ENTHEON BIOMEDICAL CORP.
(Formerly MPV Explorations Inc.)
MANAGEMENT DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED NOVEMBER 30, 2020

OVERVIEW

The following management discussion and analysis ("MD&A") of the financial position of Entheon Biomedical Corp. ("Entheon" or "the Company") (formerly MPV Explorations Inc. ("MPV")), and results of operations prepared on March 29, 2021, should be read in conjunction with the audited consolidated financial statements for the fiscal year ended November 30, 2020. All amounts are stated in Canadian dollars unless otherwise indicated. These consolidated financial statements together with this MD&A are intended to provide investors with a reasonable basis for assessing the financial performance of the Company.

Entheon maintains its head office at Suite 211, 3030 Lincoln Avenue, Coquitlam, British Columbia, Canada V3B 6B4 and registered office at 10th Floor, 595 Howe Street, Vancouver, British Columbia, Canada, V6C 2T5. Entheon is a biotechnology research and development company incorporated under the Canadian Business Corporations Act. Entheon is the result of a three-cornered amalgamation, completed on November 5, 2020. Following this amalgamation, Entheon changed its name from MPV Exploration Inc. to Entheon Biomedical Corp. Entheon also proceeded with the consolidation of its common shares ("Common Shares") on the basis of one post-consolidation Common Share for three pre-consolidation Common Shares (the "Consolidation"). Entheon's Common Shares are listed for trading on the Canadian Securities Exchange ("CSE") under the symbol "ENBI".

All capitalized terms not defined herein have the meanings assigned to them in the filing statement of the Company dated November 12, 2020, available under the Company's profile on SEDAR at www.sedar.com.

FORWARD LOOKING STATEMENTS

The information provided in this report may contain forward-looking statement within the meaning of applicable Canadian securities legislation. Statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements. In some cases, forward-looking statements are preceded by, followed by or include words such as "may", "will", "would", "could", "should", "believes", "estimates", "projects", "potential", "expects", "plans", "intends", "anticipates", "targeted", "continues", "forecasts", "designed", "goal", or the negative of those words or other similar or comparable words.

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Entheon to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Although management of Entheon believes that the assumptions made and the expectations represented by such statements are reasonable, there can be no assurance that a forward-looking statement herein will prove to be accurate.

THE TRANSACTION

General

On November 5, 2020, Entheon completed its previously announced business combination with Entheon Holdings Corp. (formerly, Entheon Biomedical Corp.) ("Former Entheon") or ("Entheon Holdings"), whereby the Company acquired all of the issued and outstanding Former Entheon common shares by way of an arm's length three-cornered amalgamation with Former Entheon and Subco pursuant to the Amalgamation Agreement (the "Transaction"). In connection with the Transaction and pursuant to the terms of the Amalgamation Agreement: (i) Subco completed the Subco Private Placement (as described in detail below); (ii) Entheon completed a name change from "MPV Exploration Inc." to "Entheon Biomedical Corp."; (iii) Entheon completed the Consolidation; and (iv) Former Entheon amalgamated with Subco under subsection 269 of the BCBCA to form Entheon Holdings. Thereafter, Entheon Holdings became a wholly-owned subsidiary of Entheon. In accordance with the Amalgamation Agreement, the Former Entheon Shareholders were issued one Common Share for every one Former Entheon Share held immediately prior to the completion of the Transaction. All outstanding Entheon Warrants were adjusted such that, upon exercise or conversion, the holders will receive Common Shares in lieu of Former Entheon Shares, subject to the Exchange Ratio.

Additionally, in connection with the Transaction, Entheon has assigned or disposed of all existing mineral resource properties, including Entheon'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 had agreed to sell its interest in the UMEX project for a cash consideration of $278,000. The sale closed upon completion of the Transaction.

Following the completion of the Transaction, the Company changed its financial year-end from March 31 to November 30.

The Subco Private Placement

In connection with the Transaction, Entheon, through Subco, completed the Subco Private Placement on September 3, 2020, pursuant to which Subco issued an aggregate of 4,117,886 Subco Subscription Receipts at a price of $0.375 per Subco Subscription Receipt for gross proceeds of $1,544,207.
Upon the satisfaction of certain release conditions, including receipt of CSE approval for the Transaction, each Subco Subscription Receipt was exchanged, without payment of any additional consideration, for one Subco Unit. Each Subco Unit was comprised of one Subco Class A Share and one-half of one Subco Financing Warrant, which entitled the holder thereof to purchase a Subco Class A Share at a price of $0.60 for a period of two years from the date the Subco Subscription Receipts were converted into Subco Units. In connection with the Subco Private Placement, Subco paid certain cash finder's fees, issued an aggregate of 100,000 Finders' Units bearing the same terms as the Subco Units, and issued an aggregate of 211,297 Finder's Warrants, which are exercisable to acquire one Broker Warrant Unit at an exercise price of $0.375 for a period of two years from the closing of the Subco Private Placement. Each Broker Warrant Unit is comprised of one Subco Class A Share and one half of one Underlying Broker Warrant, which entitles the holder thereof to purchase a Subco Class A Share at a price of $0.60 for a period of two years from the date the Subco Subscription Receipts were converted into Subco Units. Concurrently with the completion of the Transaction: (i) all of the issued and outstanding Subco Class A Shares were exchanged for Common Shares; (ii) all Subco Financing Warrants were exchanged for MPV Financing Warrants; and (iii) all Broker Warrants were exchanged for Replacement Broker Warrants based on the Subco Broker Exchange Ratio.

Entheon intends to use the net proceeds from the Subco Private Placement 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.

As a result of the Transaction, Entheon issued:

a) an aggregate of 29,845,805 Common Shares in exchange for the Former Entheon Shares outstanding immediately prior to the closing of the Transaction at a deemed issue price of $0.48 (after taking into effect the Consolidation);
b) an aggregate of 4,217,886 Common Shares in exchange for the Subco Class A Shares outstanding immediately prior to the closing of the Transaction at a deemed issue price of $0.48 (after taking into effect the Consolidation);
c) 2,108,943 MPV Financing Warrants in exchange for the Subco Financing Warrants outstanding immediately prior to the closing of the Transaction; and
d) 211,297 Replacement Broker Warrants in exchange for the Broker Warrants outstanding immediately prior to the closing of the Transaction.

Although the Transaction resulted in Entheon Holdings becoming a wholly-owned subsidiary of Entheon, the Transaction constituted a reverse take-over of Entheon because: (i) the Former Entheon Shareholders now own 73.90% of the outstanding Common Shares, the former shareholders of Entheon now own 15.66% of the outstanding Common Shares, and the holders of the Subco Subscription Receipts now own 10.44% of the outstanding Common Shares; (ii) the business of Entheon Holdings became the business of Entheon; and (iii) all members of the Entheon Board are designees of Former Entheon. After completion of the Transaction, Entheon changed its name from "MPV Exploration Inc." to "Entheon Biomedical Corp."

DESCRIPTION OF BUSINESS

Entheon is a biotechnology research and development company committed to developing and commercializing its DMT Products and DMT Delivery System (each defined below) for the purposes of treating addiction and substance use disorders. DMT (Dimethyltryptamine) is a chemical substance that naturally occurs in many plants and animals and which is a structural analog of serotonin; it is among the most potent of the classic psychedelic drugs, and is unique in that its effects last only minutes instead of hours. Given the emerging recognition of the therapeutic potential of classic psychedelics for treating mental health disorders, the short acting and powerful nature of DMT make it the ideal molecular candidate for medical use. Notwithstanding the foregoing, DMT is currently a Schedule III drug under The Controlled Drugs and Substances Act (Canada) and a Schedule I drug under The Controlled Substances Act (United States) and the UN Convention 1971 (European Union) and is illegal, under each such legislation, to possess without a prescription or an exemption. As of the date hereof, neither Health Canada, the United States Food and Drug Agency ("FDA") nor the European Medicines Agency ("EMA") have approved DMT as a drug for any indication.

DMT Products

Entheon seeks to develop and commercialize a portfolio of safe and effective DMT based psychedelic therapeutic products that consist of proprietary DMT drug formulations packaged in single-use containers targeted to treat a number of different addiction and substance use disorders (the "DMT Products"). It is Entheon's intention that the DMT Products will be used in medical clinics, treatment centres and hospitals to treat patients with such disorders. Essential to the ability of each DMT Product to effectively treat the particular addiction or disorder it is intended to treat is both: (i) the amount of DMT contained in each product; and (ii) the particular dosage instructions provided therewith (collectively referred to as the "Dosing Strategies"). To that end, in connection with the DMT Products, Entheon is currently developing a number of different proprietary Dosage Strategies to treat different addictions and disorders, each of which will be incorporated into the different DMT Products

developed. In the simplest terms, Entheon plans to develop and sell containers of DMT-based medicine containing predetermined amounts of DMT with the corresponding instructions to treat a patient for his/her specific addiction.

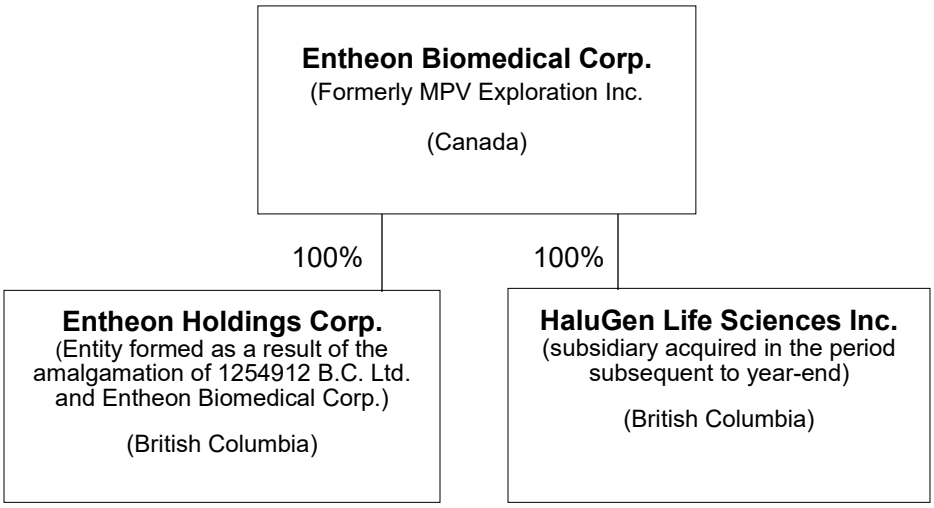
DMT Delivery System

Furthermore, Entheon eventually seeks to develop and commercialize a set of delivery equipment that can effectively pump its DMT Products into patients and thereafter measure their vital signs to ensure the particular DMT Product is working correctly (the “DMT Delivery System”).

Entheon does not currently generate revenue. Subject to obtaining all requisite regulatory approvals and permits, Entheon intends to generate revenue through the sale of its DMT Products and eventually the license of its DMT Delivery System to physicians, clinics and licensed psychiatrists in the United States, certain countries in the European Union and throughout Canada.

To date Entheon has, among other things: (i) completed an exhaustive literature review of materials confirming the efficacy of DMT and other psychedelic molecules for the purposes of treating mental health conditions; and (ii) assembled an arm's length advisory board of leaders in the field of this research (collectively referred to herein as the "Science Advisors"), who have both validated the conclusions relating to the efficacy of DMT and other psychedelic molecules, and informed Entheon's research processes. Additionally, Entheon is and has been working with its Science Advisors and various research organizations to, among other things: (i) develop its Dosing Strategies, (ii) design a DMT-focused clinical protocol which integrates the Dosing Strategies within an addiction treatment program to be tested experimentally in clinical trial subjects (the “DMT Protocol”), and (iii) complete a number of pre-clinical and clinical studies, the results of which will inform the DMT Protocol. Thereafter, Entheon intends to submit the DMT Protocol and other regulatory documents to Health Canada, the FDA and the EMA for approval.

As of the date hereof, Entheon has two wholly-owned subsidiaries, which are reflected in the organization chart below:



EVENTS AND TRANSACTIONS

For the year ended November 30, 2020 Entheon has expended $4,381,491 on development of its business. As at November 30, 2020, Entheon had a working capital of $3,676,241. During this time Entheon's activities have focused on:

- forming a board of directors;
- conducting private placement financings;
- reviewing scientific literature to serve as the basis for product development;
- recruiting experienced leaders in medicine, psychedelics, and psychiatry;
- forming a scientific advisory board comprised of some of the world's leading psychedelic researchers;
- negotiating and executing the Psygen Supply Agreement;
- engaging consultants and a contract research organization ("CRO") to assist with the design and development of Entheon's clinical protocol;
- negotiating and executing the CHDR Clinical Study Agreement;
- engaging intellectual property lawyers to develop a durable patent strategy;
- filing provisional patent applications with the United State Patent and Trademark Office relating to Entheon's Dosing Strategies and the DMT Delivery System;
- engaging regulatory consultants to complete a review of Entheon's strategies to obtain regulatory approval;
- negotiating and executing a definitive agreement with MPV, whereby Entheon acquired all the issued and outstanding shares of Entheon Holdings pursuant of a 3 cornered amalgamation, for listing on the CSE;
- negotiating and executing strategic investments; and
- obtaining listing dual listing on the Frankfurt Stock Exchange under the symbol "1XU1" and OTC under the symbol "ENTBF."

On December 18, 2019, December 23, 2019 and January 30, 2020, Entheon closed a private placement in 3 tranches and issued 3,485,000 units at a price of $0.25 per unit for gross proceeds of $871,250. Each unit consists of one Class A voting common share and one-half of one Class A voting common share purchase warrant. Each warrant has an exercise price of $0.50 per warrant share for a period of 24 months from the closing of the offering; provided that the expiry of the warrants can be accelerated if the closing price of the Class A voting common shares on a stock exchange in Canada or the United States is at least $0.75 for a minimum of 21 consecutive trading days, then the warrants will expire on the 30th day after the date on which Entheon provides notice of such accelerated expiry to the holders of the Warrants. There was no value allocated to the warrants based on the residual method.

On February 5, 2020, Entheon issued a total of 100,000 Common Shares with a fair value of $25,000 to settle $2,000 in accounts payable for past services rendered by an officer of Entheon. A loss on debt settlement of $23,000 was recognized in the consolidated statement of loss and comprehensive loss for the year ended November 30, 2020.

On February 15, 2020, Entheon purchased a USD $150,000 convertible note issued by Entheos Science Systems Inc. ("Entheos") for $198,000 (the "Convertible Note"). The Convertible Note bears interest at a rate of 8% per annum, will mature in one year from issuance, and is convertible into Series A Preferred Shares at price equal to the lower of (A) the pre-money price per Preferred Share (on a fully diluted basis) assuming a valuation of $7,000,000 and (B) the last price paid per Preferred Share subsequent to the date of the Convertible Notes, if any, less a 15% discount to the final conversion value. As at initial issuance and May 19, 2020, the fair value of the Convertible Note was determined to be $198,000. Entheon used a discounted cash flow model in order to determine the fair value.

On May 8, 2020, Entheon signed a letter of intent (the "Psygen LOI") with Psygen Labs Inc. ("Psygen") to supply N,N-dimethyltryptamine fumarate ("DMT") for compounding into drug products (the "Drug Products"). Pursuant to the Psygen LOI, Entheon and Psygen are to negotiate in good faith a definitive agreement (the "Psygen Agreement") setting out the terms of the Psygen LOI. Entheon intends to use the Drug Products in clinical research during a period of time, and to commercialize the Drug Products for sale under Part C of the Food and Drug Regulations (Canada) of the Food and Drugs Act (Canada) after the "Research Phase" of Entheon's operations is complete.

On May 19, 2020, Entheon entered into an Asset Purchase Agreement (the "Agreement") among Entheos and Mindleap Health Inc. ("Mindleap") regarding the Convertible Note. During the year ended November 30, 2020, Entheon recorded a loss on the settlement of Convertible Note of $10,734. The terms of the Agreement are as follows:

i. Mindleap will assume $100,000 of Entheos' Liability to Entheon (the "Mindleap Note") under the Convertible Note, in exchange for Entheon's representations, warranties, covenants, agreements, and releases. The Mindleap Note bears interest at a rate of 8% per annum, will mature in eight months from issuance, and is convertible into the senior most class of issued and outstanding shares (the "Shares") at price equal to the pre-money price per share (on a fully diluted basis) assuming a valuation of $5,000,000. Upon the completion of future fundraising (the "Capital Funding") to reach gross proceeds of $1,000,000 in one or multiple closings, through the issuance of the Shares at a price per share greater than $0.10, the Mindleap Note is mandatorily convertible into Shares at a price equal to the lower of (A) the pre-money price per share (on a fully diluted basis) assuming a valuation of $5,000,000 and (B) the last price paid per share in the Capital Funding. As at initial issuance, the fair value of the Mindleap Note was determined to be $100,000. Entheon used a discounted cash flow model in order to determine the fair value.
ii. During the year ended November 30, 2020, Entheon received payments of $184,766.
iii. Entheos will transfer 500,000 common shares in the capital of Mindleap to Entheon and Mindleap will consent to the transfer. As at initial issuance and share exchange at August 19, 2020, the fair value of the common shares was determined to be $2,500.

On June 3, 2020, Entheon closed a private placement and issued 5,240,804 units of Entheon at a price of $0.40 per unit for gross proceeds of $2,096,321. Each unit consists of one Common Share and one-half of one non-transferable common share purchase warrant. Each whole warrant will entitle the holder to purchase one additional Common Share at an exercise price of $0.60 per share for a period 24 months; provided that if the volume weighted average trading price the Common shares on any stock exchange on the Common Shares are then listed, is at a price equal to or greater than $1.00 for a period of 10 consecutive trading days, then the warrants will expire on the 30th day after the date on which Entheon provides notice of such accelerated expiry to the holders of the Warrants. There was no value allocated to the warrants based on the residual method.

On June 3, 2020, Entheon issued a total of 200,000 Common shares with a fair value of $80,000 to settle $50,000 in consultant fees payable and signing bonuses payable to various consultants. A loss on debt settlement of $30,000 was recognized in the consolidated statement of loss and comprehensive loss for the year ended November 30, 2020.

On June 16, 2020, Entheon, MindLeap and Mydecine Innovation Group Inc. ("Mydecine") entered into a share exchange agreement pursuant to which Mydecine agreed to purchase all of MindLeap's common shares that were held by Entheon in consideration for an aggregate of 201,063 common shares in the capital of Mydecine. The transaction was closed on August 19, 2020 and the stock price on that day was $0.44. The agreement entailed that the purchase price at the time of closing is deemed to be $0.55 per share. As at initial issuance the fair value of the common shares was determined to be $110,585 based on deemed closing price of $0.55.

On June 30, 2020, Entheon entered into a definitive agreement with MPV and 1254912 B.C. LTD, a wholly-owned subsidiary of MPV.

On July 7, 2020, Entheon filed a provisional patent application focused on psychedelic-assisted therapy for the treatment of nicotine addiction. DMT is rapidly metabolized in the body, making it a flexible therapeutic alternative to other serotonergic hallucinogens which can have effects lasting 12 hours or longer. However, the fast onset and intensity of DMT's effects can be overwhelming, particularly in patients with no prior experience with psychedelic drugs. Entheon's provisional patent relates to a treatment protocol that slowly titrates DMT into the body using methods based on target-controlled intravenous infusion technology.

On August 13, 2020, Entheon filed a provisional patent application focused on psychedelic-assisted therapy for the treatment of alcohol addiction, using the DMT Delivery System described above for treating nicotine addiction.

On August 21, 2020, Entheon entered into the Psygen Supply Agreement whereby Psygen will provide Entheon with GMP and non-GMP quality DMT drug products and substances (the "Drug Products") for its preclinical, clinical and post-approval commercialization phases under the European regulatory framework. Psygen is located in Alberta, Canada and is licensed by the Health Canada Office of Controlled Substances to manufacture, sell and export DMT. The Psygen Supply Agreement is governed by the laws of the province of Alberta and the laws of Canada applicable therein. The Psygen Supply Agreement expires upon the latter of (i) ten years from the effective date of the Psygen Supply Agreement; and (ii) completion of the Study (as defined in the Psygen Supply Agreement), unless otherwise terminated by either party in accordance with Article 15 of the Psygen Supply Agreement, provided that the term will continue to apply as necessary in respect of outstanding payments owed in accordance with the Psygen Supply Agreement. The term of the Psygen Supply Agreement will automatically be extended for one additional period of five years unless either Psygen or Entheon provides notice in writing that it has elected not to extend the term at least six months prior to the end of the term. Under the Psygen Supply Agreement Entheon is obligated to pay to Psygen an aggregate of USD$40,000 for the initial supply purchase order of the Drug Products to be used for the Phase I Study. Within the timeframes specified in the Psygen Supply Agreement, the parties shall negotiate the purchase price and the break fee for all other clinical trial phases to follow. In each case, the purchase price shall be increased based on reasonable good-faith negotiation by the parties.

On September 4, 2020, Entheon filed a provisional patent application focused on psychedelic-assisted therapy for the treatment of opiate addiction, using the DMT Delivery System described above for treating nicotine addiction.

On September 4, 2020, Entheon obtained all requisite shareholder approvals with respect to the Amalgamation at the meeting of the Shareholders.

On October 1, 2020, Entheon entered into the CHDR Clinical Study Agreement with CHDR (the Centre for Human Drug Research located in Leiden, Netherlands) to perform a DMT-based phase I safety and proof-of-concept clinical study in humans (the "Phase I Study"). CHDR holds the requisite regulatory approvals under the UN71 (and the other applicable EU conventions) necessary to conduct the Phase I Study. The Phase I Study is scheduled to take place in the Netherlands in early 2021, subject to delays that may result from the on-going COVID-19 pandemic and the related responses of the Canadian and Dutch government and the affect that COVID-19 may have on the global economy, CHDR and Entheon's financial condition, operations and personnel, the health and safety of trial subjects and general travel and mobility permissions. Pursuant to the CHDR Clinical Study Agreement, Entheon has agreed to: (i) pay CHDR an estimated fee of €927,314 for completion of the Phase I Study; and (ii) supply CHDR with DMT to be used in the Phase I Study free of charge and within the

timeframe and in the quantities set forth in the agreement. Unless terminated earlier, the term of the CHDR Clinical Study Agreement will continue for the duration of the Phase I Study and may be extended by mutual written agreement of the parties.

On October 9, 2020, Entheon amended the Psygen Supply Agreement to clarify the terms of the initial supply purchase order previously discussed.

On November 5, 2020, Entheon completed the Transaction with Entheon Holdings (as described under the heading “The Transaction”). The Board of Directors was reconstituted to include Timothy Ko (CEO), Andrew Hegle (CSO), Dr. Christopher Gondi (Independent), and Ruth Chun (Independent). The Officers were appointed to include Timothy Ko (CEO), Brandon Schwabe (CFO), Andrew Hegle (CSO), and Kelly Pladson (Corporate Secretary). The Audit Committee was established to include Dr. Christopher Gondi (Chair), Ruth Chun, and Timothy Ko. Entheon changed its financial year-end from March 31 to November 30.

On November 12, 2020, Entheon’s shares began trading on the CSE under the symbol “ENBI.”

On November 24, 2020, Entheon completed a strategic investment of $50,000 in 2756407 Ontario Inc. dba Wonder Scientific ("Wonder Scientific"). Wonder Scientific's team of University Researchers and Product Development experts create custom, naturally derived, active pharmaceutical ingredients to supply the growing global clinical and commercial demand for psychedelics. Entheon purchased unsecured convertible debentures (the “Debentures”) of Wonder Scientific pursuant to a non-brokered private placement, with each such Debenture having a principal amount of Cdn$25,000 and being convertible into common shares of Wonder Scientific. The Principal Amount of the Debenture will automatically convert into securities of the Wonder Scientific as follows on the earlier of: (i) upon satisfaction or waiver of all conditions precedent to the completion of a Going Public Transaction into common shares of Wonder Scientific at a deemed price per Common Share equal to a 20% discount to the price or deemed price attributed to the Common Shares pursuant to such Going Public Transaction; or (ii) the Maturity Date into Common Shares at a price per Common Share equal to the Conversion Price.

On November 26, 2020, Entheon’s shares began trading on the Frankfurt Stock Exchange under the symbol “1XU1.”

On November 27, 2020, Psygen successfully completed the production of a non-GMP DMT research batch for delivery to Entheon's CRO, CHDR's partner pharmacy. The non-GMP DMT research batch will be shipped to CHDR upon receipt of Psygen's export permit from the Health Canada Office of Controlled Substances.

RESULTS OF OPERATIONS

Research and development expenses consist of the following:

	For the year ended November 30, 2020	For the period from incorporation on June 17, 2019 to November 30, 2019
Management and consulting fees	$ 370,478	$ 47,688
Payroll expense	6,646	-
Professional fees	65,436	6,362
Total	**$ 442,560**	**$ 54,050**

General and administrative expenses consist of the following:

	For the year ended November 30, 2020	For the period from incorporation on June 17, 2019 to November 30, 2019
Management and consulting fees	$ 634,528	$ 84,559
Marketing and travel	305,532	54,596
Payroll expense	20,092	-
Professional fees	81,722	64,408
Office and miscellaneous	134,197	16,787
Transfer agent and filing fees	19,406	-
Total	**$ 1,195,477**	**$ 220,350**

The following table provides select annual information for each of the two most recently completed financial years and periods:

	For the year ended November 30, 2020	For the period from incorporation on June 17, 2019 to November 30, 2019
Net loss and comprehensive loss	$4,381,491	$278,028
Basic and diluted loss per share	$0.16	$0.07
Weighted average number of common shares outstanding	27,439,935	4,262,290

During the year ended November 30, 2020, Entheon reported a net loss of $4,381,491 compared to a net loss of $278,028 for the period from incorporation on June 17, 2019 to November 30, 2019. The increase in the loss was a result of the Transaction listing expense and an increase in operations that Entheon incurred since incorporation, including being operational for a full fiscal year. The increase in the loss was also attributable to Entheon ramping up with the activities discussed in the events and transactions section above.

Entheon has obtained its capital funding through debt and equity financings.

a) On December 18, 2019, December 23, 2019 and January 30, 2020, Entheon closed a private placement in 3 tranches and issued 3,485,000 units of Entheon at a price of $0.25 per unit for gross proceeds of $871,250. Each unit consists of one Class A voting common share in the capital of Entheon and one-half of one Class A voting common share purchase warrant of Entheon. Each warrant has an exercise price of $0.50 per warrant share for a period of 24 months from the closing of the offering; provided that the expiry of the warrants can be accelerated if the closing price of the Class A voting common shares on a stock exchange in Canada or the United States is at least $0.75 for a minimum of 21 consecutive trading days, then the warrants will expire on the 30th day after the date on which Entheon provides notice of such accelerated expiry to the holders of the Warrants. There was no value allocated to the warrants based on the residual method.

b) On February 5, 2020, Entheon issued a total of 100,000 Common Shares with a fair value of $25,000 to settle $2,000 in accounts payable for past services rendered by an officer of Entheon. A loss on debt settlement of $23,000 was recognized in the consolidated statement of loss and comprehensive loss for the year ended November 30, 2020.

c) On June 3, 2020, Entheon closed a private placement and issued 5,240,804 units of Entheon at a price of $0.40 per unit for gross proceeds of $2,096,321. Each unit consists of one Common Share and one-half of one non-transferable common share purchase warrant. Each whole warrant will entitle the holder to purchase one additional Common Share at an exercise price of $0.60 per share for a period 24 months; provided that if the volume weighted average trading price of the Common Shares on any stock exchange on which the Common Shares are then listed, is at a price equal to or greater than $1.00 for a period of 10 consecutive trading days, then the warrants will expire on the 30th day after the date on which Entheon provides notice of such accelerated expiry to the holders of the Warrants. There was no value allocated to the warrants based on the residual method.

d) On June 3, 2020, Entheon issued a total of 200,000 Common Shares with a fair value of $80,000 to settle $50,000 in consultant fees payable and signing bonuses payable to various consultants. A loss on debt settlement of $30,000 was recognized in the consolidated statement of loss and comprehensive loss for the year ended November 30, 2020.

e) On November 5, 2020, in connection with the Transaction, Entheon exchanged 34,063,692 shares and deemed to issue 6,325,160 shares in a share exchange with the shareholders in the Transaction.

To date, a great portion of Entheon's capital has been expended on research and development activities and the engagement of scientific advisors.

For the year ended November 30, 2020, Entheon has incurred additional one-time expenses in connection with the Transaction indicated in the table as below:

Description	**$**
Net assets acquired	
Current assets	1,179,982
Current liabilities assumed	(160,979)
Total	**1,019,003**
Consideration given	
Value of common shares deemed to be issued by Entheon	2,371,935
Warrants deemed to be issued by Entheon	1,174,717
Legal and other transaction costs	208,169
Total	**3,754,821**
Total consideration	3,754.821
Total net assets acquired	1,019,003
Total listing transaction expense	**2,735,818**

SUMMARY OF QUARTERLY RESULTS

	November 30, 2020	August 31, 2020	May 31, 2020	February 29, 2020	November 30, 2019	Incorporation on June 17, 2019 to August 31, 2019
Total revenue	Nil	Nil	Nil	Nil	Nil	Nil
Net loss	$3,290,429	$350,663	$371,552	$368,847	$205,172	$72,856
Loss per share	$0.10	$0.01	$0.02	$0.02	$0.03	$0.06
Loss per share (fully-diluted)	$0.10	$0.01	$0.02	$0.02	$0.03	$0.06
Cash	$2,787,006	$1,840,612	$946,897	$427,085	$112,655	$16,687
Working capital	$3,676,241	$1,880,765	$938,853	$538,846	$42,174	($49,356)
Total assets	$4,473,072	$2,036,394	$1,123,460	$678,491	$136,866	$32,717
Total non-current financial liabilities	Nil	Nil	Nil	Nil	Nil	Nil

The variability of net loss during the quarterly results is mainly due to the Transaction listing expense and increase in activity from the growth of the business, including adding management and consultants to the team, as well as professional fees associated with general corporate and securities matters.

LIQUIDITY AND CAPITAL RESOURCE

Entheon had cash at November 30, 2020, in the amount of $2,787,006 and working capital of $3,676,241 in order to meet short-term business requirements.

During the year ended November 30, 2020 Entheon had the following changes in cash flow:

Cash used in Operating Activities

Entheon's cash used in operating activities for the year ended November 30, 2020 was $2,837,522 compared to Entheon's cash flows used in operating activities for the period from incorporation to November 30, 2019 of $197,197, an increase of $2,640,325, primarily due to result of an increase in operations that Entheon incurred since incorporation, including being operational for a full year.

Cash used in Investing Activities

Entheon's cash provided by investing activities for the year ended November 30, 2020 was $1,082,358 compared to Entheon's cash used in investing activities for the period from incorporation to November 30, 2019 of $0, an increase of $1,082,358, primarily due to the cash acquired on reverse acquisition, purchase of equipment, purchase of convertible note, and proceeds from investment settlement.

Cash provided by Financing Activities

Entheon's cash provided by financing activities for the year ended November 30, 2020 was $4,429,515 compared to Entheon's cash provided by financing activities for the period from incorporation to

November 30, 2019 of $309,852, an increase of $4,119,663, primarily due to an increase in non-brokered private placement financing.

In order to continue as a going concern and meet its corporate objectives, Entheon will require additional financing through debt or equity issuances or other available means. Although Entheon has been successful in the past in obtaining financing, there is no assurance that Entheon will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to Entheon. Should Entheon identify a suitable asset or business acquisition, it would be required to raise additional capital to finance the transaction.

Entheon requires positive working capital to be able to continue its operations and have sufficient funds to satisfy maturing short-term obligations. Upcoming operational expenses include management and consulting fees, marketing expenses, office expenses, rent, and professional fees. Entheon also requires working capital to fund research and development. Upcoming capital expenditures include expenses related to literature review, preparation of regulatory documents and expert engagement, GLP/GMP drug manufacturing for nonclinical and clinical trials, preclinical in vivo studies and proof of concept studies.

The extent of Entheon's liquidity is dependent upon, among other things, its ability to: (a) complete subsequent debt or equity financings or obtain other sources of funding; (b) adequately manage its cash on hand; and (c) reduce costs and expenses. The aforementioned factors indicate the existence of material uncertainties which may cast significant doubt on Entheon's ability to continue as a going concern. Additionally economic downturns, uncertainties related to the COVID-19 pandemic, changes in legislation or policies that affect Entheon and changes in the industry in which Entheon operates, in each case as discussed in more detail under the heading "Additional Risk Factors", are, among others, circumstances that may effect Entheon's liquidity.

This MD&A does not discuss adjustments or accompanying information that would be required if the going concern assumption is not an appropriate basis for preparation of the financial statements related to this MD&A. These adjustments could be material.

Set forth below are Entheon's commitments for capital expenditure over the next twelve months.

Commitment	Estimated Cost
Obtaining the Drug Products from Psygen for nonclinical and clinical trials	USD$40,000 (approximately CDN$50,024) [(1)]
Conducting the Preclinical Studies	USD$66,500 (approximately CDN$83,165) [(1)]
DMT formulation development	$70,000
Stability testing of drug substance and drug product	$20,000
DMT Assay Development	$100,000
Clinical Trial Insurance	$50,000
Developing the DMT Protocol and Conducting the Phase I Study	€793,592(approximately CDN$1,180,865) [(2)]
Total	**$1,554,054**

[(1)] Based on the Bank of Canada exchange rate on March 19, 2021 of 1.2506.
[(2)] Based on the Bank of Canada exchange rate on March 19, 2021 of 1.4880. In accordance with the CHDR Clinical Study Agreement 21% of this figure has been reserved for potential COVID-related costs.

Entheon expects to obtain the necessary funds to complete the above commitments through the use of current cash reserves, completing additional debt or equity financings or exploring other available means.

RELATED PARTY TRANSACTIONS

Key management personnel comprise Entheon's Board of Directors (the "Entheon Board") and executive officers. Key management personnel compensation for the year ended November 30, 2020 is comprised of the following:

Management fees	Year ended November 30, 2020	For the period from incorporation on June 17, 2019 to November 30, 2019
Chief Executive Officer	$91,350	$17,500
Chief Financial Officer	$56,349	$10,500
Chief Science Officer and Director Operations	$72,296	-
Corporate Secretary	$26,250	-
Directors	$13,496	$6,250
Total	**$259,743**	**$34,250**

On February 5, 2020, Entheon issued a total of 100,000 Common Shares with a fair value of $25,000 to settle $2,000 in management fees payable to the Director of Operations. A loss on debt settlement of $23,000 was recognized in the consolidated statement of loss and comprehensive loss for the year ended November 30, 2020.

Entheon had a Credit Facility Agreement with a company controlled by the CEO. As at November 30, 2020, balance under the Credit Facility Agreement was fully paid off.

As at November 30, 2020, $4,570 (November 30, 2019 - $3,854) was due to directors and officers and Companies controlled by directors and officers. The amounts are unsecured, non-interest bearing, due on demand and included in accounts payable and accrued liabilities.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the period. Actual results could differ from these estimates. Entheon's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised. Significant areas requiring the use of management estimates include:

i) The determination of discount rate and effective interest rates on liability and equity components of the convertible notes. Changes in these assumptions could materially affect the recorded amounts.
ii) The determination of fair value of investments in convertible notes and equity securities requires valuation techniques. In applying the valuation techniques management makes maximum use of market inputs wherever possible, and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, company-specific information is considered when determining whether the fair value of an investment in convertible notes or equity securities should be adjusted upward or downward at the end of each reporting period. In addition to company-specific information, entheon will take into account trends in general market conditions and the share performance of comparable

publicly-traded companies when valuing investments in convertible notes and equity securities.

iii) The determination of deferred income tax assets or liabilities requires subjective assumptions regarding future income tax rates and the likelihood of utilizing tax carry-forwards. Changes in these assumptions could materially affect the recorded amounts

iv) The valuation of shares and warrants in connection with the reverse acquisition requires estimation and assumptions for valuation techniques. Changes in such assumptions and estimates could materially impact the recorded amounts.

The preparation of these consolidated financial statements requires management to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgments in applying Entheon's financial statements include:

i) The assessment of Entheon's ability to continue as a going concern involves judgment regarding future funding available for its projects and working capital requirements and whether there are events or conditions that may give rise to significant uncertainty.

ii) The determination of whether a business combination or an asset acquisition involves judgment regarding whether the acquirer meets the definition of business under IFRS 3 *Business Combinations*.

NEW ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

A number of new standards and amendments to existing standards have been issued by the IASB that are mandatory for accounting periods beginning on or after January 1, 2020, or later periods. Entheon has not early adopted these new standards in preparing these consolidated financial statements. There new standards are either not applicable or are not expected to have a significant impact on Entheon's consolidated financial statements.

FINANCIAL RISK MANAGEMENT

Entheon's financial instruments are exposed to certain financial risks, including credit risk, liquidity risk, market risk. Market risk includes interest rate risk, foreign exchange risk, and price risk.

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. Entheon has exposure to credit risk through its cash and investment in convertible note. Entheon manages credit risk, in respect of cash, by maintaining the majority of cash at highly rated financial institutions.

Entheon's maximum exposure to credit risk at the end of any period is equal to the carrying amount of these financial assets as recorded in the statement of financial position. At November 30, 2020, no amounts were held as collateral.

Liquidity risk

Liquidity risk is the risk that Entheon will encounter difficulty in satisfying financial obligations as they become due. Entheon manages its liquidity risk by forecasting cash flows required by its operating, investing and financing activities. Entheon had cash at November 30, 2020, in the amount of $2,787,006 and working capital of $3,676,241 in order to meet short-term business requirements. Accounts payable have contractual maturities of approximately 30 to 90 days or are due on demand and are subject to normal trade terms.

Interest rate

Interest rate risk consists of two components:

i) To the extent that payments made or received on Entheon's monetary assets and liabilities are affected by changes in the prevailing market interest rates, Entheon is exposed to interest rate cash flow risk.
ii) To the extent that changes in prevailing market rates differ from the interest rates on Entheon's monetary assets and liabilities, Entheon is exposed to interest rate price risk.

In management's opinion, Entheon is not exposed to significant interest rate risk as the risk is primarily on its outstanding GIC which is included in cash and cash equivalents.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. Entheon is not subject to significant foreign exchange risk.

Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk.

Entheon is not exposed to any significant price risk.

Capital Management

Entheon's objectives when managing capital are to safeguard Entheon's ability to continue as a going concern in order to pursue the research and development of psychedelic compounds and tryptamines.

Entheon manages its capital in proportion to outstanding risks and uncertainties. Entheon manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, Entheon may issue new shares, sell assets, reduce debt or increase its debt. The capital of Entheon is comprised of the shareholders' equity.

Classification of financial instruments

Fair Values and Classification

Financial instruments are classified into one of the following categories: FVTPL, FVTOCI, or amortized cost. The carrying values of Entheon's financial instruments are classified into the following categories:

Financial Instrument	Category
Cash and cash equivalents	FVTPL
Investment in convertible note	FVTPL
Investment in equity securities	FVTPL
Accounts payable and accrued liabilities	Amortized cost
Convertibles notes	Amortized cost

ADDITIONAL INFORMATION

Research and Development

As of November 30, 2020, Entheon has expended an aggregate sum of $424,812 on research and scientific development relating to its DMT Solutions, the DMT Protocol and design of the Phase I Study. In addition, Entheon has expended an aggregate sum of $71,798 on patent prosecution and portfolio development. Set forth in the table below is a breakdown of the expenditures:

Description of Expenditure	Year ended November 30, 2020	For the period from incorporation on June 17, 2019 to November 30, 2019
Literature Review [(1)]	$ 17,140	$ 42,253
Nonclinical Development [(2)]	36,617	-
Clinical Development [(3)]	122,853	-
Development Efforts [(4)]	141,329	-
Regulatory Strategy [(5)]	59,185	5,435
Patent Prosecution and Portfolio Development [(6)]	65,436	6,362
Total	**$ 442,560**	**$ 54,050**

[(1)] A systematic review of the scientific literature was conducted to understand the current state of DMT research and provide a foundation for Entheon's clinical pipeline and product development efforts. Public databases searched include PubMed, MEDLINE, and Google Scholar; additionally specialized toxicity databases were also accessed by regulatory consultants. All clinical and nonclinical studies performed with DMT since its first synthesis in 1931 were compiled and organized by subject, and the results were analyzed to extract and summarize relevant data, including, but not limited to, dose forms, routes of administration, pharmacokinetic parameters, neuroimaging results, and adverse effects. From this review Entheon has acquired an extensive understanding and built a comprehensive internal database of DMT literature. Entheon has also conducted a vast amount of research on other psychedelic drugs including DMT, 5-MeO-DMT and Ayahuasca (a South American entheogenic brew commonly made out of the Banisteriopsis caapi vine, the Psychotria viridis shrub or a substitute).

[(2)] Nonclinical development efforts included: (i) identifying and partnering with Psygen, a GMP licensed and accredited drug manufacturer, for the production and shipment of GMP certified DMT to accredited CROs engaged by Entheon to conduct chemical analysis and nonclinical research; (ii) forming relationships with third-party laboratories for chemical analysis and long-term stability studies; (iii) assessing the need for preclinical animal studies given DMT's long history of human use; and (iv) designing and implementing in vitro (outside of living organisms) and in vivo (inside living organisms) assays deemed essential for regulatory approvals. Nonclinical activities occur in parallel with clinical development, and both have required extensive collaboration among Entheon's executive team, scientific advisors and consultants.

[(3)] To date clinical development efforts have been specifically focused on: (i) designing a robust experimental DMT Protocol to test Entheon's Dosing Strategies in humans; (ii) engaging the Centre for Human Drug Research, a research organization to carry out this design in a double-blind, randomized, placebo-controlled clinical trial referred to herein as the Phase I Study; and (iii) working with Entheon's Science Advisors and clinical partners to create and refine the experimental design of the Phase I Study. The current design will establish clinical safety for the Dosing Strategies, collect a range of data for development of the DMT Delivery System, identify the target dose range for substance use applications, and establish preliminary efficacy for nicotine addiction. Together, these elements will inform the final DMT Protocol to be prototyped and tested in subsequent clinical trials.

(4) Development efforts to date have included: (i) the creation of a target product profile for the proposed use of the Dosing Strategies for various indications; (ii) discussions with prospective manufacturing partners for different components of Entheon's DMT Delivery System and related monitoring devices; (iii) the integration into the DMT Protocol of environmental factors and other aspects of "set and setting" (being the physical and social environment in which a user has a psychedelic drug experience); (iv) consultation with experts in psychiatric protocols to implement a safe and an appropriate therapeutic framework for administration of the Dosing Strategies; (v) the establishment of relationships with clinician networks for commercial deployment of the final DMT Protocol; and (vi) the creation of Entheon's product Investigator Brochure.

(5) Because a deep understanding of the regulatory framework in multiple jurisdictions (FDA, EMA, and Health Canada) is necessary for efficiently obtaining drug product approvals, Entheon has engaged regulatory experts from its earliest stages in order to identify roadblocks and prepare itself to move efficiently through each regulatory system. Entheon has also expended financial resources on working with its Science Advisors to develop a specific regulatory strategy in the European Union. Lastly, Entheon has expended financial resources on the development of major regulatory documents including: (i) the Investigational Medicinal Product Dossier; (ii) the Investigator's Brochure; and (iii) the Drug Master File, all of which are currently under development by Entheon's expert consultants, advisors, and clinical partners as part of the lead-up to the Phase I Study.

(6) Entheon has expended financial resources of patent prospection including with respect to: (i) the filing of four provisional patent applications with the United State Patent and Trademark Office relating to Entheon's Dosing Strategies and the DMT Delivery System; and (ii) the execution of associated contracts and the development of associated reports related to the conceptualization and legal protection of the Dosing Strategies and DMT Delivery System. Additionally, Entheon has expended financial resources on portfolio development which consists of the exploration of new technologies using novel compounds and alternative methods of administration.

Off-Balance Sheet Arrangements

As at November 30, 2020 and up to the current date, Entheon had no off balance sheet arrangements.

Legal Proceedings

As at the date hereof, management was not aware of any legal proceedings involving Entheon.

Outstanding Share Data

As at November 30, 2020,Entheon has the following outstanding securities:

(i) Common Shares: 40,388,852
(ii) Warrants: 11,336,120
(iii) Stock options: Nil

Contingent Liabilities

As at November 30, 2020 and up to the current date management was not aware of any outstanding contingent liabilities relating to Entheon's activities.

SUBSEQUENT EVENTS

On December 3, 2020 Entheon executed an investor relations consulting agreement with Joseph Cullen, pursuant to which Entheon has agreed to pay Mr. Cullen a sum of $5,000 per month for a one-year term. In addition, pursuant to its stock option plan, Entheon granted options to purchase up to 3,175,000 Common Shares (the "Options") to certain officers, directors and consultants of Entheon. The Options are exercisable at $0.71 per share for a period of five years from the date of grant. Of the Options, 2,725,000 are subject to vesting over a 2-year term. The Options have been granted under and are governed by the terms of Entheon's incentive stock option plan.

On December 9, 2020, Entheon elected to exercise its option to purchase up to 9.9% of the common shares of Wonder Scientific. Entheon paid an aggregate purchase price of $150,000 to acquire 937,500 shares of Wonder Scientific at an option exercise price of $0.16 per common share.

On December 10, 2020, Entheon signed a share purchase agreement with Wonder Scientific, the securityholders of Wonder Scientific (“Vendors”), and Global Health Clinics Ltd. (“Global Health”) whereby the Vendors shall sell, assign, and transfer to Global Health, and the Global Health shall purchase from the Vendors, all of the right, title, and interest in 100% of the issued and outstanding common shares of Wonder Scientific (“Purchased Shares”), free and clear of all adverse interests. Immediately prior to the acquisition closing, the Debentures will be converted to common shares and as such, the holders of the Debentures will be treated as holders of Purchased Shares for purposes of the acquisition closing. Upon closing Entheon received 2,260,870 common shares of Global Health. Global Health operates a two-part system of customer lead generation and conversion, through its network of pavilions and the ownership and operation of five medical clinics that aim to connect Canadians with ACMPR license producers by advancing the understanding of medical cannabis and its applications, and the provision of related services and products for patients suffering from illness from which they may find relief with medical cannabis, including facilitating access to qualified health care practitioners, independent medical cannabis evaluations and related advice. Global Health is traded on the CSE under the trading symbol “MJRX”.

On December 23, 2020, Entheon completed the first tranche of a non-brokered private placement financing for total gross proceeds of $3,174,374.25 (the "December 2020 Placement"). The majority of the December 2020 Placement was subscribed for by strategic investors. Entheon has allotted and issued 4,232,499 units (the "December Units") at a price of Cdn$0.75 per December Unit. Each December Unit is comprised of one Common Share and one-half of one non-transferable Entheon Warrant. Each Entheon Warrant entitles the holder to purchase one additional Common Share for a period of two (2) years at a price of $1.00 per Common Share, subject to accelerated expiry. In the event that, after four months and one day from issuance, the Common Shares trade at a closing price at or greater than $1.50 per Common Share for a period of 10 consecutive trading days, Entheon may accelerate the expiry date of the Entheon Warrants by giving notice to the holders thereof, and in such case, the Entheon Warrants will expire on the 30th day after the date on which such notice is given by Entheon (the “Acceleration Right”). Additionally, in connection with the December 2020 Placement, Entheon paid finder's fees totaling $126,367.43 and issued an aggregate 168,490 finder's warrants (the "Finders’ Warrants") to an arm's length parties. Each Finders’ Warrant is exercisable into one December Unit for a period of up to two years at a price of $0.75.

On December 29, 2020, Entheon established and adopted a Compensation and Nomination Committee to carry out the mandate set out in the Compensation and Nomination Committee Charter. Entheon appointed Ruth Chun (Chair), Dr. Christopher Gondi and Timothy Ko to the Compensation and Nomination Committee. In addition, Entheon established a Disclosure, Confidentiality and Insider Trading Policy (the "DTIC Policy") and established a Disclosure Committee (the “Disclosure Committee”) to carry out the mandate set out in the DCIT Policy. Entheon appointed Ruth Chun, Andrew Hegle and Timothy Ko to the Disclosure Committee.

On January 4, 2021, Entheon entered into a business arrangement with, and made a strategic investment in, Heading Health, LLC ("Heading Health"), a psychiatric clinic platform focused on the administration of psychedelic-assisted therapy to treat mental health disorders. In connection therewith, Entheon and Heading Health executed a Letter of Intent (the “Heading Health LOI”). Entheon participated in a Series A Preferred stock financing, investing USD$200,000 (Cdn$255,760) for a 5% stake in Heading Health. Under the terms of the investment, Entheon has the option to increase its overall holdings to up to 10% of Heading Health in the subsequent round of financing. This investment into Heading Health provides Entheon with exposure to the ketamine-assisted therapy space, including Spravato, an FDA approved Ketamine product that is eligible for insurance reimbursement. This business arrangement allows access to data pertaining to ketamine therapy and the patient experience. This data will be used for research purposes to better inform the development of Entheon's own psychedelic therapy experience. Heading Health will provide guidance regarding clinical practice and the use of biomarker capture devices both in general psychiatric practice and Ketamine treatments. The specific parameters of the arrangement have been outlined in the Heading Health LOI and are subject to the execution of a definitive agreement by both parties.

On January 11, 2021, Entheon engaged Scott Keeney (known as DJ Skee, an American artist, television host, radio personality, philanthropist and entrepreneur) to serve as a media advisor. In his role, Mr. Keeney will work directly with the CEO of Entheon, Timothy Ko, to develop multimedia campaigns and experiences specifically designed to define Entheon's role in the emerging psychedelic drug industry. Furthermore, Entheon seeks to utilize Mr. Keeney's experience in technology and platform building to explore the creation of media experiences for the purposes of enhancing and supporting psychedelic-assisted therapy patients.

On January 11, 2021, Entheon closed a second tranche of the December 2020 Placement for additional proceeds of $40,140.75. Pursuant to this second tranche, Entheon allotted and issued 53,521 December Units, all of which are also subject to the Acceleration Right.

On January 14, 2021, Entheon completed its acquisition of HaluGen Life Sciences Inc. (“HaluGen”), a biotech company in the business of developing and commercializing a pre-screening test to identify genetic markers predictive of an individual’s reaction to hallucinogenic drugs. Pursuant to a share exchange agreement among Entheon, HaluGen and the shareholders of HaluGen, Entheon acquired all of the issued and outstanding shares in the capital of HaluGen (the “HaluGen Shares”) in exchange for 5,100,000 Common Shares issued to the shareholders of HaluGen (the “Consideration Shares”) at a deemed price of $1.00 per Consideration Share. The Consideration Shares are subject to contractual restrictions on transfer, with 25% of the Consideration Shares released at closing of the acquisition, and 25% to be released on the dates that are 4, 8, and 12 months following the closing date of the acquisition, respectively.

On January 19, 2021, Entheon announced a partnership with Divergence Neuro Technologies Inc. (“Divergence”), a Company focused on the focused on the research and development of a data-driven, cloud-based neuro platform based on electroencephalogram ("EEG") analysis and machine learning, to research and develop DMT biomarkers and a predictive model of biomarker responses to drug dosage and delivery of DMT-based psychedelic therapeutic products targeted to treat a number of different addiction and substance use disorders (the "DMT Biomarker Model"). Divergence will also develop a software platform that supports the tracking of EEG data during pre, intra, and post dosing using, among other prediction models, the DMT Biomarker Model.

On January 29, 2020, Entheon engaged Jonna Birgans, a highly experienced media executive and producer, as Vice President of Digital Experience. Mrs. Birgans' significant depth of experience spans wide across the media and entertainment sectors; from creating content and overseeing major media productions for companies including Game Show Network, Studio USA, MTV/Viacom, Animal Planet

and Billboard Music; to producing live events for brands such as Honda, Lexus and Amgen. She has also managed programming strategy for several Fortune 500 companies, including Walmart, Best Buy and Taco Bell. Mrs. Birgans currently serves as Executive Vice President, Media Strategy & Business Development for ClearTV Media. Mrs. Birgans will oversee and coordinate the creation of audio-visual and virtual reality (VR) based experiences designed to enhance and modify the psychedelic therapy experience, while also leading the production of original company media content.

On January 30, 2021, Entheon hired Dr. Brian Jahns to the role of Chief Business Officer. Dr. Jahns brings more than 20 years of business leadership and biopharmaceutical expertise to his role in overseeing the overall business development of Entheon, including the development and maintenance of strategic relationships with third parties, including regulatory authorities. Importantly, Dr. Jahns will also work to develop a commercialization and post-market strategy for Entheon's therapeutic protocols, while developing and advancing other related products, services, and initiatives of Entheon. Dr. Jahns has held senior leadership roles in the biopharmaceutical industry, including ZYUS, Trillium Therapeutics and Roche Canada, and has been deeply involved in the successful launch and growth of several successful compounds including antiviral agents, transplant drugs and anticancer biologics and developing targeted therapies for previously untreated diseases. Dr. Jahns has led preparations for commercialization, led efforts to procure commercial scale manufacturing, and led business partnering activities for several compounds.

On February 22, 2021, Entheon engaged Nancy Maher as Special Advisor of Data Science and Regulatory Affairs, providing expertise on the development of Entheon's data strategy design, study design and advise on regulatory relationships and data strategy. Ms. Maher has served as an executive and consultant for major pharmaceutical and information technology companies, including IBM, Gilead, Schering-Plough, Merck, Allergan, and Teva Pharmaceuticals and is currently SVP, Chief Information Officer, North America of Kyowa Kirin International plc. Ms. Maher will be consulting on the development and implementation of Entheon's data management systems for the collection, organization and analysis of data from upcoming pre-clinical and clinical trials, partnership initiatives, private clinic partnerships, and various technological initiatives. In addition, Ms. Maher will inform Entheon of best practices for the design and implementation of security measures as they relate to Entheon's data program, while also informing regulatory strategy and relationship as it relates to advancing conversations and applications with Health Canada, the FDA and EMA regulatory authorities.

On February 25, 2021, Entheon allotted and issued 900,000 Common Shares to Lobo Genetics Inc. ("Lobo") for fulfilling its performance milestone in accordance with a Product Development Agreement among Entheon, HaluGen and Lobo. The shares are subject to a hold period of four months and one day.

On March 19, 2021, pursuant to its stock option plan, Entheon granted options to purchase up to 50,000 Common Shares (the "Options") to a consultant of the Company. The Options are exercisable at $0.71 per Common Share for a period of five years from the date of grant and are subject to vesting over a 2-year term. The Options have been granted under and are governed by the terms of the Company's incentive stock option plan.

RISK FACTORS

In addition to the risks described herein, reference is made to the section entitled “Risk Factors” in the listing statement of Entheon dated November 12, 2020, which is incorporated herein by reference. The risks described herein are not the only risks faced by Entheon and security holders of Entheon. Additional risks and uncertainties not currently known to Entheon, or that Entheon currently deems immaterial, may also materially and adversely affect its business. The business, financial condition, revenues or profitability of Entheon could be materially adversely affected by any of the risks set forth

in this MD&A, in the documents incorporated by reference or such other risks. The trading price of the Common Shares could decline due to any of these risks and investors could lose all or part of their investment. This MD&A contains forward-looking statements that involve risks and uncertainties. Entheon's actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks faced by Entheon described below and elsewhere in this MD&A. No inference should be drawn, nor should an investor place undue importance on, the risk factors that are included in this MD&A as compared to those included in the documents incorporated by reference herein, as all risk factors are important and should be carefully considered by a potential investor.

Limited operating history

The business of Entheon began in June 2019 and has yet to generate any revenue. Entheon is therefore subject to many of the risks common to early-stage enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial, and other resources and lack of revenues. There is no assurance that Entheon will ever be able to generate revenue or will be successful in achieving a return on shareholders' investment. Entheon's ultimate success will depend on its operating ability and ability to generate cash flow from sales of its DMT Products and DMT Solutions to be developed and sold in the future. Investors should consider Entheon's likelihood of success in light of the early stage of operations.

Risks related to adverse and uncontrollable clinical results

Entheon is developing the DMT Products to treat patients who have substance use disorders and any unfavourable or adverse effects that occur in its clinical trials could negatively impact the business of Entheon even if such adverse effects are not shown to be related to Entheon's DMT Products. It is Entheon's intention to continue to develop the DMT Products focused on substance use disorders and addiction. Patients suffering from these disorders may be extremely sick and may have a high likelihood of experiencing adverse outcomes, including death, as a result of their disorder or due to other significant risks including relapse of their underlying addictions.

As a result, it is possible that Entheon will observe severe adverse outcomes during its clinical trials, including patient death, unrelated to Entheon's DMT Products and DMT Protocol. If a significant number of study subject deaths were to occur, regardless of whether such deaths are attributable to one of Entheon's DMT Products, its ability to obtain regulatory approval and/or achieve commercial acceptance for the related drug may be adversely impacted and its business could be materially harmed. In addition, other setbacks may occur which would require Entheon to conduct additional preclinical studies both invitro and invivo and/or additional clinical trials.

Entheon will require substantial additional funding, which may not be available to it on acceptable terms, or at all, and, if not so available, may require Entheon to delay, limit, reduce or cease its operations

Entheon has used the proceeds from its previous equity offerings, and Entheon intends to use the proceeds from any possible future offerings, to, among other uses, advance its psychedelic therapeutic solution portfolio through clinical development, advancing the remainder of the existing portfolio through preclinical studies and into an Investigational New Drug Application ("IND") or their equivalent, and sponsoring research with its development partners. Developing pharmaceutical solutions, including conducting preclinical studies both invitro and invivo and clinical trials, is expensive. Entheon will require substantial additional future capital in order to complete clinical development and commercialize its DMT Solutions.

Entheon will continue to require substantial additional capital to continue its clinical development and commercialization activities. Because successful development of its DMT Solutions is uncertain, Entheon is unable to estimate the actual amount of funding it will require to complete research and development and commercialize its products under development.

The amount and timing of Entheon's future funding requirements will depend on many factors, including but not limited to:

- whether its plan for clinical trials will be completed on a timely basis and, if completed, whether Entheon will be able to publicly announce results from its clinical trials in accordance with its announced milestones;
- whether Entheon is successful in obtaining the benefits of Health Canada's, EMA's and FDA's expedited development and review programs related to its DMT Solutions;
- whether Entheon is successful in obtaining interest for possible co-development and licensing out partners;
- the progress, costs, results of and timing of its clinical trials and also of its preclinical studies;
- the outcome, costs and timing of seeking and obtaining Health Canada, EMA, FDA and any other regulatory approvals;
- the costs associated with securing and establishing commercialization and manufacturing capabilities;
- market acceptance of its DMT Solutions;
- the costs of acquiring, licensing or investing in businesses, products, psychedelic therapeutic solutions and technologies;
- its ability to maintain, expand and enforce the scope of its intellectual property portfolio, including the amount and timing of any payments Entheon may be required to make, or that it may receive, in connection with the licensing, filing, prosecution, defense and enforcement of any patents or other intellectual property rights;
- its need and ability to hire additional management and scientific and medical personnel;
- the effect of competing psychedelic therapeutic solutions;
- its need to implement additional internal systems and infrastructure, including financial and reporting systems;
- research grant terms that change over time or such terms Entheon may be unable to meet;
- grants that Entheon relied upon are not funded for any reason;
- its ability to attract and retain competent staff;
- changes in the political and economic environment in the jurisdictions in which Entheon operates, including adverse economic circumstances beyond COVID-19;
- the duration and effects of COVID-19 on Entheon's personnel, business, operations and financial condition;
- the duration and effects of COVID-19 on the personnel, business, operations and financial condition of Entheon's research partners and suppliers;
- unforeseen safety hazards associated with the DMT Solutions Entheon develops; and
- the economic and other terms, timing of and success of any collaboration, licensing or other transactions into which Entheon may enter in the future.

Some of these factors are outside of Entheon's control. Entheon does not believe that its existing capital resources are sufficient to enable Entheon to complete the development and commercialization of its DMT Solutions. Accordingly, Entheon expects that it will need to raise additional funds in the future.

Entheon may seek additional funding through a combination of equity offerings, debt financings, government or other third-party funding, commercialization, marketing and distribution transactions and other collaborations, strategic alliances and licensing transactions. Additional funding may not be available to Entheon on acceptable terms or at all. In addition, the terms of any financing may adversely affect the holdings or the rights of Entheon securityholders. In addition, the issuance of

additional Common Shares, or the possibility of such issuance, may cause the market price of the Common Shares to decline. Any additional equity financing may be dilutive to investors and debt financing, if available, may involve restrictions on financing and operating activities.

If Entheon is unable to obtain funding on a timely basis, it may be required to significantly curtail one or more of its research or development programs and/or incur financial penalties. Entheon also could be required to seek funds through transactions with collaborative partners or otherwise that may require Entheon to relinquish rights to some of its technologies or psychedelic therapeutic solutions or otherwise agree to terms unfavourable to Entheon.

Possible increase in costs beyond what is currently expected as a result of regulatory review

If Health Canada, the FDA, or the EMA requires that Entheon perform additional nonclinical studies or clinical trials, or if Entheon determines that additional clinical trials are required for its DMT Products, its expenses would further increase beyond what is currently expected and the anticipated timing of any potential approval of its DMT Products or licensing out agreement would likely be delayed. Further, there can be no assurance that the costs Entheon will need to incur to obtain regulatory approval of its DMT Products will not increase.

Entheon has a limited operating history and expects a number of factors to cause its operating results to fluctuate on an annual basis, which may make it difficult to predict the future performance of Entheon

Entheon is a research and development biomedical company with a limited operating history. Entheon's operations to date have been focused on developing its Dosing Strategies, conducting in-house research, preparing proprietary dose forms of psychedelic molecules into an FDA, EMA and Health Canada approval model for eventual development of authorized Dosing Strategies for future use in clinical trials, developing clinical trials protocols, and establishing key relationships. Entheon has yet to commence clinical trials for the psychedelic therapeutic solutions in its pipeline and has yet to receive approvals from regulatory agencies.

Consequently, any predictions made about Entheon's future success or viability may not be as accurate as they could be if Entheon had a longer operating history or approved products on the market. Entheon's operating results are expected to significantly fluctuate from quarter-to-quarter or year-to-year due to a variety of factors, many of which are beyond its control. Factors relating to Entheon's business that may contribute to these fluctuations include:

- any delays in regulatory review and approval of its DMT Products in clinical development, including its ability to receive approval from Health Canada, the FDA or the EMA for its Dosing Strategies in clinical trials;
- delays in the commencement, enrolment and timing of preclinical and clinical trials;
- difficulties in identifying patients suffering from its target indications;
- the success of its clinical trials through all phases of clinical development;
- potential side effects of its DMT Products that could delay or prevent approval or license-out agreements or cause an approved solutions to be taken off the market;
- its ability to obtain additional funding to develop its DMT Solutions;
- its ability to attract and retain talented and experienced people;
- competition from existing products or new products that continue to emerge;
- the ability of patients or healthcare providers to obtain coverage or sufficient reimbursement for its products;
- its ability to adhere to clinical trial requirements directly or with third parties such as CROs;
- its dependency on third-party manufacturers to manufacture products and key ingredients;
- its ability to establish or maintain collaborations, licensing or other transactions;

- its ability to defend against any challenges to its intellectual property including, claims of patent infringement;
- its ability to enforce its intellectual property rights against potential competitors;
- its ability to secure additional intellectual property protection for its developing DMT Solutions and associated technologies;
- its ability to attract and retain key personnel to manage its business effectively;
- a biological or chemical effect that Entheon does not predict;
- adverse economic circumstances;
- potential liability claims; and
- the duration and effects of COVID-19 on Entheon's personnel, business, operations and financial condition.

Accordingly, the results of any historical quarterly or annual periods should not be relied upon as indications of future operating performance.

Entheon is preparing to conduct important preclinical and clinical trials in Europe. The risks associated with conducting research and clinical trials abroad could materially adversely affect Entheon's business. Currently, clinical trials are planned at the Centre for Human Drug Research in Leiden, the Netherlands. Additional sites in Europe and elsewhere are currently being evaluated for preclinical trials and subsequent studies.

Risks of operating in European countries

Entheon is subject to additional risks related to operating in countries in Europe including:

- differing regulatory requirements in Europe;
- unexpected changes in price and exchange controls and other regulatory requirements;
- increased difficulties in managing the logistics and transportation of collecting and shipping patient material;
- import and export requirements and restrictions;
- compliance with tax, employment, immigration and labour laws for employees living or traveling abroad;
- foreign taxes, including withholding of payroll taxes;
- foreign currency fluctuations, which could result in increased operating expenses, and other obligations incident to doing business in another country;
- difficulties staffing and managing foreign operations;
- potential liability under the *Corruption of Foreign Public Officials Act* or comparable foreign regulations;
- challenges enforcing its contractual and intellectual property rights, especially in those European countries that do not respect and protect intellectual property rights to the same extent as Canada or the United States;
- production shortages resulting from any events affecting raw material supply or manufacturing capabilities abroad; and
- business interruptions resulting from geo-political actions, including war and terrorism.

These and other risks associated with Entheon's international operations may materially adversely affect its ability to attain or maintain profitable operations.

Entheon has never been profitable, it has no products approved for commercial sale, and to date it has not generated any revenue. As a result, Entheon's ability to reduce its losses and reach profitability is unproven, and thus, Entheon may never achieve or sustain profitability.

Entheon has never been profitable and does not expect to be profitable in the foreseeable future. Entheon has not yet submitted any psychedelic therapeutic solutions for approval by regulatory authorities in Canada, the European Union, the United States or elsewhere.

To date, Entheon has devoted most of its financial resources to research and development, including drug discovery research, preclinical development activities and clinical trial preparation, as well as corporate overhead. Entheon has not generated any revenues from product sales. Entheon expects to continue to incur losses for the foreseeable future, and expects these losses to increase as Entheon continues its development of, and seek regulatory approvals for its DMT Solutions, prepare for and begin the commercialization of any approved solutions and add infrastructure and personnel to support its continuing product development efforts. Entheon anticipates that any such losses could be significant for the next several years. If its DMT Products fail in clinical trials or do not gain regulatory approval, or if its DMT Solutions do not achieve market acceptance, Entheon may never become profitable. As a result of the foregoing, Entheon expects to continue to experience net losses and negative cash flows for the foreseeable future. These net losses and negative cash flows have had, and will continue to have, an adverse effect on Entheon's stockholders' equity and working capital.

Because of the numerous risks and uncertainties associated with pharmaceutical solution development, Entheon is unable to accurately predict the timing or amount of increased expenses or when, or if, Entheon will be able to achieve profitability. In addition, Entheon's expenses could increase if it is required by Health Canada, the FDA or the EMA to perform studies or trials in addition to those currently expected, or if there are any delays in completing its clinical trials or the development of any of its DMT Solutions. The amount of future net losses will depend, in part, on the rate of future growth of its expenses and its ability to generate revenues.

There are limited suppliers for API used in Entheon's DMT Products. Problems with the third parties that manufacture the API used in its DMT Products may delay its clinical trials or subject Entheon to liability

Entheon does not currently own or operate manufacturing facilities for clinical or commercial production of the active pharmaceutical ingredient ("API") used in any of Entheon's DMT Products. Entheon has no experience in API manufacturing, and it lacks the resources and the capability to manufacture any of the APIs used in its DMT Products, on either a clinical or commercial scale. As a result, Entheon relies on third parties to supply the API used in each of its DMT Products. Entheon expects to continue to depend on third parties to supply the API for its current and future solution candidates and to supply the API in commercial quantities, in the foreseeable future. Entheon is ultimately responsible for confirming that the APIs used in its Products are manufactured in accordance with applicable regulations.

Entheon's third-party suppliers may not carry out their contractual obligations or meet its deadlines. In addition, the API they supply to Entheon may not meet its specifications and quality policies and procedures or they may not be able to supply the API in commercial quantities. If Entheon needs to find alternative suppliers of the API used in any of its DMT Products, it may not be able to contract for such supplies on acceptable terms, if at all. Any such failure to supply or delay caused by such contract manufacturers would have an adverse effect on Entheon's ability to continue clinical development of its DMT Products or commercialization of its DMT Solutions.

If its third-party drug suppliers fail to achieve and maintain high manufacturing standards in compliance with current good manufacturing practices regulations, Entheon could be subject to certain product

liability claims in the event such failure to comply resulted in defective products that caused injury or harm.

Entheon cannot be certain that any of its DMT Solutions will receive regulatory approval, and without regulatory approval Entheon will not be able to market such solutions

Entheon's business currently depends on the successful development and commercialization of its DMT Solutions. Entheon anticipates that DMT will be subject to extensive and rigorous regulation by Health Canada, the FDA and the EMA. Health Canada, the FDA and the EMA regulate the development, testing, manufacturing, labeling, storage, recordkeeping, promotion, marketing, distribution, and service of medical products in Canada, the United States and the European Union respectively, to ensure that such medical products distributed are safe and effective for their intended use. Entheon's ability to generate revenue related to solution sales, if ever, will depend on the successful development and regulatory approval of its DMT Solutions. The process of getting regulatory approval is both time consuming and costly and Entheon's ability to satisfactorily navigate this process will have a material impact on its business and prospects. Additionally, the receipt of regulatory approval may be impacted by the delays, risks, and related costs implications and there is no certainty that Entheon will ever receive regulatory approval. If Entheon does obtain such approvals, Entheon will continue to be subject to ongoing compliance and reporting requirements. Failure to comply with the requirements would have a material adverse impact on the business, financial condition and operating results of Entheon. Entheon cannot predict the time required to secure all appropriate regulatory approvals for its protocols, or the extent of testing and documentation that may be required by Governmental Authorities. Any delays in obtaining, or failure to obtain the necessary regulatory approvals will significantly delay the development of Entheon's protocols and could have a material adverse effect on the business, results of operations and financial condition of Entheon. Additionally, to the extent any further approvals, permits or licenses are required and not obtained, Entheon may be prevented from operating and/or expanding its business, which could have a material adverse effect on Entheon's business, financial condition and results of operations. If Entheon is unable to obtain approval from Health Canada, the FDA, the EMA, or other regulatory agencies, for any of its DMT Solutions, or if, subsequent to approval, Entheon is unable to successfully commercialize its DMT Solutions, it will not be able to generate sufficient revenue to become profitable or to continue its operations.

Delays in the commencement, enrolment and completion of clinical trials could result in increased costs to Entheon and delay or limit Entheon's ability to obtain regulatory approval for any of its DMT Solutions

Delays in the commencement, enrolment and completion of preclinical and clinical trials could increase Entheon's solution development costs or limit the regulatory approval of its DMT Solutions. Entheon does not know whether any future trials or studies of its other psychedelic therapeutic solutions will begin on time or will be completed on schedule, if at all. The start or end of a clinical study is often delayed or halted due to changing regulatory requirements, manufacturing challenges, including delays or shortages in available product, required clinical trial administrative actions, slower than anticipated patient enrolment, changing standards of care, availability or prevalence of use of a comparative product or required prior therapy, clinical outcomes or financial constraints. For instance, delays or difficulties in patient enrolment or difficulties in retaining trial participants can result in increased costs, longer development times or termination of a clinical trial. Clinical trials of a new solution can require the enrolment of a sufficient number of patients, including patients who are suffering from the disorder the solution is intended to treat and who meet other eligibility criteria. Rates of patient enrolment are affected by many factors, including the size of the patient population, the eligibility criteria for the clinical trial, that include the age and condition of the patients and the stage and severity of disorder, the nature of the protocol, the proximity of patients to clinical sites and the availability of effective treatments and/or availability of investigational treatment options for the

relevant disorder. Additionally, delays in the commencement, enrolment and completion of preclinical and clinical trials could result from the duration and impact of COVID-19.

A psychedelic therapeutic solution can unexpectedly fail at any stage of preclinical and clinical development. The historical failure rate for psychedelic therapeutic solutions is high due to scientific feasibility, safety, efficacy, changing standards of medical care and other variables. The results from preclinical testing or early clinical trials of a psychedelic therapeutic solution may not predict the results that will be obtained in later phase clinical trials of the psychedelic therapeutic solution. Health Canada, the EMA, the FDA or other applicable regulatory authorities may suspend clinical trials of a psychedelic therapeutic solution at any time for various reasons, including, but not limited to, a belief that subjects participating in such trials are being exposed to unacceptable health risks or adverse side effects, or other adverse initial experiences or findings. Entheon may not have the financial resources to continue development of, or to enter into collaborations for, a psychedelic therapeutic solution if Entheon experiences any problems or other unforeseen events that delay or prevent regulatory approval of, or its ability to commercialize, psychedelic therapeutic solutions, including:

- inability to obtain sufficient funds required for a clinical trial;
- inability to recruit and retain qualified personnel;
- inability to reach agreements on acceptable terms with prospective CROs and trial sites, the terms of which can be subject to extensive negotiation and may vary significantly among different CROs and trial sites;
- negative or inconclusive results from its clinical trials or the clinical trials of others for psychedelic therapeutic solutions similar to its, leading to a decision or requirement to conduct additional preclinical testing or clinical trials or abandon a program;
- serious and unexpected drug-related side effects experienced by subjects in its clinical trials or by individuals using drugs similar to its DMT Products;
- conditions imposed by the EMA, Health Canada, the FDA or comparable foreign authorities regarding the scope or design of its clinical trials;
- delays in enrolling research subjects in clinical trials;
- high drop-out rates and high fail rates of research subjects;
- inadequate supply or quality of psychedelic therapeutic solution components or materials or other supplies necessary for the conduct of its clinical trials;
- greater than anticipated clinical trial costs;
- poor effectiveness of its DMT Products during clinical trials; or
- unfavourable FDA or other regulatory agency inspection and review of a clinical trial site or vendor.

Entheon has no sales, marketing or distribution experience and it will have to invest significant resources to develop those capabilities or enter into acceptable third-party sales and marketing transactions

Entheon has no sales, marketing or distribution experience. To develop sales, distribution and marketing capabilities, Entheon will have to invest significant amounts of financial and management resources, some of which will need to be committed prior to any confirmation that its DMT Solutions will be approved by Health Canada, the FDA or the EMA. For psychedelic therapeutic solutions where Entheon decides to perform sales, marketing and distribution functions itself or through third parties, it could face a number of additional risks, including that Entheon or its third-party sales collaborators may not be able to build and maintain an effective marketing or sales force. If Entheon uses third parties to market and sell its solutions, it may have limited or no control over their sales, marketing and distribution activities on which its future revenues may depend.

Entheon may not be successful in establishing and maintaining development and commercialization collaborations, which could adversely affect its ability to develop its DMT Solutions and its financial condition and operating results

Because developing psychedelic therapeutic solutions, conducting clinical trials, obtaining regulatory approval, establishing manufacturing capabilities and marketing approved solutions are expensive, Entheon may seek to enter into collaborations with companies that have more experience. Additionally, if any of its DMT Solutions receives marketing approval, Entheon may enter into licensing out agreements or sales and marketing transactions with third parties with respect to its unlicensed territories. If Entheon is unable to enter into transactions on acceptable terms, if at all, it may be unable to effectively market and sell its solutions in its target markets. Entheon expects to face competition in seeking appropriate collaborators. Moreover, collaboration transactions are complex and time consuming to negotiate, document and implement and they may require substantial resources to maintain. Entheon may not be successful in its efforts to establish and implement collaborations or other alternative transactions for the development of its DMT Solutions.

When Entheon collaborates with a third party for development and commercialization of a psychedelic therapeutic solution or collaboration in making grant applications, it can expect to relinquish some or all of the control over the future success of that psychedelic therapeutic solution to the third party. One or more of its collaboration partners may not devote sufficient resources to the commercialization of its DMT Solutions or may otherwise fail in their commercialization. The terms of any collaboration or other transaction that Entheon establishes may contain provisions that are not favourable to Entheon. In addition, any collaboration that Entheon enters into may be unsuccessful in the development and commercialization of its DMT Solutions. In some cases, Entheon may be responsible for continuing preclinical and initial clinical development of a psychedelic therapeutic solution or research program under a collaboration transaction, and the payment Entheon receives from its collaboration partner may be insufficient to cover the cost of this development. If Entheon is unable to reach agreements with suitable collaborators for its DMT Solutions, it would face increased costs, it may be forced to limit the number of its DMT Solutions it can commercially develop or the territories in which it can market them. As a result, Entheon might fail to commercialize solutions for which a suitable collaborator cannot be found. If Entheon fail to achieve successful collaborations, its operating results and financial condition could be materially and adversely affected.

Entheon may incur substantial costs as a result of litigation or other proceedings relating to patent and other intellectual property rights

Entheon may from time to time seek to enforce its intellectual property rights against infringers when it determines that a successful outcome is probable and may lead to an increase in the value of the intellectual property. If Entheon chooses to enforce its patent rights against a party, then that individual or company has the right to ask the court to rule that such patents are invalid or should not be enforced. Additionally, the validity of its patents and the patents it has licensed may be challenged if a petition for post grant proceedings such as inter-partes review and post grant review is filed within the statutorily applicable time with the Canadian Intellectual Property Office, the United States Patent and Trademark Office or the European Patent Office. These lawsuits and proceedings are expensive and would consume time and resources and divert the attention of managerial and scientific personnel even if Entheon were successful in stopping the infringement of such patents. In addition, there is a risk that the court will decide that such patents are not valid and that Entheon does not have the right to stop the other party from using the inventions. There is also the risk that, even if the validity of such patents is upheld, the court will refuse to stop the other party on the ground that such other party's activities do not infringe its intellectual property rights.

If Entheon is not able to adequately prevent disclosure of trade secrets and other proprietary information, the value of its psychedelic therapeutic solutions could be significantly diminished

Entheon relies on trade secrets to protect its proprietary information, especially where it does not believe patent protection is appropriate or obtainable. However, trade secrets are difficult to protect. Entheon relies in part on confidentiality agreements with its employees, consultants, outside scientific collaborators, sponsored researchers and other advisors to protect its trade secrets and other proprietary information. These agreements may not effectively prevent disclosure of confidential information and may not provide an adequate remedy in the event of unauthorized disclosure of confidential information. In addition, others may independently discover its trade secrets and proprietary information. Costly and time-consuming litigation could be necessary to enforce and determine the scope of its proprietary rights, and failure to obtain or maintain trade secret protection could adversely affect its competitive business position.

Entheon will need to expand its operations and increase the size of its company, and it may experience difficulties in managing growth

As of the date hereof, Entheon has 3 full-time employees and 16 consultants and part-time contractors. As Entheon advances its DMT Products through preclinical studies and clinical trials, Entheon will need to increase its product development, scientific and administrative headcount to manage these programs. In addition, to meet its obligations as a public company, Entheon may need to increase its general and administrative capabilities. Entheon's management, personnel and systems currently in place may not be adequate to support this future growth. If Entheon is unable to successfully manage this growth and increased complexity of operations, our business may be adversely affected.

Entheon may not be able to manage its business effectively if it is unable to attract and retain key personnel and consultants

Entheon may not be able to attract or retain qualified management, finance, scientific and clinical personnel and consultants due to the intense competition for qualified personnel and consultants among biotechnology, pharmaceutical and other businesses. If Entheon is not able to attract and retain necessary personnel and consultants to accomplish its business objectives, it may experience constraints that will significantly impede the achievement of its development objectives, its ability to raise additional capital and its ability to implement its business strategy.

Entheon is highly dependent on the development, regulatory, commercialization and business development expertise of its management team, key advisors and consultants. If Entheon loses one or more of its executive officers or key advisors or consultants, its ability to implement its business strategy successfully could be seriously harmed. Any of its executive officers or key advisors or consultants may terminate their engagement at any time. Replacing executive officers, key advisors and consultants may be difficult and may take an extended period of time because of the limited number of individuals in Entheon's industry. Competition to hire and retain employees and consultants from this limited pool is intense, and Entheon may be unable to hire, train, retain or motivate these additional key personnel and consultants. Entheon's failure to retain key personnel or consultants could materially harm its business.

In addition, Entheon has scientific and clinical advisors and consultants who assist Entheon in formulating its research, development and clinical strategies. These advisors are not its employees and may have commitments to, or consulting or advisory contracts with, other entities that may limit their availability to Entheon. Although Entheon's current scientific and clinical advisors have entered into non-compete agreements which apply during the course of engagement and within the 12 months following the termination of the engagement, future advisors may not. If a conflict of interest arises

between their work for Entheon and their work for another entity, Entheon may lose their services. In addition, future advisors may have transactions with other companies to assist those companies in developing products or technologies that may compete with those of Entheon.

Insurance and uninsured risks

Entheon's business is subject to a number of risks and hazards generally, including adverse clinical trial results, accidents, labour disputes and changes in the regulatory environment. Such occurrences could result in damage to assets, personal injury or death, environmental damage, delays in operations, monetary losses and possible legal liability.

Entheon's insurance will not cover all the potential risks associated with its operations. Entheon may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards encountered in the operations of Entheon is not generally available on acceptable terms. Entheon might also become subject to liability for pollution or other hazards which may not be insured against or which Entheon may elect not to insure against because of premium costs or other reasons. Losses from these events or any significant uninsured liability may require Entheon to pay substantial amounts, which would adversely affect its financial position and results of operations.

Entheon may be materially adversely affected in the event of cyber-based attacks, network security breaches, service interruptions, or data corruption

Entheon relies on information technology to process and transmit sensitive electronic information and to manage or support a variety of business processes and activities. Entheon uses technology systems to record, process, and summarize financial information and results of operations for internal reporting purposes and to comply with regulatory financial reporting, legal, and tax requirements. Entheon's information technology systems, some of which are managed by third-parties, may be susceptible to damage, disruptions or shutdowns due to computer viruses, attacks by computer hackers, failures during the process of upgrading or replacing software, databases or components thereof, power outages, hardware failures, telecommunication failures, user errors or catastrophic events. Although Entheon has developed systems and processes that are designed to protect proprietary or confidential information and prevent data loss and other security breaches, such measures cannot provide absolute security. If its systems are breached or suffer severe damage, disruption or shutdown and Entheon is unable to effectively resolve the issues in a timely manner, its business and operating results may significantly suffer and it may be subject to litigation, government enforcement actions or potential liability. Security breaches could also cause Entheon to incur significant remediation costs, result in product development delays, disrupt key business operations, including development of its DMT Solutions, and divert attention of management and key information technology resources.

Internal controls

Effective internal controls are necessary for Entheon to provide reliable financial reports and to help prevent fraud. Although Entheon will undertake a number of procedures and will implement a number of safeguards, in each case, in order to help ensure the reliability of its financial reports, including those imposed on Entheon under Canadian securities law, Entheon cannot be certain that such measures will ensure that Entheon will maintain adequate control over financial processes and reporting. Failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm Entheon's results of operations or cause it to fail to meet its reporting obligations. If Entheon or its auditors discover a material weakness, the disclosure of that fact, even if quickly remedied, could reduce the market's confidence in Entheon's consolidated financial statements and materially adversely affect the trading price of the Common Shares.

Management of Entheon will ensure the accounting cycle, payroll administration, operational activities, and financial reporting controls to assess internal control risks and to ensure proper internal control is in place. One of the deficiencies in internal control is the lack of segregation of accounting duties due to the limited size of Entheon. However, the threat of this deficiency is considered immaterial as management has taken effective measures to mitigate this weakness.

The potential risk that flows from the identified deficiencies and weaknesses is the risk of potential fraud. However, the risk of fraud is considered low as management anticipates taking a number of measures as stated above to mitigate the potential risk of fraud, including without limitation: (i) all purchase and payment, including payroll, must be authorized by management; (ii) all capital expenditures must be preapproved by the Entheon Board; (iii) all source documents in any other language other than English must be translated and scanned for accounting entries and recordkeeping purposes; (iv) and almost all of Entheon's cash will be deposited with a Canadian bank in Vancouver, Canada. Bank statements of Entheon will continue to be reviewed by the CFO of Entheon regularly.

The Entheon Board will continue to monitor the operations of Entheon, evaluate the internal controls, and develop measures in the future to mitigate any potential risks and weaknesses.

Litigation

Entheon may become party to litigation from time to time in the ordinary course of business which could adversely affect its business. Should any litigation in which Entheon becomes involved be determined against Entheon such a decision could adversely affect Entheon's ability to continue operating and the market price for the Common Shares and could use significant resources. Even if Entheon is involved in litigation and wins, litigation can redirect significant company resources.

Conflicts of interest

Certain of the directors and officers of Entheon are engaged in, and will continue to engage in, other business activities on their own behalf and on behalf of other companies and, as a result of these and other activities, such directors and officers of Entheon may become subject to conflicts of interest. The CBCA provides that in the event that a director or senior officer has a material interest in a transaction or agreement or proposed transaction or agreement that is material to an issuer, the director or senior officer must disclose his interest in such contract or agreement and a director must refrain from voting on any matter in respect of such contract or agreement, subject to and in accordance with the CBCA. To the extent that conflicts of interest arise, such conflicts will be resolved in accordance with the provisions of the CBCA. To the management of Entheon's knowledge, as at the date hereof there are no existing conflicts of interest between Entheon and a director or officer of Entheon except as otherwise disclosed in this Listing Statement.

Impact of COVID-19

Entheon's business, operations and financial condition could be materially and adversely affected by the outbreak of epidemics or pandemics or other health crises, including the recent outbreak of COVID-19. On January 30, 2020, the World Health Organization declared the outbreak of a global health emergency and on March 13, 2020 the U.S. declared that the COVID-19 outbreak in the United States constitutes a national emergency. To date, there have been a large number of temporary business closures, quarantines and a general reduction in consumer activity in Canada, the United States, Europe and China. The outbreak has caused companies and various international jurisdictions to impose travel, gathering and other public health restrictions. While these effects are expected to be temporary, the duration of the various disruptions to businesses locally and internationally and the related financial impact cannot be reasonably estimated at this time. Similarly, Entheon cannot

estimate whether or to what extent this outbreak and the potential financial impact may extend to countries outside of those currently impacted. Entheon is actively assessing and responding where possible to the potential impact of the COVID-19 pandemic. Entheon may face disruption to restrictions on operations, delays and uncertainties to planned clinical trials, travel restrictions, impact on personnel and the impact on the economic activity in affected countries or regions can be expected and can be difficult to quantify. Such pandemics or diseases represent a serious threat to maintaining a skilled workforce industry and could be a major health care challenge for Entheon. There can be no assurance that Entheon's personnel will not be impacted by this pandemic and ultimately that Entheon would see its workforce productivity reduced or incur increased medical costs/insurance premiums as a result of these health risks. In addition, the COVID-19 pandemic has created a dramatic slowdown in the global economy. Depending on the length and severity of the pandemic, COVID-19 could impact Entheon's operations, could cause delays relating to pre-clinical and clinical trials and receipt of approval from Health Canada, the FDA and/or the EMA, could postpone research activities, and could impair Entheon's ability to raise funds depending on COVID-19's effect on capital markets. The duration of the COVID-19 pandemic outbreak and the resultant travel restrictions, social distancing, government response actions, business closures and business disruptions, can all have an impact on Entheon's operations and access to capital. There can be no assurance that Entheon will not be impacted by adverse consequences that may be brought about by the COVID-19 pandemic on global financial markets, share prices and financial liquidity and thereby that may severely limit the financing capital available. Finally, 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 Entheon in future periods.