal Proceedings

As of the date of this AIF, there are no legal proceedings material, and no contemplated legal proceedings known to be material, to the Company or its Subsidiaries, to which the Company or its Subsidiaries is a party or of which any of the Company or its Subsidiaries property is the subject matter.

### Regulatory Actions

As of the date of this AIF, the Company has not:

(a) had any penalties or sanctions imposed against it by a court relating to securities legislation or by a securities regulatory authority during the most recently completed financial year;

(b) has any penalties or sanctions imposed against it by a court of regulatory body that would likely be considered important to a reasonable investor in making an investment decision; or

(c) entered into any settlement agreement with a court relating to securities legislation or with a securities regulatory authority during the most recently completed financial year.

## INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as described below, in the three most recently completed financial years or the current financial year, no director, officer, insider or associate or affiliate of any director, officer or insider of the Company had or is expected to have any material interest, direct or indirect in any transactions with the Company that materially affected or would materially affect the Company. All related party transactions are detailed in the Company's MD&A for the fiscal year ended July 31, 2020 and nine-month period ended April 30, 2021.

## TRANSFER AGENT AND REGISTRAR

The Company's transfer agent and registrar is Endeavor Trust Corporation located at 777 Hornby Street, Suite 760, Vancouver, British Columbia V6Z 1S4.

## MATERIAL CONTRACTS

Except for contracts entered into by the Company in the ordinary course of business, the Company does not currently have any material contracts in place.

## INTERESTS OF EXPERTS

Dale Matheson Carr-Hilton LaBonte LLP, Chartered Professional Accountants of 1140 W Pender St #1500-1700, Vancouver, BC V6E 4G1, has performed the audit in respect of the annual financial statements of the Company for the financial year ended July 31, 2020. Dale Matheson Carr-Hilton LaBonte LLP is independent of the Company in accordance with the rules of professional conduct of the Chartered Professional Accountants of British Columbia.

## ADDITIONAL INFORMATION

Financial information about the Company is contained in its comparative financial statements and MD&A for the fiscal years ended July 31, 2020 and 2019, the MD&A for the nine-month period ended April 30, 2021, and additional information relating to the Company is available on SEDAR, under the Company's profile, at www.sedar.com.

Additional information, including particulars of directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans, where applicable, is contained in the management information circular dated January 25, 2021.

## SCHEDULE "A"

## Audit Committee Charter

## SCHEDULE “A”

## AUDIT COMMITTEE CHARTER

**Mandate**

The primary function of the audit committee (“**Committee**”) is to assist the Board of Directors in fulfilling its financial oversight responsibilities by reviewing the following: (a) the financial reports and other financial information provided by the Company to regulatory authorities and shareholders; (b) the Company’s systems of internal controls regarding finance and accounting and the Company’s auditing, accounting; and (c) financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Company’s policies, procedures and practices at all levels. The Committee’s primary duties and responsibilities are to (i) serve as an independent and objective party to monitor the Company’s financial reporting and internal control system and review the Company’s financial statements; (ii) review and appraise the performance of the Company’s external auditors; (iii) provide an open avenue of communication among the Company’s auditors, financial and senior management and the Board of Directors; and (iv) to ensure the highest standards of business conduct and ethics.

**Composition**

The Committee shall be comprised of three directors as determined by the Board of Directors, each of whom shall be free from any relationship that, in the opinion of the Board of Directors, would interfere with the exercise of his or her independent judgment as a member of the Committee.

At least one member of the Committee shall have accounting or related financial management expertise. All members of the Committee are financially literate. For the purposes of the Company’s Charter, the definition of “financially literate” is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Company’s financial statements.

The members of the Committee shall be elected by the Board of Directors at its first meeting following the annual shareholders’ meeting. Unless a chair is elected by the full Board of Directors, the members of the Committee may designate a chair by a majority vote of the full Committee membership.

**Meetings**

The Committee shall meet at least four times annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Committee will meet at least annually management and the external auditors in separate sessions.

Agendas, with input from management, shall be circulated to Committee members and relevant management personnel along with background information on a timely basis prior to the Committee meetings.

The CEO and CFO or their designate shall be available to attend at all meetings of the Committee upon invitation by the Committee.

Any employees as appropriate shall be available to attend and/or to provide information to the Committee upon invitation by the Committee.

**Responsibilities and Duties**

To fulfill its responsibilities and duties, the Committee shall:

<u>Documents/Reports Review</u>

a. Review and update this Charter annually.

b. Review the Company's financial statements, MD&A, any annual and interim earning statements and press releases before the Company publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion or review rendered by the external auditors.

c. Review changes in accounting principles, or in their application, which may have a material impact on the current or future years' financial statements;

d. Review significant accruals, reserves or other estimates such as any calculations of impairment;

e. Review adjustments raised by external auditors, whether or not included in the financial statements;

f. Review disclosure requirements for any commitments and contingencies;

g. Review expenses incurred by the Chairman of the Board and the CEO of the Company. The Committee is to ensure that the CEO reviews and approves all expenses incurred by direct executive reports of the CEO; and

h. Review any other matters required by law, regulation or stock exchange that the Committee feels are important or have been delegated by the Board.

<u>External Auditors</u>

The external auditors are the independent representatives of the shareholders, but the external auditors are also accountable to the Board and the Audit Committee. With respect to the activities of the external auditors, the Committee shall:

a. Review annually the performance of the external auditors who shall be ultimately accountable to the Board of Directors and the Committee as representatives of the shareholders of the Company.

b. Obtain annually a formal written statement of external auditors setting forth all relationships between the external auditors and the Company.

c. Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors.

d. Take or recommend that the full Board of Directors take appropriate action to oversee the independence of the external auditors.

e. Recommend to the Board of Directors the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval.

f. At each meeting, consult with the external auditors, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements.

g. Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company.

h. Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.

i. Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditors. The preapproval requirement is waived with respect to the provision of non-audit services if:

i. the aggregate amount of all such non-audit services provided to the Company constitutes not more than 5% of the total amount of revenues paid by the Company to its external auditors during the fiscal year in which the non-audit services are provided;

ii. such services were not recognized by the Company at the time of the engagement to be non-audit services; and

iii. such services are promptly brought to the attention of the Committee by the Company and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board of Directors to whom authority to grant such approvals has been delegated by the Committee.

Provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval such authority may be delegated by the Committee to one or more independent members of the Committee.

Financial Reporting Processes

a. In consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external.

b. Consider the external auditor's judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.

c. Consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management.

d. Review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments.

e. Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.

f. Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.

g. Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.

h. Review certification process for certificates.

i. Establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

Other

a. Review any related party transactions.

b. Review reports from persons regarding any questionable accounting, internal accounting controls or auditing matters ("Concerns") relating to the Company such that:

i. an individual may confidentially and anonymously submit their Concerns to the Chairman of the Committee in writing, by telephone, or by e-mail;

ii. the Committee reviews as soon as possible all Concerns and addresses same as they deem necessary; and

iii. the Committee retains all records relating to any Concerns reported by an individual for a period the Committee judges to be appropriate.