FORM 5

QUARTERLY LISTING STATEMENT

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

Trading Symbol: NOVA

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

General Instructions

(a) Prepare this Quarterly Listing Statement using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the following items must be in narrative form. When the answer to any item is negative or not applicable to the Issuer, state it in a sentence. The title to each item must precede the answer.

(b) The term "Issuer" includes the Listed Issuer and any of its subsidiaries.

(c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

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

SCHEDULE A: FINANCIAL STATEMENTS

The Issuer's unaudited interim consolidated financial statements for the period ended September 30, 2021 are attached.

SCHEDULE B: SUPPLEMENTARY INFORMATION

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

1. Related party transactions

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

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

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

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

(a) summary of securities issued during the period,

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

(b) summary of options granted during the period,

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

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

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

(a) description of authorized share capital including number of shares for each class, dividend rates on preferred shares and whether or not cumulative, redemption and conversion provisions,

(b) number and recorded value for shares issued and outstanding,

(c) description of options, warrants and convertible securities outstanding, including number or amount, exercise or conversion price and expiry date, and any recorded value, and

(d) number of shares in each class of shares subject to escrow or pooling agreements or any other restriction on transfer.

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

SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS

The Issuer's Management Discussion & Analysis for the period ended September 30, 2021 is attached.

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Quarterly Listing Statement.

2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.

3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).

4. All of the information in this Form 5 Quarterly Listing Statement is true.

Dated November 29, 2021

Will Rascan
Name of Director or Senior Officer

/s/ "Will Rascan"
Signature

President & CEO
Official Capacity

Issuer Details Name of Issuer Nova Mentis Life Science Corp.	For Quarter Ended 2021/09/30	Date of Report YY/MM/DD 21/11/29
Issuer Address 700-838 W Hastings Street		
City/Province/Postal Code Vancouver, BC, V6C 0A6	Issuer Fax No. ( )	Issuer Telephone No. (778) 819-0244
Contact Name Kelly Pladson	Contact Position Corporate Secretary	Contact Telephone No. (604) 726-6749
Contact Email Address kellypladson@icloud.com	Web Site Address https://novamentis.ca/	

SCHEDULE "A"

UNAUDITED FINANCIAL STATEMENTS FOR PERIOD ENDED SEPTEMBER 30, 2021

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

Condensed Consolidated Interim Financial Statements

Three and Nine Months Ended September 30, 2021 and 2020

(Unaudited - Expressed in Canadian Dollars)

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

Three and Nine Months Ended September 30, 2021

INDEX	**Page**

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

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

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

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

November 29, 2021

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

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

	September 30, 2021	December 31, 2020
Assets		
Current		
Cash and cash equivalents (note 5)	$ 767,184	$ 2,135,293
Short term investments (note 10)	8,478	5,285
Amounts receivable	50,220	17,314
Inventory	5,438	5,438
Prepaid expenses and deposits	499,577	867,821
	1,330,897	3,031,151
Property and Equipment (note 6)	19,366	23,114
Loan receivable from Just Kush (note 7)	2,037,839	2,037,839
	$ 3,388,102	$ 5,092,104
Liabilities		
Current		
Accounts payable and accrued liabilities (note 11)	$ 656,553	$ 382,962
	656,553	382,962
Shareholders' Equity		
Share Capital (note 12)	48,430,080	48,298.316
Reserves (note 12)	7,672,936	7,341,282
Deficit	(53,371,467)	(50,930,456)
	2,731,549	4,709,142
	$ 3,388,102	$ 5,092,104

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

Approved on behalf of the Board:

"William Rascan"
……………………………… Director
William Rascan

"Steven Feldman"
……………………………… Director
Steven Feldman

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

Condensed Consolidated Interim Statements of Comprehensive Loss
For the Three and Nine Months Ended September 30
(Unaudited - Expressed in Canadian Dollars)

	Three Months Ended September 30, 2021	Three Months Ended September 30, 2020	**Nine Months Ended September 30, 2021**	Nine Months Ended September 30, 2020
Revenue	**$ -**	$ 1,317	$ -	$ 9,946
Cost of Goods Sold	**-**	(1,291)	**-**	(8,173)
Gross Profit	**-**	26	**-**	1,773
Expenses				
Accounting, legal and audit	**78,894**	38,133	**83,961**	43,444
Amortization (note 6)	**1,249**	1,705	**3,748**	5,115
Consulting fees (note 11)	**148,455**	50,480	**541,044**	120,479
Management fees (note 11)	**49,500**	49,500	**148,500**	148,500
Office and general	**261,001**	2,052	**300,342**	35,416
Share-based payments (note 11)	**310,659**	314,481	**331,654**	314,481
Shareholder communications and investor relations (note 11)	**9,000**	12,000	**33,595**	36,081
Transfer agent and filing fees	**14,154**	13,688	**75,712**	41,171
Research and development costs	**559,472**	-	**956,251**	-
Loss before Other Items	**1,432,384**	482,013	**2,474,807**	742,914
Loss (gain) on short term investments (note 10)	**(29,236)**	10,570	**(29,236)**	20,585
Interest Income	**-**	-	**(4,560)**	(3,220)
Recovery of expenses	**-**	-	**-**	(19,427)
Consideration paid in excess of net assets acquired from Nova (note 8)	**-**	-	**-**	6,268,583
Equity loss from associate (note 7)	**-**	61,915	**-**	154,263
Net Loss and Comprehensive Loss	**$ 1,403,148**	$ 554,498	$ **2,441,011**	$ 7,163,698
Basic and Diluted Loss Per Share	**$ 0.01**	$ 0.01	$ **0.02**	$ 0.17
Basic and Diluted Weighted Average Number of Common Shares Outstanding	**111,442,606**	60,881,535	**110,972,465**	42,557,358

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

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

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity
For the Nine Months ended September 30, 2021 and 2020
(Unaudited - Expressed in Canadian Dollars)

	Number of Shares		Share Capital		Reserves		Deficit		Total
Balance, December 31, 2019	**32,131,533**	$	**27,494,138**	$	**6,447,195**	**$**	**(27,681,468)**	$	**6,259,865**
Shares issued on Nova Acquisition	28,750,002		7,475,000		-		-		7,475,000
Share options granted	-		-		314,481		-		314,481
Net loss for the period	-		-		-		(7,163,698)		(7,163,698)
Balance, September 30, 2020	**60,881,535**		**34,969,138**		**6,447,195**		**(34,845,165)**		**6,885,649**
Shares issued on Pilz Acquisition	50,006,332		13,251,678		-		-		13,251,678
Shares issued as compensation	250,000		77,500		-		-		77,500
Share options granted	-		-		579,606		-		579,606
Net loss for the period	-		-		-		(16,085,290)		(16,639,789)
Balance, December 31, 2020	**111,137,867**		**48,298,316**		**7,341,282**		**(50,930,456)**		**4,709,143**
Share options granted	-		-		331,654		-		331,654
Shares issued for settlement of debt (note 12)	1,615,520		131,764		-		-		131,764
Shares returned to treasury (note 12)	(1,250,000)		-		-		-		-
Net loss for the period	-		-		-		(2,441,011)		(2,441,011)
Balance, September 30, 2021	**111,503,077**	**$**	**48,430,080**	**$**	**7,672,936**	**$**	**(53,371,467)**	**$**	**2,731,551**

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

Nova Mentis Life Science Corp.
(formerly Liberty Leaf Holdings Ltd.)
Condensed Consolidated Interim Statements of Cash Flows
For the Nine Months Ended September 30
(Unaudited - Expressed in Canadian Dollars)

	2021	2020
Operating Activities		
Net loss for the period	$ 2,441,011	$ (7,163,698)
Items not involving cash		
Amortization	3,748	5,115
Consideration paid in excess of net assets acquired from Nova (note 8)	-	6,262,010
Share-based payments	331,654	314,481
Loss (gain) on short term investments	(29,236)	19,570
Interest accrued on short term investments	(4,560)	(3,220)
Shares issued for settlement of debt (note 12)	131,764	-
Equity loss from associate (note 7)	-	154,263
Changes in non-cash working capital		
Amounts receivable	(32,906)	(1,602)
Inventory	-	6,100
Prepaid expenses	368,244	8,016
Accounts payable and accrued liabilities	273,591	(34,968)
Cash Used in Operating Activities	(1,398,712)	(433,933)
Investing Activities		
Advances to associate (note 7)	-	(434,421)
Net cash acquired from Nova Mentis acquisition	-	1,212,990
Short term investments (note 10)	30,603	(141,713)
Cash Provided by (Used in) Investing Activities	30,603	636,856
Financing Activities		
Shares issued for cash, net of issue costs	-	-
Cash Provided by Financing Activities	-	-
Inflow (Outflow) of Cash	(1,368,109)	202,923
Cash, Beginning of the Period	2,135,293	87.005
Cash, End of the Period	$ 767,184	$ 289,928

Supplemental Disclosures with Respect to Cash Flows (note 12)

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

1. NATURE OF OPERATIONS

Nova Mentis Life Science Corp. is a Vancouver, British Columbia, based company incorporated in the province of British Columbia. The Company is listed on the Canadian Securities Exchange (the "Exchange") under the symbol "NOVA". The Company was previously known as Liberty Leaf Holdings Ltd. and was previously listed on the Canadian Securities Exchange (the "Exchange") under the symbol "LIB". Effective June 26, 2020, the shares of the Company commenced trading on the Canadian Securities Exchange on a consolidated basis under the name “Nova Mentis Life Science Corp.” and stock symbol “NOVA”. More information regarding the transaction is provided in note 8.

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

2. GOING CONCERN

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

Several adverse conditions cast significant doubt on the validity of this assumption. The Company incurred an operating loss during the nine months ended September 30, 2021 of $2,441,011 (2020 - $7,163,698) and as at that date has a deficit of $53,371,467 (December 31, 2020 - $50,930,456), has limited resources, no sources of operating cash flow and no assurances that sufficient funding will be available to continue operations for an extended period of time.

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

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company’s business or ability to raise funds.

3. BASIS OF PRESENTATION

a) Statement of compliance

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

These condensed consolidated interim financial statements of the Company should be read in conjunction with the Company’s 2020 annual consolidated financial statements, which have been prepared in accordance with IFRS.

b) Basis of measurement

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

c) Principles of consolidation

The condensed consolidated interim financial statements of the Company consolidate the accounts of the Company and its wholly owned subsidiaries:

	Country	**Principal Activity**	**Ownership interest**
Nova Mentis Biotech Corp.	Canada	Psilocybin research & development	100%
Pilz Bioscience Corp.	Canada	Psilocybin research & development	100%
Signature Cannabis Retail Ltd.	Canada	Cannabis accessories retail	100%

A subsidiary is consolidated from the date upon which control is acquired by the Company and all material intercompany transactions and balances have been eliminated on consolidation. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

d) Approval of the condensed consolidated interim financial statements

The condensed consolidated interim financial statements of the Company for the nine months ended September 30, 2021 were approved and authorized for issue by the Board of Directors on November 29, 2021.

e) Use of estimates and judgments

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

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

- Control

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

- Going concern

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

- Significant influence

  Where the Company holds a significant shareholding in an investment and has the power to exercise significant influence through common officers and board members, such an investment is treated as an associate. Management applies judgment to determine when the Company loses significant influence over an investee by assessing whether it has lost the power to participate in the financial and operating policy decisions of that investee.

- Determination of control in business acquisitions

  The determination of the acquirer in business acquisitions is subject to judgment and requires the Company to determine which party obtains control of the combining entities. Management applies judgment in determining control by assessing the following three factors: whether the Company has power; whether the Company has exposure or rights to variable returns; and whether the Company has the ability to use its power to affect the amount of its returns. In exercising this judgment, management reviewed the representation on the Board of Directors and key management personnel, the party that initiated the transaction, and each of the entities' activities.

  The assessment of whether an acquisition constitutes a business is also subject to judgment and requires the Company to review whether the acquired entity contains all three elements of a business, including inputs, processes and the ability to create output. Management has had to apply judgments relating to the asset purchase transaction with the acquisitions of NOVA (Note 8) and PILZ (Note 9) with respect to whether the acquisition was a business combination or an asset acquisition.

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

- The inputs used in assessing the recoverable amount of deferred tax assets

  The Company estimates the expected manner and timing of the realization or settlement of the carrying value of its assets and liabilities and applies the tax rates that are enacted or substantively enacted on the estimated dates of realization or settlement.

- Share-based payments

  The value of share-based payments is subject to the limitations of the Black-Scholes option pricing model that incorporates market data and involves uncertainty in estimates used by management in the assumptions. Because the Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share prices, changes in subjective input assumptions can materially affect the fair value estimate.

- Fair value of equity issuances for non-cash consideration.

  In instances where the fair value of assets received, or services rendered cannot be reliably measured management estimates the fair value of common shares issued as non-cash consideration by reference to the closing trading price of its shares in active markets.

3. BASIS OF PRESENTATION (Continued)

e) Use of estimates and judgments (Continued)

- Fair value of investment in Just Kush Enterprises Ltd.

  The Company determined the fair value of its interest in its investment in Just Kush on the date that significant influence was lost. The determination of fair value requires management to make estimates regarding the future cash flows expected to flow to the entity from its investment.

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

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include $767,184 (2020 - $1,259,189) in the operating bank accounts and $nil (2020 - $876,104) in a redeemable short-term investment certificate which matured on June 26, 2021. The short-term investment earned interest at approximately 0.25% per annum. The investment was redeemable at any time before the maturity date. Interest earned on the investment is included in interest income.

5. FINANCIAL INSTRUMENTS

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

a) Credit risk;
b) Liquidity risk; and
c) Market risk.

a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company manages credit risk, in respect of cash and certain short term investments, by placing cash with major Canadian financial institutions. As at September 30, 2021, the Company is therefore exposed to credit risk with respect to cash and cash equivalents of $767,184 (2020 - 2,135,293) and short-term investments of $8,478 (2020 - $5,285).

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquid funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. As of September 30, 2021, the Company has cash and short term investments of $775,662 (2020 - $2,140,578) to meet contractual financial liabilities of $656,553 (2020 - $382,962). All of the liabilities presented as accounts payable and accrued liabilities are due within 90 days of September 30, 2021.

c) Market risk

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

(Unaudited - Expressed in Canadian Dollars)

As at September 30, 2021, the Company is exposed to market risk with respect to short term investments of $8,478 (2020 - $5,285) representing the Company's investment in common shares of PlantFuel Life Inc. "FUEL".

6. PROPERTY AND EQUIPMENT

		Computer Equipment		Office Equipment		Total
Cost						
Balance, December 31, 2019	$	16,173	$	39,880	$	56,053
Additions		-		-		-
Balance, December 31, 2020	$	16,173	$	39,880	$	56,053
Additions		-		-		-
Balance, September 30, 2021	$	16,173	$	39,880	$	56,053
Accumulated Amortization						
Balance, December 31, 2019	$	13,793	$	12,326	$	26,119
Amortization		1,309		5,511		6,820
Balance, December 31, 2020	$	15,102	$	17,837	$	32,939
Amortization		442		3,306		3,748
Balance, September 30, 2021	$	15,544	$	21,143	$	36,687
Net Book Value, December 31, 2020	$	1,071	$	22,043	$	23,114
Net Book Value, September 30, 2021	$	629	$	18,737	$	19,366

7. LOAN RECEIVABLE FROM JUST KUSH

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

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

The Company previously determined it had significant influence over Just Kush and accounted for its investment using the equity method. The following is a summary of the investment in associate as at December 31, 2019:

		2019
Shares issued	$	4,350,000
Cash consideration	$	150,000
Advances	$	1,378,418
Equity loss from associate	$	(203,737)
Impairment	$	-
Investment in associate	$	5,674,681

(Unaudited - Expressed in Canadian Dollars)

Due to deteriorating market conditions in the cannabis industry and a general disagreement between the stakeholders involved regarding terms of the original purchase agreement and whether the Company had an obligation to contribute capital to Just Kush, the Company entered into a rescission agreement dated March 19, 2021 with Just Kush such that the original purchase agreement is null and void.

Concurrent with the rescission agreement, the Company entered into a loan agreement whereby Just Kush has agreed to repay a principle sum of $2,037,839 representing advances made by the Company to Just Kush in addition to the cash consideration of the original purchase agreement. Terms of the loan are as follows:

Just Kush shall repay the principle amount on or before March 30, 2027 in monthly installments commencing on March 30, 2022, of the greater of $15,000 or 10% of the borrower's gross revenue for the immediately preceding calendar month. The loan does not accrue interest. In the event that on or before March 30, 2026, the borrower has repaid an aggregate of $800,000 of the principle, the Company shall forgive the remaining balance on the loan to Just Kush.

During the year ended December 31, 2020, the Company determined that it no longer had significant influence over Just Kush and determined that the net realizable value of any such investment is the value of the loan receivable. Accordingly, the Company incurred an impairment loss on the investment of $4,071,263 in accordance with level 3 of the fair value hierarchy and classified its investment in Just Kush as FTVPL.

In accordance with the rescission agreement, shares involved in the original purchase agreement were returned to capital. 500,000 shares were returned to capital on April 21, 2021 and 750,000 escrow shares were returned to capital on March 31, 2021.

8. ACQUSITION OF NOVA MENTIS BIOTECH CORP.

On June 26, 2020, the Company completed a share purchase agreement with Nova Mentis Biotech Corp. ("NOVA"), pursuant to which the Company acquired all of the issued and outstanding shares in the capital of NOVA in exchange for 28,750,002 common shares in the capital of the Company.

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

The transaction is accounted for in accordance with guidance provided in IFRS 2 *Share-Based Payment* ("IFRS 2") and IFRS 3. As the NOVA did not qualify as a business according to the definition in IFRS 3, the acquisition does not constitute a business combination; rather, it is treated as an asset acquisition. The consideration paid was allocated to the net assets and liabilities acquired with the excess included in net loss as consideration paid in excess of net assets acquired.

Fair value of consideration – 28,750,002 common shares at $0.26	$ 7,475,000
Transaction costs	8,181
	7,483,181
Net Assets Acquired:	
Cash	$ 1,247,500
Amounts receivable	1,608
Accounts payable and accrued liabilities	(34,510)
	1,214,598

(Unaudited - Expressed in Canadian Dollars)

Consideration paid in excess of net assets acquired	$	6,268,583

9. PILZ BIOSCIENCE CORP.

On November 30, 2020, the Company completed an agreement with Pilz Bioscience Corp. ("Pilz"), pursuant to which the Company acquired all of the issued and outstanding shares in the capital of Pilz in exchange for 50,006,332 common shares in the capital of the Company (the "Transaction").

The Transaction was effected by way of a "three-cornered" amalgamation, in which: (a) The Company formed a subsidiary which amalgamated with Pilz to form an amalgamated company ("Amalco"); (b) all issued and outstanding shares of Pilz were then exchanged for common shares of the Company on a 1:1 basis; and (c) Amalco became a wholly-owned subsidiary of the Company and was renamed Pilz Bioscience Corp.

Of the shares exchanged, 12,250,000 are subject to a voluntary pooling agreement whereas certain former Pilz shareholders have agreed to resale restrictions on the shares of the Company received: 20% were released upon closing of the Transaction, a further 40% were released three months following closing, and the remaining 40% were released six months following closing.

Pilz Bioscience Corp. ("Pilz") is a biotechnology company developing medicinal psychedelics for neuroinflammatory conditions with a significant cognitive component and high unmet therapeutic needs.

The Transaction is accounted for in accordance with guidance provided in IFRS 2 and IFRS 3. As Pilz did not qualify as a business according to the definition in IFRS 3, the acquisition does not constitute a business combination; rather, it is treated as an asset acquisition. The consideration paid was allocated to the net assets and liabilities acquired with the excess included in net loss as consideration paid in excess of net assets acquired.

Fair value of consideration – 50,006,332 common shares at $0.265	$	13,251,678
Transaction costs – Cash		7,331
Transaction costs – Common shares		77,500
		13,336,509
Net Assets Acquired:		
Cash	$	1,373,875
Prepaid expenses		879,815
Accounts payable and accrued liabilities		(22,500)
		2,231,190
Consideration paid in excess of net assets acquired	$	11,105,319

10. SHORT TERM INVESTMENTS

The Company holds common shares of PlantFuel Life Inc. "FUEL". During the nine months ended September 30, 2021 the Company sold 75,000 FUEL shares for $26,040 in proceeds. As at September 30, 2021, the Company held 30,700 shares with a fair value of $8,478 (2020 –$5,285).

(Unaudited - Expressed in Canadian Dollars)

11. RELATED PARTY TRANSACTIONS

These amounts of key management compensation and other related party transactions are included in the amounts shown on the condensed consolidated interim statements of comprehensive loss for the nine months ended September 30, 2021 and 2020:

		2021		2020
Consulting fees	$	90,000	$	55,500
Management fees	$	148,500	$	148,500
Shareholder communications	$	33,000	$	36,000
Share-based payments	$	191,705	$	270,454

These transactions were in the normal course of operations. During the nine months ended September 30, 2021, the Company engaged:

- The Chief Executive Officer ("CEO"), to provide management services to the Company in consideration of $112,500 (2020 - $112,500);
- The CFO to provide management services in consideration of $36,000 (2020 - $36,000);
- A director to provide shareholder communication services for consideration of $33,000 (2020 - $36,000);
- Directors to provide consulting services for consideration of $90,000 (2020 - $55,500); and
- Immediate family members of the CEO to provide consulting services for consideration of $nil (2020 - $28,750)

As at September 30, 2021, accounts payable and accrued liabilities included $36,104 (2020 - $65,355) due to officers and directors or companies controlled by current or former officers and directors. The amounts due are non-interest-bearing, unsecured and without stated terms of repayment.

12. SHARE CAPITAL

Authorized share capital

Unlimited number of common shares without par value.

Issued share capital

During the nine months ended September 30, 2021

On March 31, 2021, 750,000 escrow shares were cancelled by the Company as a result of the rescission agreement detailed in note 7. On April 21, 2021, 500,000 common shares were returned to treasury as a result of the rescission agreement detailed in note 7.

On June 10, 2021, the Company issued 1,513,306 common shares in settlement of debt to a consultant. These shares were valued at $0.08 to settle $121,064 in debt to a consultant.

On August 24, 2021, the Company issued 101,904 common shares in settlement of debt to a Director. These shares were valued at $0.105 to settle $10,700 in debt to a Director.

(Unaudited - Expressed in Canadian Dollars)

12. SHARE CAPITAL (Continued)

During the year ended December 31, 2020

On June 26, 2020, the Company issued 28,750,002 common shares with a fair value of $8,337,501 in the capital of the Company as part of the acquisition of NOVA detailed in note 8.

On November 30, 2020, the Company issued 50,006,332 common shares with a fair value of $13,251,678 in the capital of the Company as part of the acquisition of Pilz detailed in note 9.

Certain former Pilz shareholders have agreed to a voluntary hold period pursuant to which 9,800,000 of the consideration shares were subject to trading restrictions. Specifically, 4,900,000 of the consideration Shares were released on the three month anniversary of the closing the transaction, and 4,900,000 of the consideration shares were released on the six month anniversary of closing the transaction.

In connection with the transaction, the Company issued 250,000 common shares with a fair value of $77,500 in the capital of the Company to a consultant.

Warrants

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

	September 30, 2021		**December 31, 2020**	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Outstanding, beginning of year	-	-	672,086	$ 2.40
Issued	-	-	-	-
Exercised	-	-	-	-
Expired	-	-	(672,086)	2.40
Outstanding, end of year	-	-	-	-

The following warrants are outstanding and exercisable:

Expiry Date	Weighted Average Remaining Contractual Life in Years	Exercise Price	**September 30, 2021**
nil	-	-	-
	-	-	-

Share options

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

(Unaudited - Expressed in Canadian Dollars)

12. SHARE CAPITAL (Continued)

Options (Continued)

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

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

	September 30, 2021		**December 31, 2020**	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding and exercisable, beginning of year	6,800,000	$ 0.23	2,387,500	$ 1.23
Granted	3,325,000	0.12	6,225,000	0.21
Exercised	-	-	-	-
Expired	575,000	0.42	(1,812,500)	1.49
Outstanding and exercisable, end of period	9,550,000	$ 0.18	6,800,000	$ 0.23

During the nine months ended September 30, 2021

The Company applied the fair value method using the Black-Scholes option pricing model in accounting for its share options granted with the following weighted-average assumptions: risk-free interest rate of 0.65%; expected dividend yield of zero; expected share price volatility of 154%; and expected life of 3.71 years. The Company used historical volatility to estimate the volatility of the share price. The weighted average grant date fair value of each option was $0.10. Accordingly, $331,654 was recognized as share-based payment expense during the nine months ended September 30, 2021.

During the year ended December 31, 2020

The Company applied the fair value method using the Black-Scholes option pricing model in accounting for its share options granted with the following weighted-average assumptions: risk-free interest rate of 0.24%; expected dividend yield of zero; expected share price volatility of 170%; and expected life of 1.82 years. The Company used historical volatility to estimate the volatility of the share price. The weighted average grant date fair value of each option was $0.14. Accordingly, $894,087 was recognized as share-based payment expense during the year ended December 31, 2020.

(Unaudited - Expressed in Canadian Dollars)

12. SHARE CAPITAL (Continued)

Options (Continued)

The following share options are outstanding and exercisable:

Expiry Date	Weighted Average Remaining Contractual Life in Years	Exercise Price	**September 30, 2021**	**December 31, 2020**
July 12, 2021	-	$ 0.42	-	575,000
November 6, 2021 *	0.10	$ 0.20	1,200,000	1,200,000
November 13, 2021 *	0.12	$ 0.22	13,000	13,000
December 1, 2021	0.17	$ 0.265	112,000	112,000
September 17, 2022	0.96	$ 0.20	2,500,000	2,500,000
November 6, 2022	1.10	$0.20	1,800,000	1,800,000
December 1, 2022	1.17	$ 0.265	200,000	200,000
December 11, 2022	1.20	$ 0.30	200,000	200,000
February 10, 2023	1.36	$ 0.235	100,000	-
March 8, 2023	1.44	$ 0.20	25,000	-
July 14, 2023	1.79	$ 0.12	1,200,000	-
August 17, 2023	1.88	$ 0.14	100,000	-
December 17, 2023	2.21	$ 0.29	200,000	-
July 14, 2026	4.79	$ 0.12	1,900,000	-
	1.05	$ 0.18	9,550,000	6,800,000

* expired subsequent to September 30, 2021

13. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS

	2021	**2020**
Fair value of shares issued on acquisition of NOVA	$ -	$ 8,337,501
Fair value of shares issued on acquisition of Pilz	$ -	$ 13,251,678
Fair value of shares issued as transaction costs on acquisition of Pilz	$ -	$ 77,500

14. SEGMENTED DISCLOSURE AND SUBSIDIARIES

The Company currently operates in one industry segment, being research and development of psilocybin, and in one geographic area, being Canada through its subsidiaries Nova Mentis Biotech Corp. and Pilz Bioscience Corp. All of the Company's long-term assets are located in Canada.

15. CAPITAL MANAGEMENT

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

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

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

Management reviews the capital structure on a regular basis to ensure that the above objectives are met. There have been no changes to the Company's approach to capital management during the nine months ended September 30, 2021. The Company is not subject to external restrictions on its capital.

16. SUBSEQUENT EVENTS

Subsequent to the nine months ended September 30, 2021 the Company:

a) granted 250,000 share options to a consultant, with a term to expiry of three years and an exercise price of $0.09.

SCHEDULE "C"

MANAGEMENT DISCUSSION & ANALYSIS FOR PERIOD ENDED SEPTEMBER 30, 2021

NOVA MENTIS LIFE SCIENCE CORP.
(FORMERLY LIBERTY LEAF HOLDINGS LTD.)
MANAGEMENT DISCUSSION & ANALYSIS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2021 AND 2020

November 29, 2021

OVERVIEW

The following management discussion and analysis ("MD&A") is a review of the operations, current financial position and outlook for Nova Mentis Life Science Corp. (the "Company") for the three and nine months ended September 30, 2021 and 2020 and should be read in conjunction with the Company's audited consolidated financial statements for the years ended December 31, 2020 and 2019 (the "Annual Financial Statement"), and the Condensed Consolidated Interim Financial Statements for the three and nine months ended September 30, 2021 and 2020, and related notes thereto (the"Interim Financial Statements") which are filed on the SEDAR website: www.sedar.com.

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

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

DESCRIPTION OF BUSINESS AND ACTIVITY

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

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

On June 26, 2020, the Company completed a share purchase agreement with Nova Mentis Biotech Corp. ("NOVA"), pursuant to which the Company acquired all of the issued and outstanding shares in the capital of NOVA in exchange for 28,750,002 common shares in the capital of the Company. NOVA is a research and development driven company that is focused on investigating the anti-inflammatory effects of psilocybin in underexplored metabolic indications such as obesity and diabetes.

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

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

Please refer to https://www.novamentis.ca/ for additional information.

General and Financing

During the nine months ended September 30, 2021, 750,000 escrow shares were cancelled by the Company on March 31, 2021 as a result of the rescission agreement detailed in "Cannabis Industry". On April 21, 2021, 500,000 common shares were returned to treasury as a result of the rescission agreement also detailed in "Cannabis Industry".

On June 10, 2021, the Company issued 1,513,306 common shares in settlement of debt to a consultant. These shares were valued at $0.08 to settle $121,064 in debt to the consultant.

On August 24, 2021, the Company issued 101,904 common shares in settlement of debt to a Director. These shares were valued at $0.105 to settle $10,700 in debt to the Director.

During the year ended December 31, 2020, the Company issued 28,750,002 common shares in the capital of the Company as part of the acquisition of Nova Mentis Biotech Corp. ("NOVA") on June 23, 2020. These 28,750,002 common shares were valued at $0.26 resulting in an increase to share capital of $7,475,000.

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

On September 17, 2020, the company appointed Ms. Jacqueline McConnell to its Board of Directors and as Chief Operating Officer ("COO"). Jacqueline McConnell has over twenty years of experience working for Apotex Inc., one of Canada's largest pharmaceutical companies.

In her role as COO, Ms. McConnell has assumed responsibility for, among other things, managing the integration and acting as a liaison to NOVA's business segments, such as psilocybin-focused Nova Mentis Biotech Corp. Further, in utilizing her background in the biotechnology and pharmaceutical industries, she will spearhead corporate development efforts and new business initiatives within this realm.

Concurrent with the appointment of Ms. McConnell to the Board of Directors, Dr. Aylia Mohammadi resigned from the Board after joining the Company's Board of Directors in July 2020.

On November 30, 2020, the Company completed an agreement with Pilz Bioscience Corp. ("Pilz"), pursuant to which the Company acquired all of the issued and outstanding shares in the capital of Pilz in exchange for 50,006,332 common shares in the capital of the Company (the "Transaction"). These 50,006,332 common shares were valued at $0.265 resulting in an increase to share capital of $13,251,678.

The Transaction was effected by way of a "three-cornered" amalgamation, in which: (a) The Company formed a subsidiary which amalgamated with Pilz to form an amalgamated company ("Amalco"); (b) all issued and outstanding shares of Pilz were then exchanged for common shares of the Company on a 1:1 basis; and (c) Amalco became a wholly-owned subsidiary of the Company and was renamed Pilz Bioscience Corp.

Of the shares exchanged, 12,250,000 are subject to a voluntary pooling agreement whereas certain former Pilz shareholders have agreed to resale restrictions on the shares of the Company received: 20% were released upon closing of the Transaction, a further 40% were released three months following closing, and the remaining 40% were released six months following closing.

Pilz Bioscience Corp. ("Pilz") is a biotechnology company developing medicinal psychedelics for neuroinflammatory conditions with a significant cognitive component and high unmet therapeutic needs.

In connection with the Transaction, the Company issued 250,000 common shares in the capital of the Company to a consultant. These common shares were valued at $0.31 resulting in an increase to share capital of $77,500. Dr. Marvin S. Hausman MD was appointed Chairman of Nova's Scientific Advisory Board and Amalco's Chief Medical Officer.

On July 14, 2021 the Company appointed Dr. Stephen Glazer to its Board of Directors, and as Chief Scientific Officer.

Dr. Glazer began practicing medicine in Toronto, Ontario, Canada at North York Branson Hospital in 1994, and since then has been practicing as a board-certified specialist in Internal Medicine and Intensive Care Medicine in Ontario. He is a specialist in Bariatrics, the branch of medicine that deals with the study and treatment of people living with obesity. In 2010, Dr. Glazer became the Medical Director for Bariatrics at Humber River Hospital in Toronto. He is also the President of the Canadian Association of Bariatric Physicians and Surgeons. Dr. Glazer will work closely with the team to help advance clinical research for neuroinflammatory disorders.

Cannabis Industry

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

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

Due to deteriorating market conditions in the cannabis industry and a general disagreement between the stakeholders involved regarding terms of the original purchase agreement and whether the Company had an obligation to contribute capital to Just Kush, the Company entered into a rescission agreement dated March 19, 2021 with Just Kush such that the original purchase agreement is null and void.

Concurrent with the rescission agreement, the Company entered into a loan agreement whereby Just Kush has agreed to repay a principle sum of $2,037,839 representing advances made by the Company to Just Kush in addition to the cash consideration of the original purchase agreement. Terms of the loan are as follows:

Just Kush shall repay the principle amount on or before March 30, 2027 in monthly installments commencing on March 30, 2022, of the greater of $15,000 or 10% of the borrower's gross revenue for the immediately preceding calendar month. The loan does not accrue interest. In the event that on or before March 30, 2026, the borrower has repaid an aggregate of $800,000 of the principle, the Company shall forgive the remaining balance on the loan to Just Kush.

During the year ended December 31, 2020, the Company determined that it no longer had significant influence over Just Kush and determined that the net realizable value of any such investment is the value of the loan receivable. Accordingly, the Company incurred an impairment loss on the investment of $4,071,263 in accordance with level 3 of the fair value hierarchy and classified its investment in Just Kush as FVTPL.

On April 8, 2019 the Company launched its Signature Cannabis Retail e-commerce website, an online shopping experience offering quality cannabis accessories to consumers. Signature Cannabis Retail is a wholly owned subsidiary of the Company. Revenues for the year ended December 31, 2020 were $11,472. Revenues for the nine months ended September 30, 2021 were $nil. The Company has determined not to invest further in this initiative.

BIOTECHNOLOGY RESEARCH AND DEVELOPMENT

On July 29, 2021, the Company announced it had filed a U.S. provisional patent application for a proprietary manufacturing process for the production of psilocybin and tryptamine analogues, baeocystin and aeruginascin.

RESULTS OF OPERATIONS

For the nine months ended September 30, 2021

During the nine months ended September 30, 2021, the Company reported a net loss of $2,441,011 compared to a loss for the nine months ended September 30, 2020 of $7,163,698. The Company's net loss included expenditures as follows:

- Accounting, legal and audit fees of $83,961 (2020 - $43,444) increased due to the rescission agreement with Just Kush;
- Consulting fees of $541,044 (2020 - $120,479) increased due to more consultants engaged for work as a result of the Nova and Pilz acquisitions;
- Management fees of $148,500 (2020 - $148,500) were paid or accrued to the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") and remained consistent with the prior period;
- Office and general of $300,342 (2020 - $35,416) increased due to timing of expenditures and significant prepaid expenses at year end which were expensed during the period;
- Share-based compensation of $331,654 (2020 - $314,481) pertained to share options granted in the current period;
- Shareholder communications and investor relations of $33,595 (2020 - $36,081) remained relatively consistent;
- Transfer agent and filing fees of $75,712 (2020 - $41,171) increased from the prior period due to greater listing fees and timing of expenditures;
- Research and development costs of $956,251 (2020 - $nil) pertained to biotechnology research costs which were not incurred in 2020;
- Gain on short term investments of $29,236 (2020 – ($20,585 loss)) pertained to an increase in the value of FUEL shares in 2021.
- Recovery of expenses of $nil (2020 – $19,427) pertained to a recovery of costs expensed in the prior period;
- Consideration paid in excess of net assets acquired from Nova of $nil (2020 - $6,268,583) pertained to the difference of the fair value of consideration paid less the net assets acquired in the acquisition of Nova Mentis Biotech Corp.; and
- Equity loss from associate of $nil (2020 - $154,263) pertained to the Company's share of the loss recorded by Just Kush in 2020.

For the three months ended September 30, 2021

During the three months ended September 30, 2021, the Company reported a net loss of $1,403,148 compared to a loss for the three months ended September 30, 2020 of $554,498. The Company's net loss included expenditures as follows:

- Accounting, legal and audit fees of $78,894 (2020 - $38,133) increased due to timing of expenditures;
- Consulting fees of $148,455 (2020 - $50,480) increased due to more consultants engaged for work as a result of the Nova and Pilz acquisitions;
- Management fees of $49,500 (2020 - $49,500) were paid or accrued to the Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”) and remained consistent with the prior period;
- Office and general of $261,001 (2020 - $2,052) increased due to prepaid expenditures being expensed during the period;
- Share-based compensation of $310,659 (2020 - $314,481) pertained to share options granted in the current period;
- Shareholder communications and investor relations of $9,000 (2020 - $12,000) remained relatively consistent;
- Transfer agent and filing fees of $14,154 (2020 - $13,688) remained relatively consistent;
- Research and development costs of $559,472 (2020 - $nil) pertained to biotechnology research costs which were not incurred in 2020;
- Gain on short term investments of $29,236 (2020 – $10,570 loss) pertained to an increase in the value of FUEL shares in 2021; and
- Equity loss from associate of $nil (2020 - $61,915) pertained to the Company’s share of the loss recorded by Just Kush in 2020.

SUMMARY OF QUARTERLY FINANCIAL RESULTS ($000’s except loss per share)

The following are the results for the eight most recent quarterly periods, starting with the quarter ended September 30, 2021:

For the Quarterly Periods ended:		**September 30, 2021**	**June 30, 2021**	**March 31, 2021**	**December 31, 2020**
Total revenues	$	-	-	-	2
Net loss for the period		(1,403)	(421)	(617)	(16,085)
Net loss per common share, basic and diluted		(0.01)	(0.00)	(0.01)	(0.21)

For the Quarterly Periods ended:		**September 30, 2020**	**June 30, 2020**	**March 31, 2020**	**December 31, 2019**
Total revenues	$	1	2	7	7
Net loss for the period		(554)	(6,425)	(184)	(250)
Net loss per common share, basic and diluted		(0.01)	(0.19)	(0.01)	(0.01)

SELECTED ANNUAL INFORMATION

	December 31, 2020	**December 31, 2019**	**December 31, 2018**
Total Revenues	$ 11,472	7,192	-
Net Loss	23,248,988	1,398,087	3,573,099

Net Loss per Share, basic and diluted	0.45	0.04	0.12
Total Assets	5,092,105	6,584,935	7,550,696
Total Liabilities	382,962	325,070	308,954

LIQUIDITY AND CAPITAL RESOURCES

At September 30, 2021, the Company had cash of $767,184 and working capital of $166,289 as compared to December 31, 2020 when the Company had cash of $2,135,293 and working capital of $1,752,331.

To address working capital requirements for 2021, the Company has maintained cost control measures to minimize its general and administrative expenses where possible. See General and Financing for a summary of capital transactions.

For fiscal 2021, the Company will require additional financing to address capital and operating expenditures in its Nova Mentis and Pilz interests, pay general and administrative expenses and to seek out additional opportunities in the biotechnology industry to create shareholder value.

OUTSTANDING SHARES

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

	November 29, 2021	September 30, 2021	December 31, 2020
Common shares	111,503,077	111,503,077	111,137,867
Warrants	-	-	-
Stock Options	8,587,000	9,550,000	6,800,000
Fully Diluted Shares	120,090,077	121,053,077	117,937,867

TRANSACTIONS WITH RELATED PARTIES

These amounts of key management compensation and other related party transactions are included in the amounts shown on the condensed consolidated interim statements of comprehensive loss for the nine months ended September 30, 2021 and 2020:

		2021		2020
Consulting fees	$	90,000	$	55,500
Management fees	$	148,500	$	148,500
Shareholder communications	$	33,000	$	36,000
Share-based payments	$	191,705	$	270,454

These transactions were in the normal course of operations. During the nine months ended September 30, 2021, the Company engaged:

- The Chief Executive Officer ("CEO"), to provide management services to the Company in consideration of $112,500 (2020 - $112,500);
- The CFO to provide management services in consideration of $36,000 (2020 - $36,000);
- A director to provide shareholder communication services for consideration of $33,000 (2020 - $36,000);
- Directors to provide consulting services for consideration of $90,000 (2020 - $55,500); and

- Immediate family members of the CEO to provide consulting services for consideration of $nil (2020 - $28,750)

As at September 30, 2021, accounts payable and accrued liabilities included $36,104 (2020 - $65,355) due to officers and directors or companies controlled by current or former officers and directors. The amounts due are non-interest-bearing, unsecured and without stated terms of repayment.

OFF-BALANCE SHEET ARRANGEMENTS

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

PROPOSED TRANSACTIONS

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

FINANCIAL INSTRUMENTS

The Company classifies its financial instruments as follows:

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

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

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 – Inputs other than quoted prices that are observable for assets or liabilities, either directly or indirectly; and
Level 3 – Input for assets or liabilities that are not based on observable market data.

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

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

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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

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

- Control

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

- Going concern

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

- Significant influence

  Where the Company holds the largest shareholding in an investment and has the power to exercise significant influence through common officers and board members, such an investment is treated as an associate. During the year ended December 31, 2020, the Company determined it does not have significant influence over Just Kush.

- Treatment of license costs

  License costs are capitalized to the extent that the criteria for recognition as intangible assets in IAS 38 Intangible Assets are met. Those criteria require that the product is technically and economically feasible, which management assesses based on the attributes of the development project, perceived user needs, industry trends and expected future economic conditions. Management considers these factors in aggregate and applies significant judgment to determine whether the product is feasible. The Company has not capitalized any license costs as at September 30, 2021.

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

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

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

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

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

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

ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET EFFECTIVE

For details of the Company's Future Accounting Standards, including accounting standards not yet adopted, new accounting standards adopted, and accounting standards amended but not yet effective, please refer to Note 4 of the Company's audited financial statements for the year ended December 31, 2020.

RISKS AND UNCERTAINTIES

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

Regulatory Risks

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

Change in Laws, Regulations and Guidelines

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

Substantial Capital Requirements and Liquidity

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

Financing Risks and Dilution to Shareholders

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

Competition

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

Reliance on Management and Dependence on Key Personnel

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

Conflicts of Interest

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

Uninsurable Risks

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

Litigation

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

FORWARD-LOOKING INFORMATION

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

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

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

Detailed listings of general and administrative expenses and exploration expenditures are provided in the condensed consolidated interim financial statements of the Company for the nine months ended September 30, 2021.

OFFICERS AND DIRECTORS

Certain directors of the Company are also directors, officers and/or shareholders of other companies. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required to act in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his/her interest and abstain from voting in the matter(s). In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at the time.

Current directors and officers of the Company are as follows:

William Rascan, CEO, President and Director
Steven Feldman, Director
Jacqueline McConnell, Director
Dr. Stephen Glazer, Director
Jamie Robinson, CFO

OUTLOOK

The Company's primary focus for the foreseeable future will be the Nova Mentis and Pilz subsidiaries. The Company plans to invest in research and development of the anti-inflammatory effects of psilocybin in underexplored metabolic indications such as obesity and diabetes. The Company will also continue to evaluate additional investment opportunities in the health and wellness sector, biotechnology and related sectors.

OTHER REQUIREMENTS

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