

## FORM 5

### QUARTERLY LISTING STATEMENT

Name of Listed Issuer: Nova Mentis Life Science Corp. (the “Issuer”).

Trading Symbol: NOVA

This Quarterly Listing Statement must be posted on or before the day on which the Issuer’s unaudited interim financial statements are to be filed under the *Securities Act*, or, if no interim statements are required to be filed for the quarter, within 60 days of the end of the Issuer’s first, second and third fiscal quarters. This statement is not intended to replace the Issuer’s obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the Exchange Policies. If material information became known and was reported during the preceding quarter to which this statement relates, management is encouraged to also make reference in this statement to the material information, the news release date and the posting date on the Exchange website.

#### **General Instructions**

- (a) Prepare this Quarterly Listing Statement using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the following items must be in narrative form. When the answer to any item is negative or not applicable to the Issuer, state it in a sentence. The title to each item must precede the answer.
- (b) The term “Issuer” includes the Listed Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

There are three schedules which must be attached to this report as follows:

#### **SCHEDULE A: FINANCIAL STATEMENTS**

**The Issuer’s unaudited interim consolidated financial statements for the period ended March 31, 2020 are attached.**

#### **SCHEDULE B: SUPPLEMENTARY INFORMATION**

**The supplementary information set out below can be found in the Issuer’s financial statements attached as Schedule A.**

**1. Related party transactions**

Provide disclosure of all transactions with a Related Person, including those previously disclosed on Form 10. Include in the disclosure the following information about the transactions with Related Persons:

- (a) A description of the relationship between the transacting parties. Be as precise as possible in this description of the relationship. Terms such as affiliate, associate or related company without further clarifying details are not sufficient.
- (b) A description of the transaction(s), including those for which no amount has been recorded.
- (c) The recorded amount of the transactions classified by financial statement category.
- (d) The amounts due to or from Related Persons and the terms and conditions relating thereto.
- (e) Contractual obligations with Related Persons, separate from other contractual obligations.
- (f) Contingencies involving Related Persons, separate from other contingencies.

**2. Summary of securities issued and options granted during the period.**

Provide the following information for the period beginning on the date of the last Listing Statement (Form 2A):

- (a) summary of securities issued during the period,

Date of Issue	Type of Security (common shares, convertible debentures, etc.)	Type of Issue (private placement, public offering, exercise of warrants, etc.)	Number	Price	Total Proceeds	Type of Consideration (cash, property, etc.)	Describe relationship of Person with Issuer (indicate if Related Person)	Commission Paid

- (b) summary of options granted during the period,

Date	Number	Name of Optionee if Related Person and relationship	Generic description of other Optionees	Exercise Price	Expiry Date	Market Price on date of Grant

**3. Summary of securities as at the end of the reporting period.**

Provide the following information in tabular format as at the end of the reporting period:

- (a) description of authorized share capital including number of shares for each class, dividend rates on preferred shares and whether or not cumulative, redemption and conversion provisions,
- (b) number and recorded value for shares issued and outstanding,
- (c) description of options, warrants and convertible securities outstanding, including number or amount, exercise or conversion price and expiry date, and any recorded value, and
- (d) number of shares in each class of shares subject to escrow or pooling agreements or any other restriction on transfer.

**4. List the names of the directors and officers, with an indication of the position(s) held, as at the date this report is signed and filed.**

**SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS**

**The Issuer's Management Discussion & Analysis for the period ended March 31, 2020 is attached.**

## 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 Quarterly Listing Statement.
2. As of the date hereof there 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 5 Quarterly Listing Statement is true.

Dated June 29, 2020

Will Rascan  
Name of Director or Senior Officer

/s/ "Will Rascan"  
Signature

President & CEO  
Official Capacity

<b>Issuer Details</b>		For Quarter Ended	Date of Report YY/MM/D
Name of Issuer Nova Mentis Life Science Corp.		2020/03/31	2020/06/29
Issuer Address 700-838 W Hastings Street			
City/Province/Postal Code Vancouver, BC, V6C 0A6		Issuer Fax No. ( )	Issuer Telephone No. (778) 819-0244
Contact Name Kelly Pladson		Contact Position Corporate Secretary	Contact Telephone No. (604) 726-6749
Contact Email Address kellypladson@icloud.com		Web Site Address <a href="https://www.libleaf.ca">https://www.libleaf.ca</a>	

SCHEDULE "A"

UNAUDITED FINANCIAL STATEMENTS FOR PERIOD ENDED MARCH 31, 2020

**Nova Mentis Life Science Corp.**  
**(formerly Liberty Leaf Holdings Ltd.)**

**Condensed Consolidated Interim Financial Statements**

Three Months Ended March 31, 2020 and 2019

(Unaudited - Expressed in Canadian Dollars)

Nova Mentis Life Science Corp.  
(formerly Liberty Leaf Holdings Ltd.)

Three Months Ended March 31, 2020

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## **NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the interim financial statements they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor Smythe Ratcliffe LLP, Chartered Accountants has not performed a review of these condensed consolidated interim financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

June 29, 2020

**Nova Mentis Life Science Corp.**  
**(formerly Liberty Leaf Holdings Ltd.)**

Condensed Consolidated Interim Statements of Financial Position  
(Unaudited - Expressed in Canadian Dollars)

	<b>March 31, 2020</b>	<b>December 31, 2019</b>
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 73,462	\$ 87,005
Short term investments (note 9)	280,007	760,411
GST receivable	11,028	6,576
Inventory	14,458	18,108
Prepaid expenses and deposits	1,803	8,220
	380,758	880,320
<b>Property and Equipment</b> (note 6)	28,229	29,934
<b>Investment in Associate</b> (note 8)	5,938,142	5,674,681
	\$ 6,347,129	\$ 6,584,935
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (note 10)	\$ 271,047	\$ 325,070
	271,047	325,070
<b>Shareholders' Equity</b>		
<b>Share Capital</b> (note 11)	27,494,138	27,494,138
<b>Reserves</b> (note 11)	6,447,195	6,447,195
<b>Deficit</b>	(27,865,251)	(27,681,468)
	6,076,082	6,259,865
	\$ 6,347,129	\$ 6,584,935

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Approved on behalf of the Board:

*"William Rascan"*

..... Director  
William Rascan

*"Steven Feldman"*

..... Director  
Steven Feldman

**Nova Mentis Life Science Corp.**  
**(formerly Liberty Leaf Holdings Ltd.)**

Condensed Consolidated Interim Statements of Comprehensive Loss  
For the Three Months Ended March 31  
(Unaudited - Expressed in Canadian Dollars)

	<b>2020</b>	<b>2019</b>
<b>Revenue</b>	\$ 6,942	\$ -
<b>Cost of Goods Sold</b>	(5,738)	-
<b>Gross Profit</b>	1,204	-
<b>Expenses</b>		
Accounting, legal and audit (note 10)	1,276	23,156
Amortization (note 6)	1,705	2,450
Consulting fees (note 10)	37,900	116,025
Management fees (note 10)	49,500	43,500
Office and general	28,373	25,576
Rent	-	7,500
Share-based payments (note 10)	-	83,509
Shareholder communications and investor relations (note 10)	12,081	16,276
Research and development costs (note 16)	-	-
Transfer agent and filing fees	10,503	16,504
	(141,338)	(334,496)
<b>Loss before Other Items</b>	(140,134)	(334,496)
<b>Other Items</b>		
Gain on settlement of debt (note 11)	-	-
(Loss) gain on short term investments (note 9)	(19,570)	20,000
Interest Income	3,220	6,000
Equity loss from associate (note 8)	(27,300)	(24,643)
Write off of deposit	-	-
Loss on settlement of prepaid	-	-
Write off of accounts receivable	-	-
<b>Net Loss and Comprehensive Loss for the Period</b>	\$ (183,784)	\$ (333,139)
<b>Basic and Diluted Loss Per Share *</b>	\$ (0.01)	\$ (0.01)
<b>Weighted Average Number of Common Shares Outstanding – Basic and Diluted *</b>	32,131,533	31,819,033

\* Weighted average number of common shares outstanding – Basic and Diluted and Basic and Diluted Loss per Share reflect the 4 to 1 share consolidation detailed in Note 15.

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

**Nova Mentis Life Science Corp.**  
**(formerly Liberty Leaf Holdings Ltd.)**

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity  
For the Three Months ended March 31, 2020 and 2019  
(Unaudited - Expressed in Canadian Dollars)

	Number of Shares *	Share Capital	Reserves	Deficit	Total
<b>Balance, December 31, 2018</b>	<b>31,819,033</b>	<b>\$ 27,258,306</b>	<b>\$ 6,266,817</b>	<b>\$ (26,283,381)</b>	<b>\$ 7,241,742</b>
Share options granted	-	-	83,509	-	83,509
Net loss for the period	-	-	-	(333,139)	(333,139)
<b>Balance, March 31, 2019</b>	<b>31,819,033</b>	<b>27,258,306</b>	<b>6,350,326</b>	<b>(26,616,520)</b>	<b>6,992,112</b>
Shares issued on the exercise of share options	312,500	150,000	-	-	150,000
Fair value of share options exercised	-	85,832	(85,832)	-	-
Share options granted	-	-	182,701	-	182,701
Net loss for the period	-	-	-	(1,064,948)	(1,064,948)
<b>Balance, December 31, 2019</b>	<b>32,131,533</b>	<b>27,494,138</b>	<b>6,447,195</b>	<b>(27,681,468)</b>	<b>6,259,865</b>
Net loss for the period	-	-	-	(183,784)	(183,784)
<b>Balance, March 31, 2020</b>	<b>32,131,533</b>	<b>\$ 27,494,138</b>	<b>\$ 6,447,195</b>	<b>\$ (27,865,252)</b>	<b>\$ 6,076,081</b>

\* Number of Shares reflect the 4 to 1 share consolidation detailed in Note 15.

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

**Nova Mentis Life Science Corp.**  
**(formerly Liberty Leaf Holdings Ltd.)**

Condensed Consolidated Interim Statements of Cash Flows  
For the Three Months Ended March 31  
(Unaudited - Expressed in Canadian Dollars)

	2020	2019
<b>Operating Activities</b>		
Net loss for the period	\$ (183,784)	\$ (333,139)
Items not involving cash		
Amortization	1,705	2,450
Share-based payments	-	83,509
Loss (gain) on short term investments	19,570	(20,000)
Interest accrued on short term investments	(3,220)	(6,000)
Equity loss from associate (note 8)	27,300	24,643
Changes in non-cash working capital		
GST receivable	(4,452)	55,228
Inventory	3,650	-
Prepaid expenses	6,417	(41,786)
Accounts payable and accrued liabilities	(54,022)	(27,036)
<b>Cash Used in Operating Activities</b>	<b>(186,386)</b>	<b>(262,131)</b>
<b>Investing Activities</b>		
Advances to associate (note 8)	(290,761)	(54,074)
Short term investments (note 9)	464,054	-
Proceeds on sale of short term investments	-	16,176
Purchase of equipment (note 6)	-	-
<b>Cash Provided by (Used in) Investing Activities</b>	<b>173,293</b>	<b>(37,898)</b>
<b>Financing Activities</b>		
Shares issued for cash, net of issue costs	-	-
<b>Cash Provided by Financing Activities</b>	<b>-</b>	<b>-</b>
<b>Outflow of Cash</b>	<b>(13,543)</b>	<b>(300,029)</b>
<b>Cash, Beginning of the Period</b>	<b>87,005</b>	<b>1,211,065</b>
<b>Cash, End of the Period</b>	<b>\$ 73,462</b>	<b>\$ 402,393</b>

Supplemental Disclosures with Respect to Cash Flows (note 12)

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

# **Nova Mentis Life Science Corp. (formerly Liberty Leaf Holdings Ltd.)**

Notes to the Condensed Consolidated Interim Financial Statements  
For the Three Months ended March 31, 2020  
(Unaudited - Expressed in Canadian Dollars)

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## **1. NATURE OF OPERATIONS**

Nova Mentis Life Science Corp. is a Vancouver, British Columbia, based company incorporated in the province of British Columbia. The Company is listed on the Canadian Securities Exchange (the "Exchange") under the symbol "NOVA". The Company was previously known as Liberty Leaf Holdings Ltd. and was previously listed on the Canadian Securities Exchange (the "Exchange") under the symbol "LIB". Effective June 26, 2020, the shares of the Company commenced trading on the Canadian Securities Exchange on a consolidated basis under the name "Nova Mentis Life Science Corp." and stock symbol "NOVA". More information regarding the transaction is provided in subsequent events (note 15).

The Company is in the development phase to become a licensed producer of medical marijuana as regulated by the Access to Cannabis for Medical Purposes Regulations ("ACMPR"). On December 6, 2017, the Company signed an agreement to acquire shares of Just Kush Enterprises Ltd. ("Just Kush") (note 8).

The principal address of the Company is located at 700 – 838 West Hastings Street, Vancouver, British Columbia, Canada, V6C 0A6.

## **2. GOING CONCERN**

These condensed consolidated interim financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

Several adverse conditions cast significant doubt on the validity of this assumption. The Company incurred an operating loss during the three months ended March 31, 2020 of \$183,784 (2019 - \$333,139) and as at that date has a deficit of \$27,865,251 (December 31, 2019 - \$27,681,468), has limited resources, no sources of operating cash flow and no assurances that sufficient funding will be available to continue operations for an extended period of time.

The application of the going concern concept is dependent upon the Company's ability to satisfy its liabilities as they become due and to obtain the necessary financing to fund its investment in associate (note 8) or enter into agreements with other cannabis-related businesses. Management is actively engaged in the review and due diligence on opportunities of merit in the cannabis sector and is seeking to raise the necessary capital to meet its funding requirements. There can be no assurance that management's plan will be successful. If the going concern assumption were not appropriate for these condensed consolidated interim financial statements then adjustments may be necessary in the carrying value of assets and liabilities, the reported expenses and the statements of financial position classifications used. Such adjustments could be material.

## **3. BASIS OF PRESENTATION**

### **a) Statement of compliance**

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards ("IFRS"). As such, certain disclosures required by IFRS have been condensed or omitted.

These condensed consolidated interim financial statements of the Company should be read in conjunction with the Company's 2019 annual consolidated financial statements, which have been prepared in accordance with IFRS.

### **b) Basis of measurement**

**Nova Mentis Life Science Corp.**  
**(formerly Liberty Leaf Holdings Ltd.)**

Notes to the Condensed Consolidated Interim Financial Statements  
For the Three Months ended March 31, 2020  
(Unaudited - Expressed in Canadian Dollars)

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These condensed consolidated interim financial statements have been prepared using the historical cost basis, except for certain financial instruments, which are measured at fair value. These condensed consolidated interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

c) Principles of consolidation

The condensed consolidated interim financial statements of the Company consolidate the accounts of the Company and its wholly owned subsidiaries, North Road, a British Columbia, Canada company and Signature Cannabis Retail, a British Columbia, Canada company. All intercompany transactions, balances and unrealized gains and losses are eliminated on consolidation.

d) Approval of the condensed consolidated interim financial statements

The condensed consolidated interim financial statements of the Company for the three months ended March 31, 2020 were approved and authorized for issue by the Board of Directors on June 29, 2020.

e) Use of estimates and judgments

The preparation of these condensed consolidated interim financial statements requires management to make estimates and judgments that affect the reported amounts of assets and liabilities at the date of the condensed consolidated interim financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates, which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the condensed consolidated interim financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and may affect both the period of revision and future periods.

The key areas of judgment applied in the preparation of the condensed consolidated interim financial statements that could result in a material adjustment to the carrying amounts of assets and liabilities is as follows:

- Control

Management consolidates all subsidiaries and entities which it is determined that the Company controls. Control is evaluated on the ability of the Company to direct the activities of the subsidiary or entity to derive variable returns and management uses judgment in determining whether control exists. Judgment is exercised in the evaluation of the variable returns and in determining the extent to which the Company has the ability to exercise its power to generate variable returns.

- Going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenses, meet its liabilities for the ensuing year, and to fund planned and contractual exploration programs, involves significant judgment based on historical experience and other factors including expectation of future events that are believed to be reasonable under the circumstances.

- Significant influence

Where the Company holds the largest shareholding in an investment and has the power to exercise significant influence through common officers and board members, such an investment is treated as an associate. The Company has determined it can exercise significant influence over Just Kush (note 8).

**Nova Mentis Life Science Corp.**  
**(formerly Liberty Leaf Holdings Ltd.)**

Notes to the Condensed Consolidated Interim Financial Statements  
For the Three Months ended March 31, 2020  
(Unaudited - Expressed in Canadian Dollars)

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**3. BASIS OF PRESENTATION (Continued)**

e) Use of estimates and judgments (Continued)

Treatment of license costs

License costs are capitalized to the extent that the criteria for recognition as intangible assets in IAS 38 *Intangible Assets* are met. Those criteria require that the product is technically and economically feasible, which management assesses based on the attributes of the development project, perceived user needs, industry trends and expected future economic conditions. Management considers these factors in aggregate and applies significant judgment to determine whether the product is feasible. The Company has not capitalized any license costs as at March 31, 2020.

The key estimates applied in the preparation of the condensed consolidated interim financial statements that could result in a material adjustment to the carrying amounts of assets and liabilities are as follows:

- The inputs used in assessing the recoverable amount of deferred tax assets;
- Assumptions used as inputs to calculate share-based payments; and
- Fair value of equity issuances for non-cash consideration.

Actual results could differ from those estimates. Key judgments and estimates made by management with respect to those areas noted previously have been disclosed in the notes to the condensed consolidated interim financial statements, as appropriate.

**4. ADOPTION OF NEW ACCOUNTING STANDARDS**

i) Standards, amendments and interpretations not yet effective

The Company will be required to adopt the following standards and amendments issued by the IASB as described below.

*IFRS 17 Insurance Contracts*

IFRS 17 is a new standard that requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. IFRS 17 supersedes IFRS 4, Insurance Contracts, and related interpretations.

Effective for the Company's annual period beginning January 1, 2021. The Company has yet to assess the impact of IFRS 17 on its condensed consolidated interim financial statements.

**5. FINANCIAL INSTRUMENTS**

The Company classifies its financial instruments as follows:

- Cash is classified as financial asset at FVTPL;
- Short-term investments as financial assets classified as FVTPL;
- Accounts payable and accrued liabilities are classified as financial liabilities at amortized cost.

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and



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Notes to the Condensed Consolidated Interim Financial Statements  
For the Three Months ended March 31, 2020  
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- Market risk.

**5. FINANCIAL INSTRUMENTS (Continued)**

a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company manages credit risk, in respect of cash and certain short term investments, by placing cash with major Canadian financial institutions. The Company is therefore exposed to credit risk with respect to cash of \$73,462 (December 31, 2019 - \$87,005) and short-term investments of \$250,652 (December 31, 2019 - \$711,486) as at March 31, 2020.

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquid funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. As of March 31, 2020, the Company has cash and short term investments of \$353,469 (December 31, 2019 - \$847,416) to meet contractual financial liabilities of \$271,047 (December 31, 2019 - \$325,070). All of the liabilities presented as accounts payable are due within 90 days of March 31, 2020.

c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimizing the return on capital.

As at March 31, 2020, the Company is exposed to market risk with respect to short term investments of \$29,355 (December 31, 2019 - \$48,925) representing the Company's investment in common shares of Sire Bioscience Inc. ("SIRE", formerly Blox Labs Inc. ("BLOX")).

**6. PROPERTY AND EQUIPMENT**

	Computer Equipment	Office Equipment	Total
<b>Cost</b>			
Balance, December 31, 2018	\$ 16,173	\$ 39,880	\$ 56,053
Additions	-	-	-
Balance, December 31, 2019	\$ 16,173	\$ 39,880	\$ 56,053
Additions	-	-	-
Balance, March 31, 2020	\$ 16,173	\$ 39,880	\$ 56,053
<b>Accumulated Amortization</b>			
Balance, December 31, 2018	\$ 10,884	\$ 5,437	\$ 16,321
Amortization	2,909	6,889	9,798
Balance, December 31, 2019	\$ 13,793	\$ 12,326	\$ 26,119
Amortization	327	1,378	2,105
Balance, March 31, 2020	\$ 14,120	\$ 13,704	\$ 27,824
Net Book Value, December 31, 2019	\$ 2,380	\$ 27,554	\$ 29,934

**Nova Mentis Life Science Corp.**  
**(formerly Liberty Leaf Holdings Ltd.)**

Notes to the Condensed Consolidated Interim Financial Statements  
For the Three Months ended March 31, 2020  
(Unaudited - Expressed in Canadian Dollars)

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Net Book Value, March 31, 2020	\$	2,053	\$	26,176	\$	28,229
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**7. NORTH ROAD VENTURES LTD.**

On April 28, 2016, as amended July 4, 2016 and September 9, 2016, the Company entered into an agreement to purchase all of the shares of North Road, a company which has submitted a ACMPR application to Health Canada.

Under the terms of the agreement, as the ACMPR license application progresses the Company will pay to the shareholders of North Road compensation for meeting certain milestones described in cash or the equivalent dollar value of common shares of the Company as follows: \$150,000 upon North Road completing the "Security Clearance" phase; \$350,000 upon North Road completing the "Pre-license Inspection" phase; and \$1,000,000 upon North Road receiving an approved ACMPR license. As at March 31, 2020 North Road has not achieved any additional milestones and has not received approval of its ACMPR license.

**8. INVESTMENT IN ASSOCIATE**

On December 6, 2017, the Company signed an agreement to acquire shares of Just Kush Enterprises Ltd. ("Just Kush"), a private British Columbia company with an in process ACMPR license.

Pursuant to the agreement, the Company has advanced payment to Just Kush and the amount pertains to the build out expenditures incurred at the Just Kush facility to further Just Kush's ACMPR application. These amounts have been paid by the Company and are owed to the Company by Just Kush.

The capital of Just Kush consists of 100 Class A voting shares and 100 class B common shares. The Company acquired 45 Class A voting shares and 24 Class B common shares of Just Kush, representing approximately 34.5% equity interest in Just Kush.

As consideration, the Company paid \$150,000 and issued 500,000 common shares of the Company upon execution of the agreement at a fair value based on market prices of \$840,000. In addition, the Company may acquire a further 36 Class B common shares pursuant to the milestones below. The Company issued a further 750,000 common shares at a fair value based on market prices of \$2,670,000 on January 15, 2018 to be held in escrow and to be released upon the following milestones:

- i. Within two days of receipt of written notice from Just Kush indicating that Just Kush passed the Security Clearance pursuant to the ACMPR application, the Company shall issue 250,000 common shares of the Company to shareholders of Just Kush in exchange for 12 Class B shares.
- ii. Within two days of receipt of written notice from Just Kush indicating that Just Kush received its License to Produce pursuant to the ACMPR application, the Company shall issue 125,000 common shares of the Company to shareholders of Just Kush in exchange for 6 Class B shares.
- iii. Within two days of receipt of written notice from Just Kush indicating that Just Kush completed its Introduction Inspection pursuant to the ACMPR application, the Company shall issue 125,000 common shares of the Company to shareholders of Just Kush in exchange for 6 Class B shares.
- iv. Within two days of receipt of written notice from Just Kush indicating that Just Kush completed its Pre-Sales Inspection pursuant to the ACMPR application, the Company shall issue 125,000 common shares of the Company to shareholders of Just Kush in exchange for 6 Class B shares.
- v. Within two days of receipt of written notice from Just Kush indicating that Just Kush received its License to Sell, pursuant to the ACMPR application, the Company shall pay \$600,000 to the shareholders of Just Kush, and issue 125,000 common shares of the Company to shareholders of Just

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Notes to the Condensed Consolidated Interim Financial Statements  
For the Three Months ended March 31, 2020  
(Unaudited - Expressed in Canadian Dollars)

Kush. The \$600,000 is payable in cash and/or issuance of shares of the Company (based on a 20-day VWAP at the option of Company), in exchange for 6 Class B shares of Just Kush.

**8. INVESTMENT IN ASSOCIATE (Continued)**

As of March 31, 2020, Just Kush had met milestones i – iv, however, management and Just Kush are currently clarifying the terms for the milestone payments of the original share purchase agreement to better reflect the new regulations that have replaced the ACMPR. The total consideration to be paid under the share purchase agreement has not changed. Accordingly no additional shares have been issued by either party. As such, the Company's investment in associate remains at 34.5% equity interest as at March 31, 2020.

In relation to this transaction, the Company paid a finder's fee of 250,000 common shares, which were valued at \$420,000 and compensation shares of 250,000 common shares, which were valued at \$420,000.

The Company has determined it has significant influence over Just Kush and accounts for its investment using the equity method. The following is a summary of the investment in associate:

	2020	2019
Shares issued	\$ 4,350,000	\$ 4,350,000
Cash consideration	\$ 150,000	\$ 150,000
Advances	\$ 1,669,179	\$ 1,378,418
Equity loss from associate	\$ (231,037)	\$ (203,737)
Investment in associate	\$ 5,938,142	\$ 5,674,681

Summarized financial information for Just Kush is as follows:

	2020	2019
Current assets	\$ 43,837	\$ 26,839
Non-current assets	\$ 1,289,864	\$ 1,146,381
Current liabilities	\$ 87,823	\$ 71,185
Non-current liabilities	\$ 2,300,647	\$ 2,009,886
Net loss	\$ 79,130	\$ 272,341

**9. SHORT TERM INVESTMENTS**

On March 13, 2018, the Company invested \$1,500,000 in a redeemable short-term investment certificate with a maturity date of February 4, 2019. On February 4, 2019, the \$1,500,000 redeemable short-term investment certificate was renewed with a maturity date of February 4, 2020. During the year ended December 31, 2019, the Company redeemed \$800,000 of the short-term investment certificate. During the three months ended March 31, 2020, the Company redeemed \$464,053 of the short-term investment certificate. The short-term investment earned interest at 1.2% per annum until February 2019 when the interest rate was increased to 2.0%. The investment is redeemable at any time before the maturity date. Interest earned on the investment is included in gain on short term investments.

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**9. SHORT TERM INVESTMENTS (Continued)**

On June 20, 2018, the Company purchased 666,667 common shares of BLOX at \$0.075 per share. The investment was made pursuant to the terms of an agreement signed December 9, 2017, where the Company agreed to purchase a minimum of \$50,000 in shares of BLOX for investment purposes, when BLOX undertook its next equity financing. The investment is marked to market each reporting period and the gain or loss is reflected in gain/loss on short term investments in profit and loss. Common shares of BLOX underwent a three for one stock split on June 28, 2018. In September 2019, BLOX completed a change of business and name change to Sire Bioscience Inc. ("SIRE"). During the year ended December 31, 2019 the Company sold 43,000 SIRE shares for \$3,350 in proceeds (2018 - \$68,424). As at March 31, 2020, these 1,957,000 shares were valued at \$0.015 per share for a market value of \$29,355 (December 31, 2019 - \$48,925), with a corresponding loss recognized during the period of \$19,570 (December 31, 2019 – loss of \$27,725).

**10. RELATED PARTY TRANSACTIONS**

These amounts of key management compensation and other related party transactions are included in the amounts shown on the condensed consolidated interim statements of comprehensive loss for the three months ended March 31, 2020 and 2019:

	<b>2020</b>	<b>2019</b>
Consulting fees	\$ 17,500	\$ 2,500
Management fees	\$ 49,500	\$ 43,500
Accounting fees	\$ -	\$ -
Shareholder communications	\$ 12,000	\$ 12,000
Share-based payments	\$ -	\$ -

These transactions were in the normal course of operations. The Company engaged the Chief Executive Officer ("CEO"), to provide management services to the Company in consideration of \$37,500 during the three months ended March 31, 2020 (2019 - \$37,500). The Company engaged the CFO to provide management services in consideration of \$12,000 (2019 - \$6,000). The Company engaged a director to provide shareholder communication services for consideration of \$12,000 during the three months ended March 31, 2020 (2019 - \$12,000). The Company engaged a director to provide consulting services for consideration of \$7,500 during the three months ended March 31, 2020 (2019 - \$2,500). The Company engaged a relative of the CEO to provide consulting services for consideration of \$7,500 during the three months ended March 31, 2020 (2019 - \$nil). The Company engaged a relative of the CEO to provide consulting services for consideration of \$2,500 during the three months ended March 31, 2020 (2019 - \$nil).

As at March 31, 2020, accounts payable and accrued liabilities included \$25,873 (December 31, 2019 - \$35,402) due to officers and directors or companies controlled by current or former officers and directors. The amounts due are non-interest-bearing, unsecured and without stated terms of repayment.

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**11. SHARE CAPITAL**

**Authorized share capital**

Unlimited number of common shares without par value.

**Issued share capital**

*During the three months ended March 31, 2020*

There were no changes to share capital.

*During the year ended December 31, 2019*

During the year ended December 31, 2019, the Company issued 312,500 common shares of the Company for gross proceeds of \$150,000 on the exercise of 312,500 stock options. The Company transferred \$85,832 from reserves to share capital in conjunction with the exercises.

**Warrants**

Warrant transactions and the number of warrants outstanding are summarized as follows:

	<b>March 31, 2020</b>		<b>December 31, 2019</b>	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Outstanding, beginning of period *	672,086	\$ 2.40	826,086	\$ 2.12
Issued *	-	-	-	-
Exercised *	-	-	-	-
Expired *	(657,436)	2.40	(154,000)	0.80
Outstanding, end of period	14,650	\$ 2.40	672,086	\$ 2.40

\* Warrants reflect the 4 to 1 share consolidation detailed in Note 15.

The following warrants are outstanding and exercisable:

Expiry Date	Weighted Average Remaining Contractual Life in Years	Exercise Price	December 31, 2019	December 31, 2019
January 22, 2020 **	0.06	\$ 2.40	-	657,436
April 5, 2020*, **	0.26	\$ 2.40	14,650	14,650
	0.06	\$ 2.40	14,650	672,086

\*expired unexercised subsequently

\*\* Warrants reflect the 4 to 1 share consolidation detailed in Note 15.

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**11. SHARE CAPITAL (Continued)**

**Share options**

The Company has adopted a share option plan pursuant to which the Board of Directors of the Company may, from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers, employees and consultants of the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares at the time of grant and the options are exercisable for a period not to exceed 10 years from the date of grant. The number of common shares reserved for issuance to any individual director or officer will not exceed 5% of the issued and outstanding common shares and the number of common shares reserved for issuance to all technical consultants will not exceed 2% of the issued and outstanding common shares. Options may be exercised within 90 days following cessation of the optionee's position with the Company, provided that if the cessation of office, directorship, employment or consulting arrangement was by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option.

Options granted to directors, employees and consultants vest immediately. Options granted to consultants engaged in investor relations activities will vest in stages over a minimum period of 12 months with no more than one-quarter of the options vesting in any three-month period.

Share option transactions and the number of share options outstanding are summarized as follows:

	<b>March 31, 2020</b>		<b>December 31, 2019</b>	
	Number of	Weighted	Number of	Weighted
	Options	Average	Options	Average
		Exercise		Exercise
		Price		Price
Outstanding, beginning of year **	2,387,500	\$ 1.24	1,937,500	\$ 1.40
Granted **	-	-	1,387,500	0.48
Exercised*, **	-	-	(312,500)	0.48
Expired **	(1,000,000)	2.08	(625,000)	1.20
Outstanding, end of year	1,387,500	\$ 0.64	2,387,500	\$ 1.24

\* weighted average share price for options exercised during the year ended December 31, 2019 was \$0.48

\*\* Options reflect the 4 to 1 share consolidation detailed in Note 15.

*During the three months ended March 31, 2020*

No share options were granted during the three months ended March 31, 2020.

*During the year ended December 31, 2019*

The Company applied the fair value method using the Black-Scholes option pricing model in accounting for its share options granted with the following weighted-average assumptions: risk-free interest rate of 1.61%; expected dividend yield of zero; expected share price volatility of 108%; and expected life of 1.41 years. The Company used historical volatility to estimate the volatility of the share price. The weighted average grant date fair value of each option was \$0.06. Accordingly, \$266,210 was recognized as share-based payment expense during the year ended December 31, 2019.

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**11. SHARE CAPITAL (Continued)**

**Share options (Continued)**

The following share options are outstanding and exercisable:

Expiry Date	Weighted Average Remaining Contractual Life in Years	Exercise Price	March 31, 2020	December 31, 2019
January 5, 2020 *	-	\$ 2.96	-	625,000
March 18, 2020 *	-	\$ 0.60	-	375,000
July 12, 2020 *	0.28	\$ 0.42	312,500	312,500
August 1, 2020 *	0.34	\$ 0.98	500,000	500,000
July 12, 2021 *	1.28	\$ 0.42	575,000	575,000
	0.72	\$ 1.24	1,387,500	2,387,500

\* Options reflect the 4 to 1 share consolidation detailed in Note 15.

**12. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS**

	2020	2019
Accounts payable settled with share capital	\$ -	\$ -
Subscriptions received	\$ -	\$ -
Shares issued for investment in associate	\$ -	\$ -

**13. SEGMENTED DISCLOSURE AND SUBSIDIARIES**

The Company currently operates in one industry segment, being development of cannabis products, and in one geographic area, being Canada through the following subsidiaries.

	Country	Principal Activity	Effective interest
North Road Ventures	Canada	Cannabis product development	100%
Signature by Liberty Leaf	Canada	Cannabis product development	100%

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**14. CAPITAL MANAGEMENT**

The Company considers its capital to be comprised of shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares. Although the Company has been successful at raising funds in the past through the issuance of share capital, it is uncertain whether it will continue this method of financing due to the current difficult market conditions.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions.

Management reviews the capital structure on a regular basis to ensure that the above objectives are met. There have been no changes to the Company's approach to capital management during the three months ended March 31, 2020. The Company is not subject to external restrictions on its capital.

**15. SUBSEQUENT EVENTS**

a) Since March 31, 2020, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and physical distancing, have caused material disruption to business globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness.

To date, the COVID-19 pandemic has not had a material negative impact on the Company's results of operations. The Company's sales and distribution channels continue to operate during this period. However, the duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

b) On June 22, 2020, the Company announced that it has entered into an agreement with Nova Mentis Biotech Corp. ("NOVA"), pursuant to which the Company will acquire 100 per cent of the issued and outstanding shares in the capital of NOVA in exchange for 115,000,000 common shares in the capital of the Company (the "LIB Consideration Shares") at a deemed price per share equal to \$0.05 (the "Transaction"). These 115,000,000 common shares were issued on June 23, 2020.

NOVA is a research and development driven company that is focused on investigating the anti-inflammatory effects of psilocybin in underexplored metabolic indications such as obesity and diabetes.

In connection with the Transaction, certain NOVA shareholders have agreed to a voluntary hold period pursuant to which 43,907,695 of the LIB Consideration Shares will be subject to trading restrictions. Specifically, 21,953,847 of the LIB Consideration Shares will be released on the three month anniversary of the closing the Transaction, and 21,953,848 of the LIB Consideration Shares will be released on the six month anniversary of closing the Transaction.

On June 26, 2020, the Company consolidated all of the Company's issued and outstanding common shares on the basis of four pre-consolidated shares for every one post-consolidated share (the "Consolidation"). After giving effect to the Transaction and before the Consolidation, the Company had 243,526,132 common shares issued and outstanding. Upon completion of the Consolidation, the Company had 60,881,533 common shares issued and outstanding. Further, in connection with the Consolidation, effective June 26, 2020 the Company has changed its name to "Nova Mentis Life Science Corp." with a corresponding symbol change to "NOVA".



SCHEDULE "C"

MANAGEMENT DISCUSSION & ANALYSIS FOR PERIOD ENDED MARCH 31, 2020

**NOVA MENTIS LIFE SCIENCE CORP.**  
**(FORMERLY LIBERTY LEAF HOLDINGS LTD.)**  
MANAGEMENT DISCUSSION & ANALYSIS  
FOR THE THREE MONTHS ENDED MARCH 31, 2020

**June 29, 2020**

**OVERVIEW**

The following management discussion and analysis (“MD&A”) is a review of the operations, current financial position and outlook for Nova Mentis Life Science Corp. (the “Company”) and should be read in conjunction with the Company’s condensed consolidated interim financial statements for the three months ended March 31, 2020, as well as the audited consolidated financial statements for the year ended December 31, 2019, which are filed on the SEDAR website: [www.sedar.com](http://www.sedar.com).

The Company prepares its condensed consolidated interim financial statements in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). All dollar figures included herein and in the following discussion and analysis are quoted in Canadian dollars unless otherwise noted.

The financial information in this MD&A is derived from the Company’s condensed consolidated interim financial statements. This MD&A may contain forward looking statements based on assumptions and judgments of management regarding events or results that may prove to be inaccurate as a result of risk factors beyond its control. Actual results may differ materially from the expected results.

**DESCRIPTION OF BUSINESS AND ACTIVITY**

The Company is a Vancouver, British Columbia, based company incorporated under the name Weststar Resources Corp. on October 27, 2004 in the province of British Columbia. During the year ended December 31, 2006, the Company completed its initial public offering on the TSX Venture Exchange (“TSX-V”), and the Company’s shares were listed for trading on September 22, 2006.

The Company was a mineral exploration company until October 21, 2016, when the Company changed its name, completed a transition to the cannabis business through the acquisition of North Road Ventures Ltd. (“North Road”), and began trading under the symbol “LIB”.

On June 22, 2020, the Company announced that it has entered into an agreement with Nova Mentis Biotech Corp. (“NOVA”), pursuant to which the Company acquired 100 per cent of the issued and outstanding shares in the capital of NOVA in exchange for 115,000,000 common shares in the capital of the Company at a deemed price per share equal to \$0.05.

Effective June 26, 2020, the shares of the Company commenced trading on the Canadian Securities Exchange on a four to one consolidated basis under the name “Nova Mentis Life Science Corp.” and stock symbol “NOVA”.

NOVA is a research and development driven company that is focused on investigating the anti-inflammatory effects of psilocybin in underexplored metabolic indications such as obesity and diabetes. The transaction is detailed in proposed transactions below.

The principal address of the Company is located at 700 – 838 West Hastings Street, Vancouver, British Columbia, Canada, V6C 0A6.

Please refer to <https://www.libleaf.ca/> for additional information.

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**General and Financing**

During the year ended December 31, 2019, the Company issued 312,500 common shares of the Company for gross proceeds of \$150,000 on the exercise of 312,500 stock options.

During the three months ended March 31, 2020, there were no changes to share capital.

In June 2020, Doug Macdonell resigned as a Director of the Company.

On June 23, 2020, the Company issued 115,000,000 common shares in the capital of the Company as a result of the acquisition of Nova Mentis Biotech Corp. These shares were issued to NOVA shareholders.

In connection with the transaction, certain NOVA shareholders have agreed to a voluntary hold period pursuant to which 43,907,695 LIB Consideration Shares will be subject to trading restriction. Specifically, 21,953,847 LIB Consideration Shares will be released on the three month anniversary of closing the transaction, and 21,953,848 LIB Consideration Shares will be released on the six month anniversary of closing the transaction.

On June 26, 2020, the Company consolidated all of the Company's issued and outstanding common shares on the basis of four pre-consolidated shares for every one post-consolidated share (the "Consolidation"). After giving effect to the Transaction and before the Consolidation, the Company had 243,526,132 common shares issued and outstanding. Upon completion of the Consolidation, the Company had 60,881,533 common shares issued and outstanding. Further, in connection with the Consolidation, effective June 26, 2020 the Company has changed its name to "Nova Mentis Life Science Corp." with a corresponding symbol change to "NOVA".

**Cannabis Industry**

In line with the Company's strategy of optimizing its portfolio and strategically investing its capital, the Company has decided not to move forward with North Road and is exploring its options with respect to its interest.

On May 26, 2017, Health Canada introduced several improvements to its medical cannabis program that aim to streamline the application process for issuing production licenses and enable increased production under the ACMPR.

The Company cautions investors that: (i) neither it, nor North Road, are licensed producers under the ACMPR; (ii) the licensing requirements mandated by Health Canada are stringent and must be complied with before any license is granted by Health Canada under the ACMPR, including a site inspection of facilities by Health Canada and other requirements, as further described on Health Canada's website at <http://www.hc-sc.gc.ca/dhp-mps/marihuana/index-eng.php>.

On December 6, 2017, the Company signed an agreement to acquire shares of Just Kush Enterprises Ltd. ("Just Kush"), a private British Columbia company with an in process ACMPR license.

Pursuant to the agreement, the Company has advanced payment to Just Kush and the amount pertains to the build out expenditures incurred at the Just Kush facility to further Just Kush's ACMPR application. These amounts have been paid by the Company and are owed to the Company by Just Kush.

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The capital of Just Kush consists of 100 Class A voting shares and 100 Class B common shares. The Company acquired 45 Class A voting shares and 24 Class B common shares of Just Kush, representing approximately 34.5% equity interest in Just Kush.

As consideration, the Company paid \$150,000 and issued 500,000 common shares of the Company upon execution of the agreement at a fair value based on market prices of \$840,000. In addition, the Company may acquire a further 36 class B common shares pursuant to the milestones below. The Company issued a further 750,000 common shares at a fair value based on market prices of \$2,670,000 on January 15, 2018 to be held in escrow and to be released upon the following milestones:

- i. Within 2 days of receipt of written notice from Just Kush indicating that Just Kush passed the Security Clearance pursuant to the ACMPR application, the Company shall issue 250,000 common shares of the Company to shareholders of Just Kush in exchange for 12 Class B Shares.
- ii. Within 2 days of receipt of written notice from Just Kush indicating that Just Kush received its License to Produce pursuant to the ACMPR application, the Company shall issue 125,000 common shares of the Company to shareholders of Just Kush in exchange for 6 Class B Shares.
- iii. Within 2 days of receipt of written notice from Just Kush indicating that Just Kush completed its Introduction Inspection pursuant to the ACMPR application, the Company shall issue 125,000 common shares of the Company to shareholders of Just Kush in exchange for 6 Class B Shares.
- iv. Within 2 days of receipt of written notice from Just Kush indicating that Just Kush completed its Pre-Sales Inspection pursuant to the ACMPR application, the Company shall issue 125,000 common shares of the Company to shareholders of Just Kush in exchange for 6 Class B Shares.
- v. Within 2 days of receipt of written notice from Just Kush indicating that Just Kush received its License to Sell, pursuant to the ACMPR application, the Company shall pay \$600,000 CDN to the shareholders of Just Kush, and issue 125,000 common shares of the Company to shareholders of Just Kush. The \$600,000 is payable in cash and/or issuance of shares of the Company (based on a 20-day VWAP at the option of Company), in exchange for 6 Class B Shares of Just Kush.

As of March 31, 2020, Just Kush has met milestones I – iv, however, management and Just Kush are currently clarifying the terms for the milestone payments of the original share purchase agreement to better reflect the new regulations that have replaced the ACMPR. The total consideration to be paid under the share purchase agreement has not changed, and accordingly no additional shares have been issued by either party. As such, the Company's investment in associate remains at 34.5% equity interest as at March 31, 2020.

In relation to this transaction, the Company paid a finder's fee of 250,000 common shares, which were valued at \$420,000 and compensation shares of 250,000 common shares, which were valued at \$420,000.

According to the terms of the agreement to purchase shares of Just Kush, the Company has agreed to pay all property taxes associated with the ACMPR application, all costs associated with furthering the ACMPR application process and upon commencement of the Buildout pursuant to the ACMPR application, a minimum of \$2,500 per month in rent to Just Kush for a term not to exceed six months.

During the year ended December 31, 2019, the Company advanced \$413,579 to Just Kush to invest into the Just Kush cultivation production facility, situated on 13 acres in the Okanagan Valley of BC. The production facility buildout includes state-of-the-art security and aeroponic grow systems. These advances were included as investment in associate. During the three months ended March 31, 2020 the Company advanced \$290,761 to

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Just Kush to invest into the Just Kush cultivation production facility.

On April 1, 2019 Just Kush received from the Cannabis Licensing Division of Health Canada, its Confirmation of Readiness Notice in regards to its application for Standard Cultivation, Standard Processing, and Sale for Medical Purposes Licenses under the *Cannabis Act* and Regulations.

On December 13, 2019, Just Kush was issued Standard Cultivation, Standard Processing, and Sale for Medical Purposes Licenses from Health Canada under the *Cannabis Act* and Regulations in respect to the company's state-of-the-art cannabis cultivation facility situated on 13 acres in the Okanagan Valley, B.C.

On June 20, 2018, the Company purchased 666,667 common shares of BLOX (CSE: Blox) at \$0.075 per share. The investment was made pursuant to the terms of an agreement signed December 9, 2017, where the Company agreed to purchase a minimum of \$50,000 in shares of BLOX for investment purposes, when BLOX undertook its next equity financing. The investment is marked to market each reporting period and the gain or loss is reflected in gain on short term investments. Common shares of BLOX underwent a three for one stock split on June 28, 2018. Pursuant to a news release dated September 9, 2019, BLOX completed a change of business and received final approval from the Canadian Securities Exchange of a name change to Sire Bioscience Inc. ("SIRE"), and commenced trading on the CSE under the symbol "SIRE" on September 11, 2019. The Company's 2,000,001 BLOX shares were converted to 2,000,001 SIRE shares pursuant to the news release. During the year ended December 31, 2019 the Company sold 43,000 SIRE shares for \$3,350 in proceeds. As at March 31, 2020, these 1,957,000 shares were valued at \$0.015 per share for a market value of \$29,355 (December 31, 2019 - \$48,925), with a corresponding loss recognized during the period of \$19,570 (December 31, 2019 - \$27,725).

On April 8, 2019 the Company launched its Signature Cannabis Retail e-commerce website, an online shopping experience offering quality cannabis accessories to consumers. Signature Cannabis Retail is a wholly owned subsidiary of the Company. Revenues for the year ended December 31, 2019 were \$7,192. Revenues for the three months ended March 31, 2020 were \$6,942.

## **RESULTS OF OPERATIONS**

### For the three months ended March 31, 2020

During the three months ended March 31, 2020, the Company reported a net loss of \$183,784 compared to the three months ended March 31, 2019 of \$333,139. The Company's net loss included expenditures as follows:

- Accounting, legal and audit fees of \$1,276 (2019 - \$23,156) decreased due to decreased legal services engaged in 2020;
- Consulting fees of \$37,900 (2019 - \$116,025) decreased due to less consultants engaged for work in the cannabis industry in 2020;
- Management fees of \$49,500 (2019 - \$43,500) were paid or accrued to the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") and increased due to increased compensation to the CFO;
- Office and general of \$28,373 (2019 - \$25,576) remained relatively consistent with the prior period;
- Rent of \$nil (2019 - \$7,500) decreased due to the Company no longer using the North Road facility;
- Share-based payments of \$nil (2019 - \$83,509) decreased due to more options granted in 2019 than in 2020;
- Shareholder communications and investor relations of \$12,081 (2019 - \$16,276) decreased in 2020 due to a reduction in promotional activity in 2020;
- Transfer agent and filing fees of \$10,503 (2019 - \$16,504) decreased due to decreased expenditures in the current period;

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- Equity loss from associate of \$27,300 (2019 - \$24,643) pertained to the Company's share of the loss recorded by Just Kush for the same period;
- Interest income of \$3,220 (2019 - \$6,000) decreased due to less capital invested in the current period; and
- Loss on short term investments of \$19,570 (2019 – gain of \$20,000) pertained to a decrease in the value of SIRE shares.

**SUMMARY OF QUARTERLY FINANCIAL RESULTS (\$000's except loss per share)**

The following are the results for the eight most recent quarterly periods, starting with the quarter ended March 31, 2020:

<b>For the Quarterly Periods ended:</b>		<b>March 31, 2020</b>	<b>December 31, 2019</b>	<b>September 30, 2019</b>	<b>June 30, 2019</b>
Total revenues	\$	7	7	-	-
Net loss for the period		(184)	(250)	(344)	(471)
Net loss per common share, basic and diluted *		(0.01)	(0.01)	(0.01)	(0.01)

\* Net loss per common share, basic and diluted reflect the 4 to 1 share consolidation detailed in General and Financing.

<b>For the Quarterly Periods ended:</b>		<b>March 31, 2019</b>	<b>December 31, 2018</b>	<b>September 30, 2018</b>	<b>June 30, 2018</b>
Total revenues	\$	-	-	-	-
Net loss for the period		(333)	(550)	(755)	(195)
Net loss per common share, basic and diluted *		(0.01)	(0.02)	(0.03)	(0.01)

\* Net loss per common share, basic and diluted reflect the 4 to 1 share consolidation detailed in General and Financing.

**SELECTED ANNUAL INFORMATION**

	<b>December 31, 2019</b>	<b>December 31, 2018</b>	<b>December 31, 2017</b>
Total Revenues	\$ 7,192	-	-
Net Loss	1,398,087	3,573,099	1,865,943
Net Loss per Share, basic and diluted	0.04	0.12	0.08
Total Assets	6,584,935	7,550,696	3,224,887
Total Liabilities	325,070	308,954	159,165

\* Net loss per common share, basic and diluted reflect the 4 to 1 share consolidation detailed in General and Financing.

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**LIQUIDITY AND CAPITAL RESOURCES**

At March 31, 2020, the Company had cash of \$73,462 and working capital of \$109,711 as compared to December 31, 2019 when the Company had cash of \$87,005 and working capital of \$555,250.

To address working capital requirements for 2020, the Company has maintained cost control measures to minimize its general and administrative expenses where possible. During the year ended December 31, 2019, the Company raised gross proceeds of \$150,000 through option exercises. See General and Financing for a summary of capital transactions.

For fiscal 2020, the Company will require additional financing to address capital and operating expenditures in its Signature and Just Kush interests, pay general and administrative expenses and to seek out additional opportunities in the cannabis industry to create shareholder value.

**OUTSTANDING SHARES**

The following table sets forth information concerning the outstanding securities of the Company:

	<b>June 29, 2020</b>	<b>March 31, 2020</b>	<b>December 31, 2019</b>
Common shares *	60,881,533	32,131,533	32,131,533
Warrants *	-	14,650	672,086
Stock Options *	1,387,500	1,387,500	2,387,500
Fully Diluted Shares *	62,269,033	33,533,683	35,191,119

\* Common shares, warrants, stock options and fully diluted shares reflect the 4 to 1 share consolidation detailed in General and Financing.

**TRANSACTIONS WITH RELATED PARTIES**

These amounts of key management compensation are included in the amounts shown on the condensed consolidated interim statements of comprehensive loss for the three months ended March 31, 2020 and 2019:

	<b>2020</b>	<b>2019</b>
Consulting fees	\$ 17,500	\$ 2,500
Management fees	\$ 49,500	\$ 43,500
Accounting fees	\$ -	\$ -
Shareholder communications	\$ 12,000	\$ 12,000
Share-based payments	\$ -	\$ -

These transactions were in the normal course of operations. The Company engaged William Rascan, CEO, to provide management services to the Company in consideration of \$37,500 during the three months ended March 31, 2020 (2019 - \$37,500). The Company engaged Jamie Robinson, CFO, to provide management services in consideration of \$12,000 (2018 - \$6,000). The Company retained director Steven Feldman to provide shareholder communication services for consideration of \$12,000 during the three months ended March 31, 2020 (2019 - \$12,000). In consideration of consulting services provided by director Doug Macdonell, the Company paid \$7,500 during the three months ended March 31, 2020 (2019 - \$2,500). The Company engaged a relative of the CEO to provide consulting services for consideration of \$7,500 during the three months ended March 31, 2020 (2019 - \$nil). The Company engaged a relative of the CEO to

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provide consulting services for consideration of \$2,500 during the three months ended March 31, 2020 (2019 - \$nil).

As at March 31, 2020, accounts payable and accrued liabilities included \$25,873 (December 31, 2019 - \$35,402) due to officers and directors or companies controlled by current or former officers and directors. The amounts due are non-interest-bearing, unsecured and without stated terms of repayment.

**OFF-BALANCE SHEET ARRANGEMENTS**

The Company has not entered into any off-balance sheet arrangements.

**PROPOSED TRANSACTIONS**

The Company has not entered into any proposed transactions other than as disclosed under Cannabis industry and Description of Business and Activity above.

**FINANCIAL INSTRUMENTS**

The Company classifies its financial instruments as follows:

- Cash is classified as financial asset at FVTPL;
- Short-term investments as financial assets carried at FVTPL and are initially recorded at fair value and transaction costs are expensed in profit or loss;
- Equity instruments that are held for trading are classified as FVTPL; and
- Accounts payable and accrued liabilities are classified as other financial liabilities and carried on the balance sheet at amortized cost.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for assets or liabilities, either directly or indirectly; and

Level 3 – Input for assets or liabilities that are not based on observable market data.

The Company's financial assets and liabilities are measured at fair value by level with the fair value hierarchy described above. Assets and liabilities are classified entirely based on the lowest level of input that is significant to the fair value measurement.

The fair values of the Company's cash and accounts payable and accrued liabilities approximates the carrying amounts due to the short-term nature of these instruments.

**CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

The preparation of these condensed consolidated interim financial statements requires management to make estimates and judgments that affect the reported amounts of assets and liabilities at the date of the condensed consolidated interim financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates, which, by their nature, are uncertain. The impacts of such estimates



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are pervasive throughout the condensed consolidated interim financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and may affect both the period of revision and future periods.

The key areas of judgment applied in the preparation of the condensed consolidated interim financial statements that could result in a material adjustment to the carrying amounts of assets and liabilities is as follows:

- Control

Management consolidates all subsidiaries and entities which it is determined that the Company controls. Control is evaluated on the ability of the Company to direct the activities of the subsidiary or entity to derive variable returns and management uses judgment in determining whether control exists. Judgment is exercised in the evaluation of the variable returns and in determining the extent to which the Company has the ability to exercise its power to generate variable returns.

- Going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenses, meet its liabilities for the ensuing year, and to fund planned and contractual exploration programs, involves significant judgment based on historical experience and other factors including expectation of future events that are believed to be reasonable under the circumstances.

- Significant influence

Where the Company holds the largest shareholding in an investment and has the power to exercise significant influence through common officers and board members, such an investment is treated as an associate. The Company has determined it can exercise significant influence over Just Kush.

- Treatment of license costs

License costs are capitalized to the extent that the criteria for recognition as intangible assets in IAS 38 Intangible Assets are met. Those criteria require that the product is technically and economically feasible, which management assesses based on the attributes of the development project, perceived user needs, industry trends and expected future economic conditions. Management considers these factors in aggregate and applies significant judgment to determine whether the product is feasible. The Company has not capitalized any license costs as at March 31, 2020.

The key estimates applied in the preparation of the condensed consolidated interim financial statements that could result in a material adjustment to the carrying amounts of assets and liabilities are as follows:

- The inputs used in assessing the recoverability of deferred tax assets;
- Assumptions used as inputs to calculate share-based payments; and
- Fair value of equity issuances for non-cash consideration.

Actual results could differ from those estimates. Key judgments and estimates made by management with respect to those areas noted previously have been disclosed in the notes to the condensed consolidated interim financial statements, as appropriate.

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**MANAGEMENT’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING**

In connection with Exemption Orders issued in November 2007 by each of the securities commissions across Canada, the CEO and CFO of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the condensed interim financial statements and the audited annual financial statements and respective accompanying MD&A.

In contrast to the certificate under National Instrument (“NI”) 52-109 (Certification of Disclosure in Issuer’s Annual and Interim Filings), the Venture Issuer Basic Certification includes a ‘Note to Reader’ stating that the CEO and CFO do not make any representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financing reporting, as defined in NI 52-109.

**ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET EFFECTIVE**

For details of the Company’s Future Accounting Standards, including accounting standards not yet adopted, new accounting standards adopted, and accounting standards amended but not yet effective, please refer to Note 4 of the Company’s audited financial statements for the year ended December 31, 2019.

**RISKS AND UNCERTAINTIES**

The Company believes that the following risks and uncertainties may materially affect its success.

License Under the ACMPR

On December 13, 2019, Just Kush was issued Standard Cultivation, Standard Processing, and Sale for Medical Purposes Licenses from Health Canada under the *Cannabis Act* and Regulations in respect to the company’s state-of-the-art cannabis cultivation facility situated on 13 acres in the Okanagan Valley, B.C. Just Kush will be subject to ongoing compliance and reporting requirements. Failure to comply with the requirements and terms of the licenses, including renewals, would have a material adverse impact on the business, financial condition and operating results of the Company

Regulatory Risks

As a Company in the cannabis industry, the activities of the Company are subject to regulation by governmental authorities in Canada. Achievement of the Company’s business objectives are contingent, in part, upon compliance with regulatory requirements enacted by these governmental authorities and obtaining all regulatory approvals, where necessary. In all cases, plans moving forward and all opportunities are subject to all necessary governmental and municipal approvals being granted. This applies to both the Company and any companies in which it has investments. The Company cannot predict the time required to secure all appropriate regulatory approvals, or the extent of testing and documentation that may be required by governmental authorities. Any delays in obtaining, or failure to obtain regulatory approvals could have a material adverse effect on the Company’s business, results of operations and financial condition.

Change in Laws, Regulations and Guidelines

The Company’s business is subject to particular laws, regulations, and guidelines. The Company intends to comply with all laws and regulations, but there is no guarantee that the governing laws and regulations will not change which will be outside of the Company’s control.

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Substantial Capital Requirements and Liquidity

Substantial additional funds for the establishment of the Company's current and planned operations will be required. No assurances can be given that the Company will be able to raise the additional funding that may be required for such activities, should such funding not be fully generated from operations. Various factors will have an impact on the amount of additional capital that may be required. To meet such funding requirements, the Company may be required to undertake additional equity financing, which would be dilutive to shareholders. Debt financing, if available, may also involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion, and pursue only those plans that can be funded through cash flows generated from its existing operations, which at this time are insignificant.

Financing Risks and Dilution to Shareholders

The Company will have limited financial resources, limited operations and limited revenues. Additional funds will be required to build-out the Just Kush facility. Also, any other investment opportunities pursued by the Company may require additional financing. There can be no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be available on favorable terms or at all. It is likely such additional capital will be raised through the issuance of additional equity, which will result in dilution to the Company's shareholders.

Competition

There is competition within the cannabis industry for investments and products considered to have commercial potential. The Company will compete with other cannabis companies, many of which have greater financial, technical and other resources than the Company, for, among other things, the growth of cannabis and development of cannabis products, as well as for the recruitment and retention of qualified employees and other personnel.

Reliance on Management and Dependence on Key Personnel

The success of the Company will be largely dependent upon on the performance of the directors and officers and the ability to attract and retain key personnel. The loss of the services of these persons may have a material adverse effect on the Company's business and prospects. The Company will compete with numerous other companies for the recruitment and retention of qualified employees and contractors. There is no assurance that the Company can maintain the service of its directors and officers or other qualified personnel required to operate its business. Failure to do so could have a material adverse effect on the Company and its prospects.

Conflicts of Interest

Certain of the directors and officers of the Company will be engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies (including mineral resource companies) and, as a result of these and other activities, such directors and officers of the Company may become subject to conflicts of interest. The British Columbia Business Corporations Act ("BCBCA") provides that in the event that a director has a material interest in a contract or proposed contract or agreement that is material to the issuer, the director must disclose his interest in such contract or agreement and refrain from voting on any matter in respect of such contract or agreement, subject to and in accordance with the BCBCA. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the BCBCA.

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Uninsurable Risks

The Company may become subject to liability for risks against which it cannot insure. The payment of any such liabilities would reduce the funds available for the Company's usual business activities. Payment of liabilities for which the Company does not carry insurance may have a material adverse effect on the Company's financial position and operations.

Litigation

The Company and/or its directors may be subject to a variety of civil or other legal proceedings, with or without merit.

**FORWARD-LOOKING INFORMATION**

This MD&A contains forward-looking statements. Forward-looking statements are projections of events, revenues, income, future economic performance or management's plans and objectives for future operations. In some cases, you can identify forward-looking statements by the use of terminology such as "may", "should", "expects", "plans", "anticipates", "believes", "estimates", "predicts", "potential" or "continue" or the negative of these terms or other comparable terminology. Examples of forward-looking statements made in this MD&A include statements about the Company's business plans; the costs and timing of its developments; its future investments and allocation of capital resources; success of the ACMPR license application; requirements for additional capital. These statements are only predictions and involve known and unknown risks, uncertainties and other factors, including: general economic and business conditions, fluctuations in prices and demand for cannabis and related products; our lack of operating history; conclusions or economic evaluations; changes in project parameters as plans continue to be refined; failure of plant, equipment or processes to operate as anticipated; regulatory and legal issues; or other risks of the cannabis industry; delays in obtaining government approvals or financing or incompleteness of development activities, any of which may cause our or our industry's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements.

While these forward-looking statements and any assumptions upon which they are based are made in good faith and reflect our current judgment regarding the direction of the Company's business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions or other future performance suggested herein. Except as required by applicable law, including the securities laws of the Canada, the Company does not intend to update any of the forward-looking statements to conform these statements to actual results.

**ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE**

Detailed listings of general and administrative expenses and exploration expenditures are provided in the condensed consolidated interim financial statements of the Company for the three months ended March 31, 2020.

**OFFICERS AND DIRECTORS**

Certain directors of the Company are also directors, officers and/or shareholders of other companies. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required to act in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project 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/her interest and abstain from voting in the matter(s). In

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determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at the time.

Current directors and officers of the Company are as follows:

William Rascan, CEO, President and Director  
Jamie Robinson, CFO  
Steven Feldman, Director

**OUTLOOK**

The Company's primary focus for the foreseeable future will be the Just Kush and Signature subsidiaries. In addition, as a result of the acquisition of Nova Mentis Biotech Corp, the Company plans to invest in research and development of the anti-inflammatory effects of psilocybin in underexplored metabolic indications such as obesity and diabetes. The Company will also continue to evaluate additional investment opportunities in the health and wellness sector, cannabis and related sectors.

**OTHER REQUIREMENTS**

Additional disclosure of the Company's material documents, information circular, material change reports, new release, and other information can be obtained on SEDAR at [www.sedar.com](http://www.sedar.com).