FORM 7  
  
MONTHLY PROGRESS REPORT

Name of Listed Issuer: *BetterLife Pharma Inc. (the “Company” or the “Issuer”)*

Trading Symbol: *BETR*

Number of Outstanding Listed Securities: *36,956,026 common shares*

Date: November 4*, 2020*

**Report on Business**

1. Provide a general overview and discussion of the development of the Issuer’s business and operations over the previous month. Where the Issuer was inactive disclose this fact.

*During October 2020, the Company engaged VirTrial, LLC (“VirTrial”) to conduct patient monitoring for its COVID-19 clinical trials in Australia to test the efficacy of AP-003. VirTrial is a telehealth platform provider that enables research sites to improve patient recruitment and retention. VirTrial’s platform enables the Company’s selected clinical research sites to perform virtual visits – a combination of secure video, audio, chat and messaging, which can be used on any device, which facilitates the Company to evaluate, qualify and routinely monitor both patients and research sites for studies without physical travel.*

*The Company also engaged the Clinical Research Organisation (“CRO”), Pharmaceutical Solutions Ltd., to manage its clinical trial for AP-003 targeting mild to moderate cases of COVID-19 at research sites across Australia. The clinical trial, expected to start in late 2020, will compare AP-003, the Company’s inhaled recombinant human alpha 2b interferon (“IFN-α2b”) to placebo in patients with mild to moderate symptoms of COVID-19.*

***Cautionary Note: The Company is not making any express or implied claims that AP-003 or any other product has the ability to eliminate, cure or contain the COVID-19 (or SARS-2 Coronavirus) at this time.***

*During October 2020, the Company entered into an agreement with Mackie Research Capital Corporation, as lead agent and sole bookrunner (the "Lead Agent"), on behalf of a syndicate, including Haywood Securities Inc. (collectively, the “Agents”), in connection with a marketed private placement offering (the “Offering”) of special warrants of the Company (“Special Warrants”) at a price of $0.90 per Special Warrant, for gross proceeds of up to $5,000,000. Each Special Warrant shall be exercisable, for no additional consideration at the option of the holder, into one unit of the Company (each, a “Unit”) with each Unit being comprised of one common share of the Company (a “Common Share”) and one-half of one Common Share purchase warrant (each whole warrant, a “Warrant”). Each Warrant will entitle the holder thereof to acquire one Common Share (each, a “Warrant Share”) at an exercise price of $1.10 per Warrant Share, for a period of 24 months after the closing of the Offering. The Company has granted the Agents an option (the "Over-Allotment Option") to purchase up to 15% of the number of Special Warrants issued pursuant to the Offering to cover any over-allotments, exercisable at any time 48 hours prior to the Closing (as defined herein) of the Offering. The net proceeds raised under the Offering will be used for working capital and general corporate purposes.*

*As soon as reasonably practicable after the Closing, the Company will use its reasonable commercial efforts to prepare and file with each of the securities regulatory authorities in each of the provinces of Canada in which the of Special Warrants are sold (the “Jurisdictions”) and obtain a receipt for, a preliminary short form prospectus and a final short form prospectus (the “Final Prospectus”), qualifying the distribution of the Units underlying the Special Warrants, in compliance with applicable securities law, within forty (40) days from the Closing of the Offering. In the event that the Company has not received a receipt for the Final Prospectus within forty (40) days following the Closing, each unexercised Special Warrant will thereafter entitle the holder thereof to receive upon the exercise thereof, at no additional consideration, one-and-one-tenth (1.10) Unit (instead of one Unit) and thereafter at the end of each additional thirty (30) day period prior to the Qualification Date (as defined below), each Special Warrant will be exercisable for an additional 0.02 of a Unit.*

*All unexercised Special Warrants will automatically be exercised on the day (the “Qualification Date”) that is the earlier of (i) four (4) months and a day following Closing of the Offering, and (ii) as soon as reasonably practicable after a receipt is issued for the Final Prospectus.*

*The Agents will receive an aggregate cash fee equal to 8.0% of the gross proceeds from the Offering, including in respect of any exercise of the Over-Allotment Option. In addition, the Company will grant the Agents, on date of Closing, non-transferable compensation options (the “Compensation Options”) equal to 8.0% of the total number of Special Warrants under the Offering (including in respect of any exercise of the Over-Allotment Option). Each Compensation Option will entitle the holder thereof to purchase one Unit (a “Compensation Option Unit”) at an exercise price per Compensation Option Unit equal to the issue price of the Special Warrants for a period to be determined in the context of the market.*

*The Company will use commercial reasonable efforts to obtain the necessary approvals to list the Common Shares, and Common Shares issuable on the exercise of the Warrants and Compensation Option Units on the Canadian Securities Exchange on the Closing Date and the date of the issuance of the underlying Warrant Shares, respectively. The Offering is subject to certain conditions including, but not limited to, the receipt of all necessary regulatory and stock exchange approvals, including the approval of the Exchange, and the entering into of an agency agreement between the Company and the Agents. Closing of the Offering is expected to be on or about the week of November 16, 2020 (the "Closing Date" or “Closing”).*

1. Provide a general overview and discussion of the activities of management.

*Please see Item 1.*

1. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

*N/A.*

1. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

*N/A.*

1. Describe any new business relationships entered into between the Issuer, the Issuer’s affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

*Please see Item 1.*

1. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer’s affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

*N/A.*

1. Describe any acquisitions by the Issuer or dispositions of the Issuer’s assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

*On October 2, 2020, the Company signed a share purchase agreement with an unrelated third party (the “Purchaser”) for the sale of 100% of the issued and outstanding common shares of Pivot Pharmaceuticals Manufacturing Corp. (“Pivot”), a fully-owned subsidiary. Pursuant to the sale of Pivot, the Company’s lease of the manufacturing facility in Dollard-des-Ormeaux, Quebec, Canada (the “Facility”) and its in-process Health Canada license application (the “Application”) will be transferred to the Purchaser. Upon closing of the share purchase agreement, the Issuer will no longer be pursuing the Application for processing of cannabis products in Canada.*

*Consideration includes the following: 1) Purchaser settling Pivot and the Company’s outstanding obligations with the lessor of the Facility of $135,879 (paid), 2) Cancellation of any amounts that the Pivot or the Company may owe to the Purchaser, 3) Purchaser’s assumption of the lease of the Facility as of September 1, 2020, 4) Cancellation by Pivot of obligations that the Purchaser owes to Pivot of $170,790, 5) Purchaser’s assumption of further obligations with respect to the Application, and 6) Purchaser’s discontinuation of its lawsuit filed in the Province of Quebec against Pivot.*

1. Describe the acquisition of new customers or loss of customers.

*N/A*

1. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.

*N/A.*

1. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

*N/A.*

1. Report on any labour disputes and resolutions of those disputes if applicable.

*N/A.*

1. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

*N/A.*

1. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

*During October 2020, the Company entered into 8% unsecured convertible debenture agreements with third parties for gross proceeds of $800,000, maturity dates of 3 months and conversion price of $1.15. Proceeds were used for working capital purposes and to advance on the Company’s AP-003 project.*

1. Provide details of any securities issued and options or warrants granted.

*On October 5, 2020, the Company issued 521,492 common shares, pursuant to the vesting of restricted stock units, termination of an employment agreement and services rendered by third parties.*

1. Provide details of any loans to or by Related Persons.

*N/A.*

1. Provide details of any changes in directors, officers or committee members.

*N/A.*

1. Discuss any trends which are likely to impact the Issuer including trends in the Issuer’s market(s) or political/regulatory trends.

*N/A.*

**Certificate Of Compliance**

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there were is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated November 4, 2020

Moira Ong   
Name of Director or Senior Officer

*“Moira Ong”*   
Signature

Chief Financial Officer   
Official Capacity

|  |  |  |
| --- | --- | --- |
| ***Issuer Details***  Name of Issuer  BetterLife Pharma Inc. | For Month End  October 2020 | Date of Report  YY/MM/DD  2020/11/04 |
| Issuer Address  1275 West 6th Avenue, #300 | | |
| City/Province/Postal Code  Vancouver, BC V6H 1A6 | Issuer Fax No.  ( ) | Issuer Telephone No.  (604) 221-0595 |
| Contact Name  Moira Ong | Contact Position  CFO | Contact Telephone No.  604-551-5178 |
| Contact Email Address  info@blifepharma.com | Web Site Address  www.abetterlifepharma.com | |