

**GHP Noetic Science-
Psychedelic Pharma Inc.**
Financial Statements
December 31, 2022

GHP Noetic Science-Psychedelic Pharma Inc.
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To the Shareholders of GHP Noetic Science-Psychedelic Pharma Inc.:

Opinion

We have audited the financial statements of GHP Noetic Science-Psychedelic Pharma Inc. (the "Corporation"), which comprise the statements of financial position as at December 31, 2022 and December 31, 2021, and the statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2022 and December 31, 2021, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

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

In connection with our audits of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Gordon Wright.

Ottawa, Ontario

April 21, 2023

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

GHP Noetic Science-Psychedelic Pharma Inc.
Statements of Financial Position
as at December 31
(in Canadian dollars)

As at	2022	2021
Assets		
Current		
Cash	108,666	86,200
Advance receivable (Note 7)	-	31,112
Short term investments (Note 4)	1,000,000	1,100,000
Total assets	1,108,666	1,217,312
Liabilities		
Current		
Accounts payable and accrued liabilities	14,728	69,692
Total liabilities	14,728	69,692
Shareholders' Equity		
Share capital (Note 6)	1,301,823	1,301,823
Contributed surplus (Note 6)	203,000	150,000
Warrants (Note 6)	-	53,000
Deficit	(410,885)	(357,203)
	1,093,938	1,147,620
	1,108,666	1,217,312

Nature of the Business (Note 1)

Approved on behalf of the Board

[signed] "Paul Barbeau"

Director

[signed] "Warren Wright"

Director

The accompanying notes are an integral part of these financial statements

GHP Noetic Science-Psychedelic Pharma Inc.
Statements of Changes in Shareholders' Equity
(in Canadian dollars)

	Share Capital					
	Common Shares (number)	Amount	Contributed Surplus	Warrants	Deficit	Shareholders' Equity
Balance - January 1, 2021	10,000,000	1,301,823	150,000	53,000	(278,096)	1,226,727
Net loss and comprehensive loss					(79,107)	(79,107)
Balance - December 31, 2021	10,000,000	1,301,823	150,000	53,000	(357,203)	1,147,620
Expiration of agent warrants			53,000	(53,000)		
Net loss and comprehensive loss					(53,682)	(53,682)
Balance - December 31, 2022	\$ 10,000,000	\$ 1,301,823	\$ 203,000	\$ -	\$ (410,885)	\$ 1,093,938

The accompanying notes are an integral part of these financial statements

GHP Noetic Science-Psychedelic Pharma Inc.
Statements of Loss and Comprehensive Loss
For the years ended December 31
(in Canadian dollars)

	2022	2021
Revenue		
Interest income	8,802	7,593
Expenses		
Filing fees	16,559	23,349
Legal and professional fees	30,634	68,460
Office/General administrative expenses (recovery)	15,291	(5,109)
	62,484	86,700
Net loss and comprehensive loss	(53,682)	(79,107)
Loss per share		
Basic and diluted	(0.01)	(0.01)
Weighted average number of common shares	10,000,000	10,000,000

The accompanying notes are an integral part of these financial statements

GHP Noetic Science-Psychedelic Pharma Inc.
Statements of Cash Flows
For the years ended December 31
(in Canadian dollars)

	2022	2021
Cash provided by (used for) the following activities		
Operating activities		
Net loss	(53,682)	(79,107)
Adjusted for the following non-cash items:		
Change in accrued interest	-	3,907
	(53,682)	(75,200)
Changes in working capital accounts		
Advance receivable	31,112	(31,112)
Accounts payable and accrued liabilities	(54,964)	66,099
Cash used for operating activities	(77,534)	(40,213)
Investing Activities		
Purchase of short-term investments	(3,200,000)	(1,100,000)
Redemption of short-term investments	3,300,000	1,200,235
Cash provided by investing activities	100,000	100,235
Increase in cash	22,466	60,022
Cash, beginning of year	86,200	26,178
Cash, end of year	108,666	86,200

The accompanying notes are an integral part of these financial statements

1. NATURE OF THE BUSINESS

GHP Noetic Science-Psychedelic Pharma Inc. (the "Corporation") was incorporated under the Business Corporations Act (Ontario) on March 25, 2020 and is classified as a Capital Pool Company as defined in the Policy 2.4 of the TSX Venture Exchange (the "Exchange") Corporate Finance Manual (the "Manual"). On July 29, 2020, the Corporation completed its initial public offering trading under the symbol PSYF-P.V.

The principal business of the Corporation is the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction (as such term is defined in the Manual) ("QT"). The Corporation has not commenced commercial operations and has no assets other than cash and short term investments. Given the nature of the activities, no separate segmented information is reported. The Corporation's continuing operations, as intended, are dependent on its ability to secure equity financing with which it intends to identify and evaluate potential acquisitions of businesses, and once identified and evaluated, to negotiate an acquisition thereof or participation therein subject to receipt of regulatory and, if required, shareholders' approval.

The proceeds raised from the issuance of share capital may only be used to identify and evaluate assets or businesses for future investment, with the exception that up to \$3,000 per month may be used for reasonable general and administrative expenses of the Corporation. These restrictions apply until completion of a QT by the Corporation.

The head office and the registered head office of the Corporation is located at 18 Lumley Avenue Toronto, ON M4G 2X5 Canada.

On April 21, 2023, the Board of Directors of the Corporation approved the audited financial statements for the year ended December 31, 2022.

Qualifying Transaction

On February 4, 2021, the Corporation announced that it had entered into a non-binding letter of intent dated February 2, 2021 with Diamond Therapeutics Inc. ("Diamond"), as psychedelic drug development Corporation focused on low-dose therapies for mental health. On May 3, 2022, the Corporation announced the termination of this letter of intent between Diamond and the Corporation.

Subsequent to year end, the Corporation entered into a non-binding letter of intent. Refer to Note 8 for more information.

2. BASIS OF PRESENTATION**Statement of compliance**

These financial statements are prepared by the Corporation in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

Basis of measurement

These financial statements have been prepared under the assumption that the Corporation operates as a going concern and have been prepared on an accrual basis and under historical cost except for certain financial instruments measured at fair value. Furthermore, these financial statements are presented in Canadian dollars which is the functional currency of the Corporation. The accounting policies have been applied consistently throughout the entire period presented in these financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

These financial statements at December 31, 2022 have been prepared in accordance with the following accounting policies.

Cash

Cash is comprised of cash in bank that is readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

Financial instruments

Financial assets and financial liabilities are recognized when the Corporation becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.

A financial liability is derecognized when it is extinguished, discharged, cancelled or when it expires.

Financial assets and financial liabilities are measured initially at fair value plus transactions costs, except for financial assets and financial liabilities carried at fair value through profit or loss, which are measured initially at fair value.

Financial assets and financial liabilities are measured subsequently as described below.

Financial assets

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- amortized cost,
- fair value through profit or loss ("FVTPL"); or
- fair value through other comprehensive income ("FVOCI").

The classification is determined by both:

- the Corporation's business model for managing the financial asset; and
- the contractual cash flow characteristics of the financial asset.

The category determines subsequent measurement and whether any resulting income and expense is recognized in profit or loss or in comprehensive income (loss) (all income and expenses relating to financial assets that are recognized in profit or loss are presented within interest income or other financial items).

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)Subsequent measurement of financial assets*Financial assets at amortized cost*

Financial assets are measured at amortized cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category includes non-derivative financial assets like loans and receivables with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Corporation's cash, advances receivable and short-term investments fall into this category of financial assets.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets that are held within a different business model than 'hold to collect' or 'hold to collect and sell', and financial assets the contractual cash flows of which are not solely payments of principal and interest are accounted for at FVTPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply (see below).

Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique, where no active market exists. The Corporation does not have any financial instruments in this category as at December 31, 2022 or December 31, 2021.

Financial assets at fair value through other comprehensive income (FVOCI)

The Corporation accounts for financial assets at FVOCI if the assets meet the following conditions:

- they are held under a business model whose objective it is to hold to collect the associated cash flows and sell; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Any gains or losses recognised in OCI will be recycled upon derecognition of the asset. The Corporation does not have any financial instruments in this category as at December 31, 2022 or December 31, 2021.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)Impairment of financial assets

IFRS 9's impairment requirements use forward-looking information to recognise expected credit losses – the 'expected credit loss' ("ECL") model. The Corporation considers a broad range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions and reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the financial instrument. In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ("Stage 1"); and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ("Stage 2").

"Stage 3" would cover financial assets that have objective evidence of impairment at the reporting date. However, none of the Corporation's financial assets fall into this category.

"12-month expected credit losses" are recognised for the first category while "lifetime expected credit losses" are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Classification and measurement of financial liabilities

The Corporation's financial liabilities include accounts payable and accrued liabilities. Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Corporation designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortized cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

The Corporation's financial liabilities are accounts payable and accrued liabilities which are classified and measured at amortized cost.

Deferred share issuance costs

Deferred share issue costs represent direct costs incurred for the issuance of share capital. Such costs are classified as a reduction of share capital once the shares are issued. If consummation of the equity offering is not probable or the offering is abandoned, such costs are expensed.

Share-based compensation

The Corporation uses the fair value method to record stock options. The fair value of all share purchase options is expensed over their vesting period with a corresponding increase to contributed surplus. Upon exercise of share purchase options, the consideration paid by the option holder, together with the amount previously recognized in contributed surplus, is recorded as an increase to share capital.

The Corporation uses the Black-Scholes option pricing model to calculate the fair value of share purchase options at the date of the grant. Option pricing models require the input of highly subjective assumptions, including the expected price volatility. Changes in these assumptions can materially affect the fair value estimate and, therefore, do not necessarily provide a reliable single measure of the fair value of the Corporation's share purchase options.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Loss per share**

Basic loss per share is computed by dividing the net loss attributable to common shareholders by the weighted average number of shares outstanding during the reporting period.

Diluted loss per share is computed similar to basic loss per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants (if dilutive).

The number of additional shares is calculated by assuming that outstanding dilutive stock options were exercised and the proceeds from such exercise were used to acquire common stock at the average market price during the reporting periods.

For the years ended December 31, 2022 and 2021, the diluted loss per share is equal to the basic loss per share because the effects of warrants and share purchase options (Note 6) is antidilutive as it would decrease the loss per share.

Share capital

The Corporation's common shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Warrants

The Corporation engages in equity financing transactions which may involve the issuance of common shares or share purchase warrants ("Warrants"). Depending upon the terms and conditions of each equity financing agreement, the Warrants are exercisable into additional common shares prior to expiry at a price stipulated by the agreement. Warrants are valued based on their fair value using the Black-Scholes option pricing model and warrants that are issued as payment for an agency fee or other transaction cost may be accounted for as share based payments, depending on the terms of the issuance. The Warrants reserve includes charges related to issuance of warrants until such equity instruments are exercised, expire or are forfeited

Contributed surplus

Contributed surplus includes charges related to share-based compensation until such equity instruments are exercised, as well as expired or forfeited warrants.

Income taxes

Tax expense comprises current and deferred tax. Tax is recognized in the statement of loss and comprehensive loss except to the extent it relates to items recognized directly in equity.

Current tax

Current tax expense is based on the results for the period as adjusted for items that are not taxable or not deductible. Current tax is calculated using tax rates and laws that were enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. Provisions are established where appropriate on the basis of amounts expected to be paid to the tax authorities.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)*Deferred tax*

Deferred taxes are the taxes expected to be payable or recoverable on differences between the carrying amounts of assets in the statement of financial position and their corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences between the carrying amounts of assets and their corresponding tax bases. Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets in a transaction that affects neither the taxable profit nor the accounting profit.

Significant accounting judgments, estimates and assumptions

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of the assets, liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates. The Corporation has identified the following critical accounting policies under which significant judgments, estimates and assumptions are made and where actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

In particular, the Corporation has identified the following areas where significant judgments, estimates, and assumptions are required. Further information on each of these areas and how they impact the various accounting policies are described below and in the relevant notes to the financial statements.

Significant management judgments

The following are significant management judgments in applying the accounting policies of the Corporation and have the most significant effect on the financial statements.

- Taxes

The Corporation recognizes deferred tax assets to the extent that it is probable that future taxable profits will be available to utilize the Corporation's deductible temporary differences which are based on management's judgement on the degree of future taxable profits.

- Financial instruments

The Corporation is required to classify its various financial instruments into certain categories for the financial instruments' initial and subsequent measurement. This classification is based on management's judgement as to the purpose of the financial instrument and to which category is most applicable.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Corporation based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Corporation. Such changes are reflected in the assumptions when they occur.

- Share-based payments and fair value of warrants

Share-based payments and warrants issued are measured at the fair value of the equity instruments at the grant date. Determining the fair value of such share-based awards requires judgment as to the appropriate valuation model and the inputs for the model require assumptions including the rate of forfeiture of options granted, the expected life of the option, the expected volatility of the Corporation's share price, the risk-free interest rate and expected dividends.

4. SHORT-TERM INVESTMENTS

Short-term investments consist of one (2021 – two) cashable in whole or part guaranteed investment certificate ("GIC") in the amount of \$1,000,000 (2021 - \$1,100,000) that matures on October 12, 2023 (2021 – November 4, 2022). The annual interest rate of the prime-linked GIC is automatically adjusted when prime rate changes. As of December 31, 2022, the annual interest rate of the GIC is 4.45% (prime of 6.45% minus 2%).

5. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**Capital Management**

The Corporation's objectives when managing capital are to safeguard the Corporation's ability to continue as a going concern and allow it to identify an appropriate business or asset in order to acquire such a business or asset.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Corporation, is reasonable. The Corporation monitors its share capital as capital. There were no changes in the Corporation's approach to capital management during the year ended December 31, 2022. The Corporation's investment policy is to hold cash in interest bearing bank accounts and investment in guaranteed investment certificates.

The proceeds raised from the issuance of share capital may only be used to identify and evaluate assets or businesses for future investment, with the exception that up to \$3,000 per month may be used for reasonable and general and administrative expenses of the Corporation. These restrictions apply until completion of a QT by the Corporation.

As December 31, 2022 and 2021, the Corporation's financial instruments consist of cash, short-term investments, advances receivable and accounts payable and accrued liabilities. The carrying values of these financial instruments approximate their carrying values due to the relatively short-term maturity of these instruments.

5. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)**Fair value**

Fair value represents the price at which a financial instrument could be exchanged in an orderly market, in an arm's length transaction between knowledgeable and willing parties who are under no compulsion to act. The Corporation classifies the fair value of the financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument.

- Level 1: Fair value measurements are those derived from quoted prices (unadjusted) in the active market for identical assets or liabilities.
- Level 2: Fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (derived from prices).
- Level 3: Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

As at December 31, 2022 and 2021 the Corporation did not have any financial instruments remeasured at fair value. The carrying amount of cash, short-term investments, advances receivable and account payable and accrued liabilities approximates its fair value due to the short-term maturities of these items.

It is management's opinion that the Corporation is not exposed to significant credit, interest, or currency risks arising from these financial instruments except as otherwise disclosed.

Credit risk

Credit risk refers to the potential loss arising from any failure by counterparties to fulfill their obligations, as and when they fall due. It is inherent to the business as potential losses may arise due to the failure of its counterparties to fulfill their obligations on maturity periods or due to adverse market conditions. The Corporation's financial assets exposed to credit risk are primarily composed of cash, short-term investments and advances receivable. Maximum exposure is equal to the carrying values of these assets. The Corporation's cash and short-term investments are held in a Canadian bank. The advances receivable was repaid during the year. The financial assets of the Corporation are neither past due nor impaired as at December 31, 2022 or 2021.

Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they become due. As at December 31, 2022, the Corporation had a cash balance of \$108,666 (2021 - \$86,200) advances receivables of \$Nil (2021 - \$31,112) and short-term investments of \$1,000,000 (2021 - \$1,100,000) to settle current liabilities of \$14,728 (2021 - \$69,692). To the extent that the Corporation believes it has sufficient liquidity to meet its current obligations, the Board of Directors may consider securing additional funds through equity or partnering transactions to finance future operations. All the Corporation's financial liabilities are normally paid within 30 days and are subject to normal trade terms. The Corporation has no source of operating cash flow to fund its evaluation potential Qualifying Transaction. Funding for a potential Qualifying Transaction requires equity or debt financing. The Corporation has limited financial resources and there is no assurance that funding will always be available to allow the Corporation to complete a Qualifying Transaction.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and commodity and equity prices. The Corporation is exposed to interest rate risk to the

5. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

extent that the cash and short term investments maintained at the financial institution is subject to a floating rate of interest. The interest rate risks on cash and short term investments and on the Corporation's obligations are not considered significant.

As at December 31, 2022 and 2021, the Corporation did not have any accounts in foreign currencies and was not exposed to foreign currency risk.

6. SHARE CAPITAL**Authorized**

An unlimited number of common shares with no par value.

Issued and outstanding

	Number of Common Shares	Amount \$
Opening Balance, March 25, 2020	-	-
Private Placement – Common Shares	5,000,000	500,000
Initial Public Offering	5,000,000	1,000,000
Share Issuance costs		(198,177)
Ending Balance, December 31, 2020	10,000,000	1,301,823

There were no share capital transactions during the years ended December 31, 2022 or 2021

Private Placement

During the period ended December 31, 2020, the Corporation authorized a private placement of 5,000,000 common shares at a price of \$0.10 per share for gross proceeds of \$500,000. Share issuance costs of \$15,000 were associated with these subscriptions.

Initial Public Offering

On July 29, 2020 the Corporation completed its Initial Public Offering ("IPO"). The IPO offered 5,000,000 Common Shares at a price of \$0.20 per Common Share for gross proceeds of \$1,000,000. The Corporation incurred \$130,177 in cash share issuance costs associated with legal and underwriting fees and the original fair value estimated on grant of the agent warrants totaled \$53,000.

Stock option plan

The Corporation has established a stock option plan available for directors, officers, employees and consultants, and has authorized a stock option pool equal to 10% of the outstanding common shares. The exercise price of each option granted under the plan shall be determined by the Board of Directors. At December 31, 2022, the available option pool was 1,000,000 (2021 - 1,000,000) and outstanding stock options totaled 1,000,000 (2021 - 1,000,000).

GHP Noetic Science-Psychedelic Pharma Inc.

Notes to the Financial Statements

Years ended December 31, 2022 and 2021

6. SHARE CAPITAL (CONTINUED)

Options may be granted for a maximum term of ten years from the date of the grant. They are non-transferable and are exercisable as determined by the Board of Directors when the option is granted. Options expire within 90 days of termination of employment or holding office as director or officer of the Corporation (other than in connection with the completion of the QT – in which case 1 year) and, in the case of death, expire with a maximum period of one year after such death, subject to the expiry date of the option.

Any options granted, and any shares issued upon exercise of options, prior to the Corporation's completion of a QT will be subject to escrow restrictions. In addition to the foregoing, any options with an exercise price less than the offering price per common share in the IPO will be subject to the same escrow release schedule as the common shares issued for a price less than the offering price per common share in the IPO.

A summary of the Corporation's stock options and changes during the periods is presented below:

		2022		2021
	Number of Options	Weighted Average Exercise Price (\$)	Number of Options	Weighted Average Exercise Price (\$)
Outstanding, beginning and end of year	1,000,000	0.20	1,000,000	0.20
Exercisable, beginning and end of year	1,000,000	0.20	1,000,000	0.20

The following table summarizes the options outstanding and exercisable:

For the year ended December 31, 2022				For the year ended December 31, 2021			
Options Outstanding			Options Exercisable	Options Outstanding			Options Exercisable
Exercise Price (\$)	Number Outstanding	Weighted Average Remaining Contractual Life (years)	Number Exercisable	Exercise Price (\$)	Number Outstanding	Weighted Average Remaining Contractual Life (years)	Number Exercisable
\$ 0.20	1,000,000	2.58	1,000,000	\$ 0.20	1,000,000	3.58	1,000,000

The fair value of options granted is determined using the Black-Scholes option pricing model. The underlying expected volatility was determined by reference to historical data of the Corporation's shares over the expected life of the options. There were no stock options issued during the years ended December 31, 2022 and 2021.

6. SHARE CAPITAL (CONTINUED)

Agent warrants

On July 29, 2020, the Corporation granted 500,000 warrants as part of the units sold through their initial public offering. Each warrant is exercisable into one common share of the Corporation at a price of \$0.20 per share and expired on July 29, 2022.

These warrants expired during the year and the fair value of the warrants was reclassified to contributed surplus. As at December 31, 2022 there were no (2021 – 500,000) outstanding warrants

7. KEY MANAGEMENT PERSONNEL AND DIRECTOR COMPENSATION

Key management personnel are those individuals having authority and responsibility for planning, directing and controlling the activities of the Corporation and are defined as the Chief Officers of the Corporation and the Corporation's Board of Directors.

During the year ended December 31, 2022, the amount owing from a Partnership, for which a partner is a shareholder of the Corporation in the amount of \$31,112, was paid in full.

During the year ended December 31, 2022, the Corporation was invoiced \$9,407 (2021 - \$9,351) by a Company controlled by a director and officer for administration services provided. There remains no amount outstanding in accounts payable and accrued liabilities at December 31, 2022 or 2021.

There was no key management compensation incurred for the year ended December 31, 2022 or 2021.

8. SUBSEQUENT EVENT

On February 9, 2023, the Corporation announced that it had entered into a non-binding letter of intent dated February 6, 2023 with Xcyte Digital Corp. ("Xcyte"), a technology company focused on providing services for entities to deliver and enhance their brand in the metaverse. The letter of intent sets out the mutual understanding in regard to the broad terms of the proposed Qualifying Transaction ("Transaction").

The Transaction is expected to proceed by way of a three-cornered amalgamation, pursuant to which Xcyte will merge with a wholly-owned subsidiary of the Corporation formed for the purposes of completing the Transaction, following which the Corporation will change its name to Xcyte Digital Corporation. The final structure of the Transaction will be determined after the parties have considered applicable tax, securities and accounting matters. The Transaction will be subject to, among other items, the execution of a definitive agreement (the "Definitive Agreement") to be negotiated by the parties.

Prior to the closing, the Corporation and Xcyte are expected to undertake a private placement of subscription receipts to raise gross proceeds of up to \$4,000,000.

On March 30, 2023, the Corporation and Xcyte amended the letter of intent to extend the date for which the letter of intent would be considered to be terminated from March 30, 2023 to April 29, 2023.

9. COMPARATIVE FIGURES

Certain prior year comparative figures were reclassified to conform with current year presentation. Bank charges of \$102 were reclassified to be included within Office/General administrative expenses on the statement of loss and comprehensive loss. There was no change to net loss and comprehensive loss for the year ended December 31, 2021.