FORM 7  
  
MONTHLY PROGRESS REPORT

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

Trading Symbol: *BETR*

Number of Outstanding Listed Securities: *84,821,672 common shares*

Date: Aug 3, 2021

**Report on Business**

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

*On July 12, 2021, the Company provided the following H1 2021 progress update:*

*TD-0148A*

*The Company’s TD-0148A is a second-generation lysergic acid diethylamide (“LSD”) derivative molecule that has been synthesized using the Company’s own patented manufacturing process. The Company believes TD-0148A can mimic the projected therapeutic potential of LSD without causing its undesirable psychoactive dissociative side effects, such as hallucinations. TD-0148A is projected to be developed for treatment of major depressive disorders, a market which is forecast to reach near US$25 billion by 2030, as well as cluster headaches and other neurological disorders.*

*To date, the Company has issued patents on synthesis of TD-0148A for its entirely unique manufacturing process. Neither the product nor process is restricted by controlled substance regulations because LSD or other Schedule 1 drugs are not used. Unlike first-generation psychedelics, which have side effects, TD-0148A can be self-administered, leading to both time and cost savings as it does not have to be ingested at a clinic or in the presence of at least one therapist nor does the patient require going through a four-step treatment model.*

*In H1 2021, the Company achieved the following value catalysts:*

*- Scale-up and process development for GMP manufacturing advanced significantly;*

*- Execution of agreements with several leading researchers at marquee institutions for preclinical pharmacology and other IND-enabling studies, including:*

*o Eurofins Discovery – Pharmacology and safety;*

*o University of California San Diego – Comparative in-vitro studies vs LSD;*

*o Carlton University – Testing in mouse depression model;*

*o ITR Labs – GLP bioavailability and toxicology;*

*o Nova Labs- GLP cardiac studies; and*

*o SGS – Bioanalytical assays.*

*Looking forward, the Company expects its GMP manufactured material for clinical trials to be completed in H2 2021 with IND filing and conduct of human trials projected for H1 2022.*

*TD-010*

*The second compound the Company is developing to treat neurological conditions is TD-010, which is projected to be developed initially for the treatment of benzodiazepine dependency. At a later stage, the Company will develop TD-010 for other anxiety and neurological related disorders.*

*The Company reported the following milestones achieved in H1 2021 in relation to TD-010:*

*- Developed and filed a US provisional patent on use for anxiety and related disorders; and*

*- Initiated the scale-up process development for GMP manufacturing.*

*Looking forward, the Company expects to file its IND in Q2 2022 and start Phase 1 of clinical trials in benzodiazepine dependent patients in Q3 2022.*

*AP-003*

*AP-003 is recombinant human interferon alpha 2b manufactured from the Company’s patented (provisional) master cell bank and formulation. During H1 2021, the Company:*

*- Entered into a clinical research agreement with the Pontificia Universidad Católica de Chile to conduct a randomized placebo-controlled trial (“IN2COVID”) in COVID-19 patients, testing the Company’s proprietary inhaled AP-003; and*

*- Entered into a research agreement with Western University to test the efficacy of AP-003 against COVID-19 variants.*

*On July 15, 2021, the Company provided a further update on its AP-003 program and announced early positive in vitro results of its SARS-CoV-2 (“COVID-19”) anti-viral, recombinant human interferon alpha-2b (“rhIFN⍺2b” or “AP-003”), from the Dr. Stephen Barr Laboratory and state-of-the-art ImPaKT Facility at Western University (“UWO”). AP-003’s first proposed target indication is for people at higher risk to develop severe COVID-19 disease.*

*Early data show potent and similar anti-viral activity against the COVID-19 Wuhan reference strain (EC50=0.51), Alpha (B.1.1.7, UK, EC50=1.26) and Beta (B.1.351, South Africa, EC50=0.25) variants. Further studies are ongoing to validate these early results and to test AP-003 activity against Gamma (Brazil), Delta (India) and Lambda (Peru) variants.*

*The rhIFN⍺2b, a Type I interferon, is a naturally occurring protein integral to the body’s first line of anti-viral defenses. There is evidence that coronaviruses, such as COVID-19, have mechanisms which suppress IFN⍺2b production, allowing the virus to evade the innate immune system and replicate unabated. Multiple clinical analyses show a significant link between deficiency in Type 1 interferon and development of severe COVID-19 disease. There is also accumulating evidence from preclinical studies that coronavirus replication is blocked by the addition of exogenous IFN⍺2b, thereby allowing cells to restore their normal anti-viral activity. An exploratory study in Wuhan, China, in COVID-19 patients, showed that patients treated with inhaled rhIFN⍺2b had a more rapid rate of viral clearance than patients in the comparator arm who did not receive inhaled rhIFN⍺2b.*

*Separately, the Company has entered into a clinical research agreement with the Pontificia Universidad Católica de Chile to conduct a randomized placebo-controlled trial in COVID-19 patients to test the Company’s proprietary inhaled AP-003.*

*Dr. Ahmad Doroudian, Chief Executive Officer of the Company, shared additional information in an interview with Proactive Investors which can be viewed at:* [*https://youtu.be/FKJuHmrH9cI*](https://youtu.be/FKJuHmrH9cI)*.*

*On July 22, 2021, the Company announced funding of its joint application with Dr. Argel Aguilar-Valles at Carleton University (“Carleton”) Department of Neuroscience by the Accelerate program at Mitacs for research into the anxiolytic potential of TD-010 in preclinical models of chronic anxiety and depression. As part of the research agreement, Dr. Argel Aguilar-Valles’s team will work with the Company to test TD-010 in both in vitro and in vivo models that are established in their lab. The team’s expertise is understanding the molecular mechanisms that underlie psychiatric and neurodevelopmental disorders and is performed through the use of a combination of biochemistry, molecular biology, neuronal culture and animal models.*

*Also, during the month, the Company’s wholly-owned subsidiary, Altum Pharmaceuticals Inc., and Pontificia Universidad Católica de Chile obtained approval from the Instituto de Salud Publica de Chile to conduct their planned randomized placebo-controlled trial (“IN2COVID”) in COVID-19 patients. The trial, set to start in early August, tests the Company’s proprietary inhaled interferon alpha-2b (“IFN-a2b”) product, AP-003. The IN2COVID trial will have a randomized placebo Phase 1 portion in healthy subjects followed by a randomized placebo-controlled Phase 2 portion in early stage COVID-19 patients (<5 days of diagnosis of COVID-19). The IFN-a2b treatment arms will receive the Company’s proprietary inhaled IFN-a2b product, AP-003, administered via nebulizer, twice daily for 10 days.*

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

*Please see Item 1.*

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

*N/A.*

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

*N/A.*

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

*Please see Item 1.*

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

*N/A.*

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

*N/A*

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

*N/A*

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

*N/A.*

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

*N/A.*

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

*N/A.*

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

*In March 2021, Olymbec Development Inc. (“Olymbec”) filed a judicial demand before the Superior Court of Québec and a judgement for a safeguard order was obtained by Olymbec Development Inc. (“Olymbec”) against Pivot Pharmaceuticals Manufacturing Corp. (“Pivot”), a former subsidiary, and the Company, as guarantor of the lease at 285-295 Kesmark Street, Quebec, ordering Pivot and the Company to jointly pay the full amount of the lease on the first day of each month. In May 2021, a judgement for a safeguard order was issued ordering Pivot and the Company to provide post-dated cheques for monthly lease payments for the months of June through November 2021. In June 2021, a judgement granted Pivot and the Company until June 30, 2021 to pay the outstanding lease totaling $124,223 and to deliver post-dated cheques each in the amount of $49,410.51 for monthly lease payments for the months of July through November 2021 (remitted by the Company as guarantor). The Company continues to assess options available to contest the judicial demand from Olymbec and mitigate its damages.*

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

*N/A.*

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

*N/A.*

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

*N/A.*

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

*N/A.*

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

*N/A.*

**Certificate Of Compliance**

The undersigned hereby certifies that:

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

Dated August 3, 2021

Moira Ong   
Name of Director or Senior Officer

*“Moira Ong”*   
Signature

Chief Financial Officer   
Official Capacity

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| ***Issuer Details***  Name of Issuer  BetterLife Pharma Inc. | For Month End  July 2021 | Date of Report  YY/MM/DD  2021/08/03 |
| Issuer Address  1275 West 6th Avenue, #300 | | |
| City/Province/Postal Code  Vancouver, BC V6H 1A6 | Issuer Fax No.  ( ) | Issuer Telephone No.  (604) 221-0595 |
| Contact Name  Moira Ong | Contact Position  CFO | Contact Telephone No.  604-551-5178 |
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