



**MPV EXPLORATION INC.**  
(an exploration company)

**MANAGEMENT DISCUSSION AND ANALYSIS**  
For the three-month period ended June 30, 2020  
(First quarter)

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This management discussion and analysis ("MD&A") of MPV Exploration Inc. ("MPV Exploration", "MPV" or the "Company") complies with Rule 51-102A of the Canadian Securities Administrators regarding continuous disclosure.

The MD&A is a narrative explanation, through the eyes of the management of MPV, of how the Company performed during the three-month period ended June 30, 2020, and of the Company financial condition and future prospects. This discussion and analysis complements the unaudited condensed interim financial statements for the three-month period ended June 30, 2020 but does not form part of them.

All figures are in Canadian dollars unless otherwise stated. Additional information relating to the Company can be found on SEDAR at [www.sedar.com](http://www.sedar.com). The shares of MPV are listed on the Canadian Securities Exchange under the symbol MPV.

All figures are in Canadian dollars unless otherwise stated.

#### **DATE**

The MD&A was prepared on the basis of information available as at October 12, 2020.

#### **CAUTION REGARDING FORWARD-LOOKING STATEMENTS**

This document contains forward-looking statements that reflect the Company's current expectations regarding future events. To the extent that any statements in this document contain information that is not historical, the statements are essentially forward-looking and are often identified by words such as "anticipate", "expect", "estimate", "intend", "project", "plan" and "believe". Forward-looking statements involve risks, uncertainties, and other factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements. There are many factors that could cause such differences, particularly: volatility and sensitivity to market metal prices; impact of change in foreign currency exchange rates and interest rates; imprecision in reserve estimates; environmental risks including increased regulatory burdens; unexpected geological conditions; adverse mining conditions; changes in government regulations and policies, including laws and policies; failure to obtain the necessary permits and approvals from government authorities; and other development and operating risks.

While the Company believes that the assumptions underlying in the forward-looking statements are reasonable, undue reliance should not be placed on these statements, which only apply as of the date of this document. The Company disclaims any intention or obligation to update or revise any forward-looking statement, whether or not it should be revised because of new information, future events or otherwise, unless required to do so by the applicable securities laws.

#### **NATURE OF ACTIVITIES**

MPV is incorporated under the Canada Business Corporations Act. The Company is involved in the acquisition, exploration and development of mining properties. The Company is active in Canada.

In October 2018, following shareholder's approval, the Company changed its name to MPV Exploration Inc.

#### **HIGHLIGHTS**

After careful consideration and following many months of evaluating different strategic opportunities, the Board of MPV has decided to enter into a definitive agreement and amalgamate with Entheon Biomedical, a company developing innovative treatments for various addiction disorders using psychedelic medicines. We feel that the transaction constitutes a promising opportunity for MPV and its shareholders to participate in the growth of a fast developing sector, in partnership with an experienced group of health science industry experts.

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Trading in the shares if MPV was halted following the announcement of this transformative transaction on July 2<sup>nd</sup>. It is expected to resume trading under the Entheon name during the second half of the year, subject to obtaining the receipt of all the necessary regulatory approvals, amongst other conditions.

Since beginning of March 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 have caused material disruption to businesses globally resulting in an economic slowdown.

The Company is continuing its activities to further the Company's objectives during this uncertain and rapidly evolving time and to follow the recommendations of Quebec Government and Health Canada/Santé Québec. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company and its operating in future periods.

## **OVERALL PERFORMANCE**

### **Results of Operations**

#### **Umex Block West Project**

##### **Property Description**

The Umex Block West property consists of 14 cells covering a total area of 777.63 hectares. The property is located within the Eastern Abitibi region at 50 km west of the town of Chapais and 88 km west of the town of Chibougamau.

On March 31, 2017, the Company signed an option agreement to acquire 100% of the property.

During the year ended March 31, 2019, the Company performed the following work:

- 1) A 1,200-metre drilling program;
- 2) A BoreHole EM-type geophysical survey in two 2018 drill holes;
- 3) A BoreHole EM-type geophysical survey in two historical drill holes;
- 4) An airborne magnetic survey over the entire property, on lines spaced at 75 m.

The results of the drilling program were disclosed in a press release dated August 16, 2018.

The Company is currently evaluating next steps with regards to its properties.

##### **Work done during the period**

No exploration work was carried out on the property during the period.

#### **Umex Block East Property**

The Umex Block East property is now composed of 111 contiguous cells to the east, and on the same conductive strip as that traversing the Umex Block West property. The property covers an area of 6,163.28 hectares. It is wholly-owned by the Company.

During the year ended March 31, 2019, the Company conducted:

- 1) An airborne magnetic survey over the entire property on lines spaced at 75 m;
- 2) A Max-Min ground geophysical survey covering +/-40 km.

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## Work done during the period

No exploration work was carried out on the property during the period.

## Person In Charge of Technical Disclosure

Hughes Gu erin Tremblay (OGQ #1584), geologist, acts as an independent consulting geologist for the Company and a Qualified Person under *NI 43-101 on standards of disclosure for mineral projects*, has written and approved the technical content of this MD&A for the properties.

## RESULTS OF OPERATIONS

MPV anticipates that, for the foreseeable future, quarterly results of operations will primarily be impacted by several factors, including the timing of exploration and the efforts and timing of expenditures related to the development of the Company. Due to fluctuations in these factors, the Company believes that the period-to-period comparisons of operating results are not a good indication of its future performance.

## SUMMARY OF QUARTERLY RESULTS

The comments below provide an analysis of the operating results for the three-month period ended June 30, 2020. The selected financial information shown below is taken from the unaudited condensed interim financial statements for each of the three-month periods indicated.

### FINANCIAL HIGHLIGHTS

|  | June 30             |                     |
|--|---------------------|---------------------|
|  | 2020                | 2019                |
| Shareholders' information                        | \$ 11,335           | \$ 15,350           |
| Professional and consultant fees                 | \$ 33,233           | \$ 26,895           |
| Travel and representation                        | \$ -                | \$ 983              |
| Devaluation of exploration and evaluation assets | \$ 285,986          | \$ -                |
| Other expenses                                   | \$ 5,368            | \$ 5,284            |
|  | <u>\$ 335,922</u>   | <u>\$ 48,512</u>    |
| Interest income and other revenues               | \$ (13,906)         | \$ (4,998)          |
| Net loss and total comprehensive loss            | <u>\$ (322,016)</u> | <u>\$ (43,514)</u>  |
| Cash and cash equivalents                        | <u>\$ 1,067,411</u> | <u>\$ 1,148,278</u> |

## Shareholders' Information

Shareholders' information expenses for the three-month period ended June 30, 2020, consisted mainly of expenditures of legal and regulatory nature incurred to comply with the requirements of the securities commission. The decrease of \$4,015 compared to the previous period is primarily due to a decrease in transfer agent fees and shareholder information costs.

## Professional and Consultant Fees

Professional and consultant fees for the three-month period ended June 30, 2020, consisted primarily of expenses of a legal and accounting nature, as well as audit expenses. A variation of \$6,638 was recognized compared to the previous period and results from an increase in legal and accounting expenses.

## Devaluation of exploration and evaluation assets

During the three-month period ended June 30, 2020, the Company has devaluated the mining properties of Umex Block West and Umex Block East because the carrying value will not be recovered in full following the conditional sale of these mining properties (see note on subsequent events below).

The selected financial information below was taken from MPV Exploration's unaudited financial statements for each of the following quarters:

|   | June 30<br>2020 | March 31<br>2020 | Dec 31<br>2019 | Sept. 30<br>2019 | June 30<br>2019 | March 31<br>2019 | Dec 31<br>2018 | Sept. 30<br>2018 |
|---|-----------------|------------------|----------------|------------------|-----------------|------------------|----------------|------------------|
| Interest Income and other income        | 3,906           | 5,080            | 4,936          | 4,988            | 4,998           | 3,904            | 4,046          | 3,297            |
| Net loss                                | (322,016)       | (35,881)         | (49,323)       | (18,065)         | (43,514)        | (79,718)         | (58,600)       | (36,609)         |
| Basic and diluted<br>net loss per share | \$ 0.02         | \$ 0.00          | \$ 0.00        | \$ 0.00          | \$ 0.00         | \$ (0.01)        | \$ 0.00        | \$ 0.00          |

## Liquidity and Capital Resources

Cash and cash equivalents as at June 30, 2020, totaled \$1,067,411 of compared to \$1,148,278 as at June 30, 2019.

| Date               | Financing     |             | Commercial Goals |
|--------------------|---------------|-------------|------------------|
| April and May 2018 | Common shares | \$1,193,100 | Working Capital  |

For the next year, the Company has budgeted \$130,000 for administrative expenses. Management is of the opinion that, even if it is unable to raise additional equity financing, the Company will be able to meet its current exploration obligations and keep its properties in good standing for the next 12 months. There is no assurance that such financing will be available when required, or under terms that are favourable to MPV.

## CASH FLOWS

|                           | June 30             |                     |
|---------------------------|---------------------|---------------------|
|                           | 2020                | 2019                |
| Operating activities      | \$ (65,079)         | \$ (76,203)         |
|                           | <u>\$ (65,079)</u>  | <u>\$ (76,203)</u>  |
| Cash and cash equivalents | <u>\$ 1,067,411</u> | <u>\$ 1,148,278</u> |

During the three-month period ended June 30, 2020, funds used for operating activities were spent primarily on improving operations and development of the Company.

No financing and investment activity took place during the period.

## ROYALTIES ON THE MINING PROPERTIES

| PROPERTY       | ROYALTY                      |            | DESCRIPTION  |
|----------------|------------------------------|------------|--|
|                | Name                         | Percentage |  |
| Umex Bloc West | Les Ressources Tectonic Inc. | 100%       | 2% NSR of which 1% may be purchased for an amount of \$1,500,000 |

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## RELATED PARTY TRANSACTIONS

### Transactions with Key Executives

During the three-month period ended June 30, 2020, the Company incurred \$5,530 (\$4,870 in 2019) in professional and consultant fees with its Corporate Secretary and Chief Financial Officer. In relation with these transactions no amount was payable as at June 30, 2020 and 2019.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed by the related parties.

### SUBSEQUENT EVENTS

On June 30, 2020, the entered into a definitive agreement (the "Definitive Agreement") with Entheon Biomedical Corp. ("Entheon"), whereby the Company will acquire all of the issued and outstanding shares of Entheon pursuant to a three-cornered amalgamation in accordance with Section 269 of the *Business Corporations Act* (British Columbia) as further detailed below (the "Transaction"). The Transaction will constitute a "Fundamental Change" of the Company as defined by Canadian Securities Exchange ("CSE") policies.

Pursuant to the Definitive Agreement, the Company will complete a consolidation of its issued and outstanding common shares (the "Consolidation") on the basis of one post-Consolidation common share (the "Company Shares") for every three (3) outstanding common shares in the capital of the Company. Following the Consolidation, each of the shareholders of Entheon (the "Entheon Shareholders") will receive one (1) Company Share in exchange for each share held in the capital of Entheon (the "Exchange Ratio") and holders of convertible securities in Entheon will receive Company Shares, subject to the Exchange Ratio, in lieu of Entheon Shares that such holder is entitled to receive upon conversion of the Entheon convertible security.

The Transaction will be structured as a three-cornered amalgamation in accordance with Section 269 of the *Business Corporations Act* (British Columbia) in which Entheon will amalgamate with 1254912 B.C. Inc., a newly incorporated, wholly-owned subsidiary of the Company ("**Subco**"), formed solely for the purpose of conducting the Concurrent Financing and facilitating the Transaction. Following the Transaction, the amalgamated company will be a wholly-owned subsidiary of the Company.

As a condition to the completion of the Transaction, Subco, must complete a private placement financing as detailed below (the "Concurrent Financing"). Upon completion of the Transaction, the Company will change its name to "Entheon Biomedical Corp." or such other similar name as the parties may agree to (the "Name Change").

Following completion of the Transaction, the Company will be carrying on the business of Entheon, which will be the research and development of psychedelic drug products for the purposes of treating addiction and mental health issues. Entheon intends to conduct clinical trials and submit drug products for regulatory approval in multiple jurisdictions.

It is a condition of the closing of the Transaction that MPV shall have assigned or disposed of all existing mineral resource properties, including MPV's rights under the option agreement dated March 31, 2017 between MPV and Les Ressources Tectonic Inc. as it relates to the UMEX project. In this regard, MPV entered into a binding agreement following a tender process on August 5, 2020 pursuant to which it has agreed to sell its interest in the UMEX project for a cash consideration of \$278,000. The sale has been closed in escrow, pending completion of the Transaction.

### Concurrent Financing

In connection with the Transaction, MPV, through Subco, intends to complete a non-brokered private placement of subscription receipts at a price of C\$0.375 (the "**Subscription Receipts**") per Subscription

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Receipt such that there is at least C\$2,000,000 in working capital in the Company at the closing of the Transaction.

Each Subscription Receipt will be deemed to be exchanged upon satisfaction of the Release Conditions (as defined below) without payment of any additional consideration, for one unit of Subco (each a “Unit”). Each Unit will be comprised of one Class A non-voting common share in the capital of Subco (each, a “Subco Class A Share”) and one-half of one share purchase warrant of Subco (each whole warrant, a “Subco Warrant”), which entitles the holder thereof to purchase a Subco Class A Share at a price of C\$0.60 for a period of two years from the date the Subscription Receipts are converted into Units. Enttheon, following completion of the Transaction, will use the net proceeds from the Concurrent Financing to carry out its preclinical and human proof of concept studies determining safety, tolerability and dose finding specific to DMT in the treatment of addictive disorders and for general working capital purposes.

Closing of the Transaction is subject to negotiation and execution of definitive documentation and receipt of all regulatory approvals.

### **SIGNIFICANT ACCOUNTING POLICIES**

For more details regarding the significant accounting policies, you may refer to the Note 4 accompanying the audited financial statements for the year ended March 31, 2030 and Note 3 and 4 of the condensed interim financial statements for the period of three-month ended June 30, 2020.

### **CERTIFICATION OF INTERIM FILINGS**

The Chief Executive Officer and Chief Financial Officer have signed the official basic certificates for venture issuers as required by *Regulation 52-109 respecting certification of disclosure in issuers' annual and interim filings*, confirming the review, absence of untrue or misleading information and fair presentation of the interim documents filed.

- The Chief Executive Officer and Chief Financial Officer have confirmed that they have reviewed the interim financial statements and the interim MD&A (collectively referred to as the “interim filings”) of the Company for the three-month period ended June 30, 2020.
- The Chief Executive Officer and Chief Financial Officer have confirmed that, based on their knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings
- The Chief Executive Officer and Chief Financial Officer have confirmed that, based on their knowledge, having exercised reasonable diligence, the interim financial statements together with the other financial information included in the interim filings fairly present in all material respects the financial condition, results of operations and cash flows of the issuer, as of the date and for the periods presented in the interim filings for these periods.

## OTHER REQUIREMENTS IN THE MANAGEMENT DISCUSSION AND ANALYSIS

### EXPLORATION AND EVALUATION ASSETS

|   | June 30           |                   |
|---|-------------------|-------------------|
|   | <b>2020</b>       | 2019              |
| Balance, beginning of period                          | \$ 563,986        | \$ 492,502        |
| Balance, before deduction                             | 563,986           | 492,502           |
| Devaluation of exploration and evaluation assets      | (285,986)         |                   |
| Tax credit related to resources and mining tax credit | -                 | 3,516             |
| Balance, end of period                                | <u>\$ 278,000</u> | <u>\$ 488,986</u> |

### MATERIAL COMPONENTS

|  | June 30     |            |            |
|--|-------------|------------|------------|
|  | <b>2020</b> | 2019       | 2018       |
| <b>Statements of net loss and comprehensive loss</b> |             |            |            |
| Professional and consultant fees                     | \$ 33,233   | \$ 26,895  | \$ 18,776  |
| Other expenses                                       | \$ 5,368    | \$ 5,284   | \$ 5,251   |
| Devaluation of exploration and evaluation assets     | \$ 285,986  | \$ -       | \$ -       |
| Shareholders' information                            | \$ 11,335   | \$ 26,895  | \$ -       |
| <b>Statements of financial position</b>              |             |            |            |
| Exploration and evaluation assets                    | \$ 278,000  | \$ 488,986 | \$ 319,510 |
| Loan receivable from Biomass Carbon ULC              | \$ -        | \$ -       | \$ 25,000  |

### DISCLOSURE OF OUTSTANDING SHARE DATA (as at October 12, 2020)

|  |                   |                 |
|--|-------------------|-----------------|
| <b>Common shares outstanding:</b>                                    | 18,105,514        |                 |
| <b>Options outstanding:</b>  | 1,610,000         |                 |
| Average exercise price of:   | \$ 0.14           |                 |
|  | <b>Number</b>     | <b>Exercise</b> |
| <u>Expiry date</u>   | <u>of shares</u>  | <u>price</u>    |
|  |                   | <b>\$</b>       |
| December 2022  | 500,000           | 0.20            |
| November 2023  | 550,000           | 0.10            |
| February 2024  | 200,000           | 0.10            |
| November 2024  | 360,000           | 0.12            |
|  | <u>1,610,000</u>  |                 |
| <b>Warrants and brokers and intermediaries' options outstanding:</b> | 13,958,933        |                 |
| Average exercise price of:   | \$ 0.23           |                 |
|  | <b>Number</b>     | <b>Exercise</b> |
| <u>Expiry date</u>   | <u>of shares</u>  | <u>price</u>    |
|  |                   | <b>\$</b>       |
| December 2020  | 1,953,431         | 0.25            |
| December 2020  | 40,002            | 0.15            |
| February 2021  | 6,000,000         | 0.16            |
| April 2021   | 5,965,500         | 0.30            |
|  | <u>13,958,933</u> |                 |



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**Risks and Uncertainties.** The Company is subject to a variety of risks, some of which are described below. If any of the following risks occur, the Company's business, results of operations or financial condition could be adversely affected in a material manner.

**Exploration and mining risks.** The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. Unusual or unexpected formations, formation pressures, fires, power outages, labour disruptions, flooding, cave-ins, landslides and the inability to obtain suitable or adequate machinery, equipment or labour are other risks involved in the conduct of exploration programs. The Company from time to time increases its internal exploration and operating expertise with due advice from consultants and others as required. The economics of developing gold and other mineral properties is affected by many factors, including the cost of operations, variation of the grade of ore mined and fluctuations in the price of any minerals produced. There are no underground or surface plants or equipment on the Company's mineral properties, nor any known bodies of commercial ore. Programs conducted on the Company's mineral properties would be an exploratory search for ore.

**Titles to property.** While the Company has diligently investigated title to the various properties in which it has an interest, and to the best of its knowledge, title to those properties are in good standing, this should not be construed as a guarantee of title. The properties may be subject to prior unregistered agreements or transfer, or native or government land claims, and title may be affected by undetected defects.

**Permits and licenses.** The Company's operations may require licenses and permits from various governmental authorities. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out exploration, development and mining operations at its projects.

**Metal prices.** Even if the Company's exploration programs are successful, factors beyond the control of the Company may affect marketability of any minerals discovered. Metal prices have historically fluctuated widely and are affected by numerous factors beyond the Company's control, including international, economic and political trends, expectations for inflation, currency exchange fluctuations, interest rates, global or regional consumption patterns, speculative activities and worldwide production levels. The effect of these factors cannot accurately be predicted.

**Competition.** The mining industry is intensely competitive in all its phases. The Company competes with many companies possessing greater financial resources and technical facilities than itself for the acquisition of mineral interests as well as for recruitment and retention of qualified employees.

**Environmental regulations.** The Company's operations are subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions of spills, release or emission of various substances produced in association with certain mining industry operations, such as seepage from tailing disposal areas, which could result in environmental pollution. A breach of such legislation may result in imposition of fines and penalties. In addition, certain types of operations require submissions to and approval of environmental impact assessments. Environmental legislation is evolving in a manner which means stricter standards, and enforcement, fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations. The Company intends to fully comply with all environmental regulations.

**Conflicts of interest.** Certain directors or proposed directors of the Company are also directors, officers or shareholders of other companies that are similarly engaged in the business of acquiring, developing and exploiting natural resource properties. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project or opportunity

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of the Company. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter. In 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 that time.

**Stage of development.** The Company's properties are in the exploration stage, and to date none of them have a proven ore body. The Company does not have a history of earnings or providing a return on investment, and there is no assurance that it will produce revenue, operate profitably or provide a return on investment in the future.

**Industry conditions.** Mining and milling operations are subject to government regulations. Operations may be affected in varying degrees by government regulations such as restrictions on production, price controls, tax increases, expropriation of property, pollution controls or changes in conditions under which minerals may be mined, milled or marketed. The marketability of minerals may be affected by numerous factors beyond the control of the Company, such as government regulations. The effect of these factors cannot be accurately determined.

**Uninsured hazards.** Hazards such as unusual geological conditions are involved in exploring for and developing mineral deposits. The Company may become subject to liability for pollution or other hazards which cannot be insured against or against which the Company may elect not to insure because of the high cost of premiums or for other reasons. The payment of any such liability could result in the loss of Company assets or the Company's insolvency.

**Future financing.** Completion of future programs may require additional financing, which may dilute the interests of existing shareholders.

**Key employees.** Management of the Company rests on a few key officers and members of the board of directors, the loss of any of whom could have a detrimental effect on its operations.

**Canada Revenue Agency.** No assurance can be made that Canada Revenue Agency will agree with the Company's characterization of expenditures as Canadian exploration expenses or Canadian development expenses or the eligibility of such expenses as Canadian exploration expenses under the *Income Tax Act* (Canada).