

A copy of this preliminary short form prospectus has been filed with the securities regulatory authorities in each of the provinces of Canada, other than Québec, but has not yet become final for the purpose of the sale of the securities. Information contained in this preliminary short form prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the short form prospectus is obtained from the securities regulatory authorities.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. These securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any state securities laws and may not be offered or sold in the United States (as such term is defined in Regulation S under the U.S. Securities Act) or to, or for the account or benefit of, U.S. persons (as such term is defined in Regulation S under the U.S. Securities Act ("U.S. Persons")) except in accordance with the Underwriting Agreement (as defined herein) and pursuant to an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby within the United States or to, or for the account or benefit of, U.S. Persons. See "Plan of Distribution".

Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the General Counsel of Field Trip Health Ltd., at 30 Duncan Street, Suite 401, Toronto, ON M5V 2C3, telephone (833) 833-1967, and are also available electronically at www.sedar.com.

PRELIMINARY SHORT FORM PROSPECTUS

New Issue

December 15, 2020



FIELD TRIP HEALTH LTD.

\$17,406,000
3,868,000 Units

\$4.50 per Unit

This short form prospectus (this "**Prospectus**") qualifies the distribution (the "**Offering**") of 3,868,000 units (the "**Units**") of Field Trip Health Ltd. (the "**Corporation**" or "**Field Trip**") at a price of \$4.50 per Unit (the "**Offering Price**") for aggregate gross proceeds to the Corporation of \$17,406,000 pursuant to an underwriting agreement (the "**Underwriting Agreement**") dated December 15, 2020 among the Corporation, Stifel Nicolaus Canada Inc., as lead underwriter and sole book-runner (the "**Lead Underwriter**"), together with Canaccord Genuity Corp., Bloom Burton Securities Inc. and Eight Capital (together with the Lead Underwriter, the "**Underwriters**"). The Offering Price was determined by arm's length negotiation between the Corporation and the Lead Underwriter, with reference to the prevailing market price of the common shares of the Corporation (each, a "**Common Share**") on the Canadian Securities Exchange (the "**CSE**"). The Units will be offered in each of the provinces of Canada, other than Québec (collectively, the "**Offering Jurisdictions**"). See "Plan of Distribution".

Each Unit consists of one Common Share (each, a "**Unit Share**") and one-half of one Common Share purchase warrant (each whole warrant, a "**Warrant**"). Each Warrant will entitle the holder thereof to acquire, subject to adjustment in certain circumstances, one Common Share (each, a "**Warrant Share**") at an exercise price of \$5.60 (the "**Exercise Price**") until the date that is eighteen (18) months following the Closing Date (as defined herein), subject to

acceleration in certain circumstances (the "**Warrant Expiry Date**"). The Warrants will be governed by a warrant indenture (the "**Warrant Indenture**") to be entered into on the Closing Date between the Corporation and Computershare Trust Company of Canada (the "**Warrant Agent**"), as warrant agent. See "*Description of Securities Being Distributed*".

The Common Shares are currently listed for trading on the CSE under the symbol "FTRP". On December 8, 2020, the last full trading day before the announcement of the Offering, the closing price per Common Share on the CSE was \$4.95.

The Corporation has applied to list the Unit Shares, the Warrants, the Warrant Shares and the Compensation Shares (as defined herein) on the CSE. Listing will be subject to the Corporation fulfilling all of the listing requirements of the CSE. **There is currently no market through which the Warrants may be sold and purchasers may not be able to resell the Warrants purchased under this Prospectus. This may affect the pricing of the securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities, and the extent of issuer regulation. See "Risk Factors".**

	Price to the Public	Underwriters' Fee ⁽¹⁾⁽⁴⁾⁽⁵⁾	Net Proceeds to the Corporation ⁽²⁾
Per Unit	\$4.50	\$0.143	\$4.357
Total Offering ⁽³⁾	\$17,406,000	\$552,330	\$16,853,670

Notes:

- (1) In consideration for the services rendered by the Underwriters in connection with the Offering, the Corporation has agreed to pay the Underwriters a cash fee (the "**Underwriters' Fee**") equal to 5.5% of the gross proceeds of the Offering (including in respect of any exercise of the Over-Allotment Option (as defined herein), other than in respect of sales of Units for gross proceeds of up to a maximum of \$9,000,000, to persons previously identified by the Corporation to the Underwriters (the "**President's List**"), upon which a cash fee equal to 1.0% of such gross proceeds will be paid. The Corporation has also agreed to issue the Underwriters such number of compensation warrants (each, a "**Compensation Warrant**") as is equal to 5.5% of the number of Units sold pursuant to the Offering (including any Units sold on the exercise of the Over-Allotment Option), other than in respect of Units sold under the President's List, upon which such number of Compensation Warrants equal to 1.0% of such Units shall be issued to the Underwriters. Each Compensation Warrant is exercisable to purchase one Common Share (each, a "**Compensation Share**") at the Offering Price, subject to customary adjustment, for a period of twenty-four (24) months following the Closing Date. The Underwriters will be reimbursed for their expenses and legal fees incurred pursuant to the Offering, plus disbursements and taxes. This Prospectus qualifies the distribution of the Compensation Warrants and the Compensation Shares issuable upon exercise thereof. See "*Plan of Distribution*".
- (2) After deducting the Underwriters' Fee, but before deducting expenses and legal fees of the Offering, which are estimated to be approximately \$450,000. See "*Use of Proceeds*".
- (3) The Corporation has granted to the Underwriters an option, exercisable in whole or in part in the sole discretion of the Lead Underwriter, at any time and from time to time, for a period of 30 days following the Closing Date, to purchase up to an additional 15% of the number of Units sold under the Offering, being up to 580,200 Units (the "**Over-Allotment Units**") and/or up to 580,200 Unit Shares ("**Over-Allotment Unit Shares**") and/or up to 290,100 Warrants ("**Over-Allotment Warrants**"), to cover the Underwriters' over-allocation position, if any, and for market stabilization purposes (the "**Over-Allotment Option**"). The Over-Allotment Option may be exercised by the Underwriters to acquire: (a) Over-Allotment Units at the Offering Price; (b) Over-Allotment Unit Shares at a price of \$4.29 per Over-Allotment Unit Share; (c) Over-Allotment Warrants at a price of \$0.42 per Over-Allotment Warrant; or (d) any combination of Over-Allotment Units, Over-Allotment Unit Shares and Over-Allotment Warrants, so long as the aggregate number of Over-Allotment Unit Shares and Over-Allotment Warrants which may be issued under the Over-Allotment Option does not exceed 580,200 Over-Allotment Unit Shares and 290,100 Over-Allotment Warrants. If the Over-Allotment Option is exercised in full, the total price to the public, Underwriters' Fee and net proceeds to the Corporation (before deducting expenses of the Offering) will be \$20,016,900, \$695,930 and \$19,320,971, respectively. This Prospectus qualifies the grant of the Over-Allotment Option and the distribution of the Over-Allotment Units issuable upon exercise of the Over-Allotment Option. A person who acquires securities forming part of the Underwriters' over-allocation position acquires those securities under this Prospectus regardless of whether the Underwriters' over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. See "*Plan of Distribution*" and the table below.
- (4) Assumes a total of 2,000,000 Units, representing gross proceeds of \$9,000,000, are being purchased under the President's List ("**Full President's List Participation**"), and there is no exercise of the Over-Allotment Option.
- (5) In addition to the Underwriters' Fee, the Corporation has agreed to pay the Lead Underwriter and Canaccord Genuity Corp. the aggregate of: (i) \$81,693 in cash; (ii) 8,170 Common Shares (the "**Fee Shares**"); and (iii) 49,016 warrants to purchase

Common Shares (the "**Fee Warrants**"), for services rendered in connection with the private placement offering of Field Trip Psychedelics Inc. on September 21, 2020. The issuance of the Fee Shares and the Fee Warrants (and the Common Shares issuable thereunder) require the approval of the CSE and provided that this approval is obtained, this Prospectus will qualify the distribution of the Fee Shares and the Fee Warrants (and the Common Shares issuable thereunder). See "*Plan of Distribution*".

Underwriters' Position	Maximum Number of Securities Available	Exercise Period	Exercise Price
Over-Allotment Option	580,200 Over-Allotment Units, 580,200 Over-Allotment Unit Shares and/or 290,100 Over-Allotment Warrants	Up to 30 days following the Closing Date	\$4.50 per Additional Unit (\$4.29 per Over-Allotment Unit Share and \$0.42 per Over-Allotment Warrant)
Compensation Warrants	122,740 Compensation Warrants ⁽¹⁾	24 months following the Closing Date	\$4.50 per Compensation Share

Notes:

- (1) An aggregate of 154,651 Compensation Warrants will be issued to the Underwriters if the Over-Allotment Option is exercised in full, and assuming Full President's List Participation. This Prospectus qualifies the distribution of the Compensation Warrants in full. See "*Plan of Distribution*".

Unless the context otherwise requires, when used herein, all references to the "Offering", "Units", "Unit Shares", "Warrants", "Warrant Shares", "Compensation Warrants" and "Compensation Shares" assume the exercise of the Over-Allotment Option and includes the Over-Allotment Units and the Unit Shares and Warrants underlying such Over-Allotment Units and the additional Warrant Shares issuable upon exercise of such additional Warrants.

The Underwriters, as principals, conditionally offer the Units, subject to prior sale, if, as and when issued by the Corporation and accepted by the Underwriters in accordance with the conditions contained in the Underwriting Agreement referred to under "*Plan of Distribution*", and subject to the approval of certain legal matters by Bennett Jones LLP, on behalf of the Corporation, and by Borden Ladner Gervais LLP, on behalf of the Underwriters.

Subscriptions for Units will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is expected that the closing of the Offering will occur on or about January 5, 2021 or such other date as the Corporation and the Underwriters may agree, provided that the Units are taken up by the Underwriters not more than 42 days after the date of the receipt for the final short form prospectus (the "**Closing**" or "**Closing Date**"). It is anticipated that the Units, the Unit Shares, the Warrants and the Warrant Shares (collectively, the "**Securities**"), as well as the Fee Shares and the Fee Warrants (including the Common Shares issuable thereunder), will be issued in "book-entry only" form and may be represented by one or more global certificates, or be represented by uncertificated securities, issued in the name of CDS Clearing and Depository Services Inc. ("**CDS**") or its nominee. No certificates evidencing the Securities will be issued to subscribers, except in certain limited circumstances, and registration will be made in the name of the nominee of CDS. Notwithstanding the foregoing, all Units, Unit Shares and Warrants and any Warrant Shares, offered and sold in the United States or to, or for the account or benefit of U.S. Persons who are institutional "accredited investors" as such term is defined in Rule 501(a)(1), (2), (3) or (7) of Regulation D promulgated under the U.S. Securities Act (the "**U.S. Accredited Investors**"), and who are not "qualified institutional buyers", as such term is defined in Rule 144A under the U.S. Securities Act ("**Qualified Institutional Buyers**"), and together with the U.S. Accredited Investors, the "U.S. Purchasers") will be issued in certificated, individually registered form. See "*Plan of Distribution*".

Subject to applicable laws, the Underwriters may, in connection with the Offering, over-allot or effect transactions that stabilize or maintain the market price of the Common Shares at levels other than those that might otherwise prevail on the open market. Such transactions, if commenced, may be discontinued at any time. See "*Plan of Distribution*".

This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any Securities offered by this Prospectus in any jurisdiction in which such an offer or a solicitation is unlawful.

An investment in the Securities is highly speculative and involves a high degree of risk that should be considered by potential purchasers. An investment in the Securities is suitable only for those purchasers who are willing

to risk a loss of some or all of their investment and who can afford to lose some or all of their investment. The risk factors included and incorporated by reference into this Prospectus should be reviewed carefully and evaluated by prospective purchasers of the Securities offered hereunder. See "*Risk Factors*" and "*Forward-Looking Statements*".

The Underwriters propose to initially offer, either directly or through their broker-dealer affiliates or agents, the Units at the Offering Price. After a reasonable effort has been made to sell all of the Units at the Offering Price, the Underwriters may subsequently reduce the selling price to investors from time to time in order to sell any of the Units remaining unsold. **Accordingly, the Underwriters may offer the Units at a lower price than that stated above.** Any such reduction will not affect the proceeds received by the Corporation. See "*Plan of Distribution*".

Prospective purchasers should rely only on the information contained or incorporated by reference in this Prospectus. The Corporation and the Underwriters have not authorized anyone to provide prospective purchasers with information different from that contained or incorporated by reference in this Prospectus. Investors should not assume that the information contained in this Prospectus is accurate as of any date other than the date on the front page of this Prospectus.

Prospective purchasers should be aware that the acquisition or disposition of Securities described herein may have tax consequences in Canada. This Prospectus may not describe these tax consequences fully. **Prospective purchasers should rely on their own tax advisors with respect to their own particular circumstances.** See "*Certain Canadian Federal Income Tax Considerations*".

Certain of the Corporation's current directors reside outside of Canada. The persons named below have appointed the Corporation as their agent for service of process. Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process.

<u>Name of Director</u>	<u>Title</u>	<u>Name and Address of Agent</u>
Helen Boudreau	Director	Field Trip Health Ltd., 30 Duncan Street, Suite 401, Toronto, ON M5V 2C3
Dieter Weinand	Director	Field Trip Health Ltd., 30 Duncan Street, Suite 401, Toronto, ON M5V 2C3

The registered and head office of the Corporation is located at 30 Duncan Street, Suite 401, Toronto, ON M5V 2C3.

The Canadian and United States federal governments regulate drugs through the *Controlled Drugs and Substances Act* (Canada) (the "CDSA") and the *Controlled Substances Act* (21 U.S.C. § 811) (the "CSA"), respectively, which place controlled substances in a schedule. Under the CDSA, ketamine is currently a Schedule I drug and psilocybin is currently a Schedule III drug. Under the CSA, ketamine is currently a Schedule III drug and psilocybin is currently a Schedule I drug.

Unlike in Canada and the United States, psilocybin mushrooms are not an illegal drug under Jamaica's *Dangerous Drugs Act, 1948*.

The Opium Act (*Opiumwet*) (the "Opium Act") is the primary drug legislation in the Netherlands. Subject to certain requirements, the Opium Act does not prohibit the cultivation, production and sale of fresh, unprocessed truffles.

Health Canada and the Food and Drug Administration in the United States have not approved psilocybin as a drug for any indication, however ketamine is a legally permissible medication for the treatment of certain psychological conditions. It is illegal to possess such substances without a prescription.

A portion of Field Trip's business is focused on developing and commercializing psychedelic-inspired regulated medicines. No product will be commercialized prior to applicable legal or regulatory approval.

The Corporation does not deal with psychedelic substances except in jurisdictions where such activity is not illegal and then only within (a) laboratory or clinical trial settings, (b) in the case of the Netherlands, within a clinical setting, and (c) in the case of ketamine, as prescribed by a licensed medical practitioner. The Corporation does not have any direct or indirect involvement with illegal selling, production or distribution of any substances in jurisdictions in which it operates.

For these reasons, the Corporation may be subject to heightened scrutiny by regulators, stock exchanges, clearing agencies and other authorities. There are a number of risks associated with the business of the Corporation. See "*Risk Factors*".

TABLE OF CONTENTS

ABOUT THIS PROSPECTUS	1
DOCUMENTS INCORPORATED BY REFERENCE.....	1
MARKETING MATERIALS.....	3
FORWARD-LOOKING STATEMENTS	3
ELIGIBILITY FOR INVESTMENT.....	4
DESCRIPTION OF THE BUSINESS	5
REGULATORY OVERVIEW	10
COMPLIANCE PROGRAM	14
MILESTONES.....	15
USE OF PROCEEDS.....	16
LIQUIDITY AND CAPITAL RESOURCES.....	18
DIVIDEND POLICY	18
DESCRIPTION OF SHARE CAPITAL	18
DESCRIPTION OF SECURITIES BEING DISTRIBUTED.....	19
CONSOLIDATED CAPITALIZATION.....	21
PLAN OF DISTRIBUTION	22
TRADING PRICE AND VOLUME	25
PRIOR SALES.....	25
ESCROWED SECURITIES AND CONTRACTUAL RESTRICTION ON TRANSFER.....	26
CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS.....	26
RISK FACTORS	30
AUDITOR AND TRANSFER AGENT	47
INTEREST OF EXPERTS	47
PURCHASERS' STATUTORY RIGHTS.....	47
CERTIFICATE OF THE CORPORATION	C-1
CERTIFICATE OF THE UNDERWRITERS.....	C-2

ABOUT THIS PROSPECTUS

In this Prospectus, unless the context otherwise requires, references to "Field Trip", the "Corporation", "we", "us", "it", "its", "our" or similar terms refer to Field Trip Health Ltd. and include its subsidiary entities.

References to "management" in this Prospectus mean the persons acting in the capacity of the Corporation's Chief Executive Officer, the Corporation's Chief Financial Officer, and the other persons who are the Corporation's executive officers. Any statements in this Prospectus made by or on behalf of management are made in such persons' capacities as officers of the Corporation and not in their personal capacities.

All references in this Prospectus to "dollars", "CDN\$" and "\$" refer to Canadian dollars.

This Prospectus and the documents incorporated herein by reference contain names, product names, trade names, trademarks and service marks of the Corporation. The Corporation owns or has rights to trademarks, service marks or trade names that it uses in connection with the operation of its business. In addition, the Corporation's name and logo are its service marks or trademarks. The other trademarks, trade names and service marks appearing in this Prospectus are the property of their respective owners. Solely for convenience, the trademarks, service marks, tradenames and copyrights referred to in this Prospectus are listed without the ©, ® and ™ symbols, but the Corporation will assert, to the fullest extent under applicable law, its rights or the rights of the applicable licensors to these trademarks, service marks and tradenames.

The information contained on www.fieldtriphealth.com or www.meetfieldtrip.com is not intended to be included in or incorporated by reference herein, and prospective investors should not rely on such information when deciding whether or not to invest in the Securities. The Corporation is not making an offer of the Securities in any jurisdiction in which the Offering is not permitted. Readers should not assume that the information contained or incorporated by reference in this Prospectus is accurate as of any date other than the date of this Prospectus or the respective dates of the documents incorporated by reference herein, regardless of the time of delivery of this Prospectus or of any sale of Securities pursuant hereto. The Corporation does not undertake to update the information contained or incorporated by reference herein, except as required by applicable securities laws. Any market data or other industry forecasts used in this Prospectus or the documents incorporated by reference herein were obtained from market research, publicly available information and industry publications. The Corporation and the Underwriters believe that these sources are generally reliable but the accuracy and completeness of such information is not guaranteed. Neither the Corporation nor the Underwriters have independently verified such information and do not make any representation as to the accuracy of such information. While the Corporation is not aware of any misstatements regarding the industry data presented herein, the Corporation's estimates involve risks and uncertainties and are subject to change based on various factors, including those discussed under "*Forward-Looking Statements*" and "*Risk Factors*" in this Prospectus.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this Prospectus from documents filed with the securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of the Corporation, at 30 Duncan Street, Suite 401, Toronto, ON M5V 2C3, telephone (833) 833-1967, and are available through the internet on SEDAR, which can be accessed online at www.sedar.com. The following documents of the Corporation filed with the securities commissions or similar authorities in Canada are incorporated by reference in this Prospectus:

1. the annual information form of the Corporation dated October 23, 2020 for the fiscal year ended March 31, 2020 (the "**AIF**");
2. unaudited condensed interim consolidated financial statements for Field Trip Psychedelics Inc. ("**FTP**") for the three and six months ended September 30, 2020 and the period from April 2, 2019 (Date of Incorporation) to September 30, 2019, together with the notes thereto;

3. unaudited interim financial statements of the Corporation (formerly, Newton Energy Corporation) for the three and nine months ended September 30, 2020 as compared to the period ended September 30, 2019 (excluding the Notice of No Auditor Review), together with the notes thereto;
4. audited annual financial statements of the Corporation (formerly, Newton Energy Corporation) for the years ended December 31, 2019 and 2018, together with the auditors' report thereon and the notes thereto;
5. audited consolidated financial statements of FTP for the period from incorporation on April 2, 2019 to March 31, 2020, together with the auditors' report thereon and the notes thereto;
6. management's discussion and analysis of the Corporation (formerly, Newton Energy Corporation) for the three and nine months ended September 30, 2020;
7. management's discussion and analysis of FTP for the three and six months ended September 30, 2020 and the period from April 2, 2019 (Date of Incorporation) to September 30, 2019;
8. management's discussion and analysis of the Corporation (formerly, Newton Energy Corporation) for the year ended December 31, 2019;
9. management's discussion and analysis of FTP for the period from incorporation on April 2, 2019 to March 31, 2020 and for the three months ended June 30, 2020;
10. management information circular dated August 21, 2020 relating to the annual and special meeting of shareholders of the Corporation held on September 23, 2020 (the "**Circular**");
11. material change report dated June 25, 2020 regarding the letter of intent with FTP;
12. material change report dated August 31, 2020 regarding the definitive agreement with FTP;
13. material change report dated October 8, 2020 regarding the completion of the reverse-takeover transaction with FTP;
14. material change report dated November 18, 2020 regarding the lease and plans to open a Field Trip Health Center in Amsterdam, Netherlands;
15. material change report dated December 14, 2020 regarding the Offering; and
16. the "template version" (as defined in National Instrument 41-101 – *General Prospectus Requirements* ("**NI 41-101**") of the term sheet for the Offering dated December 10, 2020.

Any documents of the types referred to above, any material change reports and business acquisition reports (but excluding confidential material change reports) and any other documents referred to in Item 11.1 of Form 44-101F1 of National Instrument 44-101 – *Short Form Prospectus Distributions* filed by the Corporation with a securities commission or similar authority in Canada after the date of this Prospectus and prior to the termination of the distribution pursuant to the Offering will be deemed to be incorporated by reference in this Prospectus. The information contained on the Corporation's website or any other website the address of which is included herein or in any of the documents enumerated above is not part of this Prospectus and is not incorporated by reference in this Prospectus despite any references thereto in any such website or documents.

This Prospectus in electronic format may be made available electronically, on websites or through other online services maintained by the Underwriters or by their affiliates. Other than this Prospectus in electronic format, the information on the Underwriters' website and any information contained in any other website maintained by the Underwriters or their affiliates is not part of this Prospectus, has not been approved and/or endorsed by the Corporation or the Underwriters, and should not be relied upon by investors.

Notwithstanding anything herein to the contrary, any statement contained in a document incorporated or deemed to be incorporated by reference herein will be deemed to be modified or superseded, for purposes of this Prospectus, to the extent that a statement contained in this Prospectus or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement is not to be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded will not, except as so modified or superseded, be deemed to constitute a part of this Prospectus.

MARKETING MATERIALS

Any "template version" of "marketing materials" (as such terms are defined in NI 41-101) filed under the Corporation's profile on SEDAR at www.sedar.com will be incorporated by reference in an amended prospectus or in the final prospectus. However, such template version of marketing materials will not form part of the final prospectus to the extent that the contents of the template version of marketing materials are modified or superseded by a statement contained in the final prospectus. Any template version of marketing materials filed with the securities commission or similar authority in the Offering Jurisdictions in connection with the Offering, after the date hereof, but prior to the termination of the distribution of the securities under this Prospectus, is deemed to be incorporated by reference herein.

FORWARD-LOOKING STATEMENTS

This Prospectus and the documents incorporated by reference herein and therein contain forward-looking statements and forward-looking information (collectively, "**forward-looking statements**") within the meaning of applicable securities legislation, including statements relating to certain expectations, projections, growth plans and other information related to the Corporation's business strategy and future plans. Forward-looking statements can, but may not always, be identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "would", "should", "believe", "objective", "ongoing", "imply", "assumes", "goal", "likely" and similar references to future periods or the negatives of these words and expressions and by the fact that these statements do not relate strictly to historical or current matters. These forward-looking statements are based on management's current expectations and are subject to a number of risks, uncertainties, and assumptions, including market and economic conditions, business prospects or opportunities, future plans and strategies, projections, and anticipated events and trends that affect the Corporation and its industry. Although the Corporation and management believe that the expectations reflected in such forward-looking statements are reasonable and are based on reasonable assumptions and estimates as of the date hereof, there can be no assurance that these assumptions or estimates are accurate or that any of these expectations will prove accurate. Forward-looking statements are inherently subject to significant business, economic and competitive risks, uncertainties and contingencies that could cause actual events to differ materially from those expressed or implied in such statements.

Forward-looking statements are subject to a number of known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from that which are expressed or implied by such forward-looking statements. These risks and uncertainties include those related to: the speculative nature of an investment in the Units; completion of the Offering; forward-looking statements may prove to be inaccurate; future issuances or actual or potential sales of securities; negative operating cash flow and going concern; discretion over the use of proceeds; unpredictability and volatility of the Common Shares; receiving conditional approval to list the Warrants for trading; speculative nature of an investment in the Warrants; the possibility that the Warrants may not have any value; limited operating history as a public company; a significant number of Common Shares are owned by a limited number of existing shareholders; the expected future losses of the Corporation and profitability; significant risks inherent in the nature of the health clinic industry; risks associated with failure to achieve its publicly announced milestones according to schedule, or at all; risks related to potential Oregon operations; reliance on drug developers; reliance on contract manufacturers; violations of laws and regulations; reliance on the capabilities and experience of its key executives and scientists; the possible engagement in misconduct

or other improper activities by employees; the expansion of the Corporation's business through acquisitions or collaborations; risk of product liability claims; risks related to third-party licenses; changes in patent law; litigation regarding patents, patent applications, and other proprietary rights; reliance on third parties; no assurance of an active or liquid market; public markets and share prices; additional issuances and dilution; the ability of the Corporation to secure additional financing for current and future operations and capital projects, as needed, which may not be available on acceptable terms, or at all; the Corporation's dependence on management and key personnel; general economic, market and business conditions, early-stage industry growth rates, the risks associated with competition from other companies directly or indirectly engaged in the Corporation's industry; negative results from clinical trials; foreign currency exchange rate fluctuations and its effects on the Corporation's operations; the risks and costs associated with being a publicly traded company, the market demand for the Common Shares; the impact of the COVID-19 pandemic; non-compliance with laws; medical personnel operating out of the Corporation's clinics; unfavourable publicity or consumer perception; patient acquisitions; drug development risks; substantial risks of regulatory or political change; the ability to obtain necessary government permits and licences; ketamine as a pharmaceutical; non-referral of patients; negative cash flow from operating activities; management of growth; intellectual property; litigation; insurance coverage; the Corporation being a holding company; the industry being difficult to forecast; conflicts of interest; enforcement of legal rights; emerging market risks; enforcement of legal rights in foreign jurisdictions; inadequate internal controls over financial reporting; agriculture risks; violations of laws and regulations related to drug development; reliance on third parties for drug development; ability to produce commercial grade pharmaceuticals; clinical testing; regulatory approval process; cyber-attacks; reliance upon insurers and governments; difficulty in enforcing judgments and effecting service of process on directors and officers; any other risks described in this Prospectus, the documents incorporated by reference and described from time to time in documents filed by the Corporation with Canadian securities regulatory authorities; other factors beyond the Corporation's control; and the risk factors described under the heading "*Risk Factors*" in this Prospectus and the AIF.

There can be no assurance that such forward-looking information and statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such information and statements. Accordingly, readers should not place undue reliance on forward-looking information and statements. The forward-looking information and statements contained herein are presented for the purposes of assisting readers in understanding the Corporation's expected financial and operating performance and the Corporation's plans and objectives and may not be appropriate for other purposes.

The forward-looking information and statements contained in this Prospectus represent the Corporation's views as of the date of this Prospectus and forward-looking information and statements contained in the documents incorporated by reference herein represent the Corporation's views as of the date of such documents, unless otherwise indicated in such documents. The Corporation anticipates that subsequent events and developments may cause its views to change. However, while the Corporation may elect to update such forward-looking information and statements at a future time, it has no current intention of doing so except to the extent required by applicable law.

ELIGIBILITY FOR INVESTMENT

In the opinion of Bennett Jones LLP, counsel to the Corporation, and Borden Ladner Gervais LLP, counsel to the Underwriters, based on the current provisions of the *Income Tax Act* (Canada) (the "**Tax Act**") and the regulations thereunder ("**Regulations**") in force as of the date hereof, the Unit Shares, Warrants and Warrant Shares, if issued on the date hereof, would be qualified investments for trusts governed by a "registered retirement savings plan", "registered retirement income fund", "registered education savings plan", "registered disability savings plan", "tax-free savings account" (collectively referred to as "**Registered Plans**") or a deferred profit sharing plan ("**DPSP**") (each as defined in the Tax Act), provided that: (i) in the case of Unit Shares and Warrant Shares, such Unit Shares or Warrant Shares are listed on a designated stock exchange for the purposes of the Tax Act (which currently includes the CSE) or the Corporation qualifies as a "public corporation" other than a "mortgage investment corporation" for purposes of the Tax Act; and (ii) in the case of the Warrants, (a) such Warrants are listed on a designated stock exchange for purposes of the Tax Act (which currently includes the CSE) or (b) the Warrant Shares are qualified investments as described in (i) above and the Corporation is not, and deals at arm's length with each person who is, an annuitant, a beneficiary, an employer or a subscriber under or a holder of such Registered Plan or DPSP.

Notwithstanding the foregoing, the holder of, or annuitant or subscriber under, a Registered Plan (the "**Controlling Individual**") will be subject to a penalty tax in respect of Unit Shares, Warrant Shares or Warrants held

in the Registered Plan if such securities are a prohibited investment for the particular Registered Plan. A Unit Share, Warrant Share or Warrant generally will be a "prohibited investment" for a Registered Plan if the Controlling Individual does not deal at arm's length with the Corporation for the purposes of the Tax Act or the Controlling Individual has a "significant interest" (as defined in subsection 207.01(4) of the Tax Act) in the Corporation. The Common Shares will not be prohibited investments if such Common Shares are "excluded property" (as defined in subsection 207.01(1) of the Tax Act) for the Registered Plan. **Persons who intend to hold the Units in a Registered Plan or DPSP should consult their own tax advisors in regard to the application of these rules in their particular circumstances.**

DESCRIPTION OF THE BUSINESS

Overview

The Corporation was formed on September 30, 2008, pursuant to an amalgamation under the *Business Corporations Act* (Alberta) and adopted the name "Newton Energy Corporation". On September 30, 2020, in connection with the Transaction (as defined below), the Corporation filed articles of amendment to: (i) consolidate its outstanding Common Shares on an eight (8) old for one (1) new basis; and (ii) change its name from Newton Energy Corporation to "Field Trip Health Ltd.".

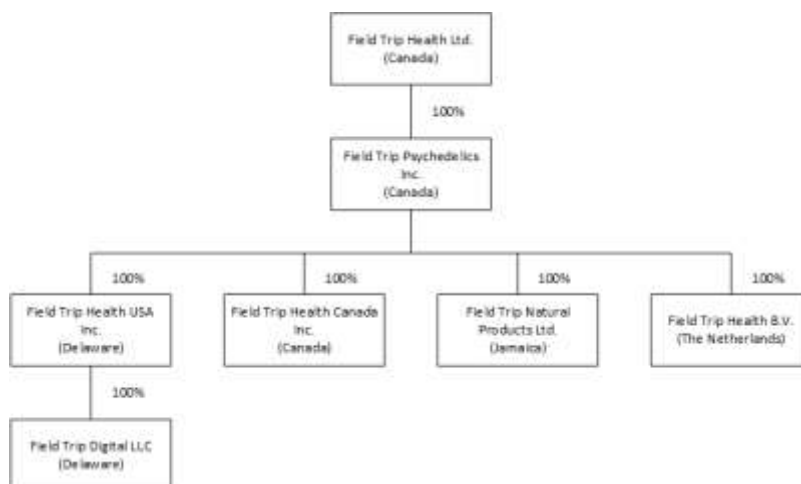
On October 1, 2020: (i) the Corporation and FTP completed a series of transactions resulting in a reorganization of FTP and the Corporation, pursuant to which: (i) the Corporation became the direct parent and sole shareholder of FTP; (ii) the Corporation changed its year end from December 31 to March 31; and (iii) the Corporation was continued (the "**Continuance**") under the *Canada Business Corporations Act* ("**CBCA**") by Certificate and Articles of Continuance ((i) – (iii) collectively referred to as the "**Transaction**"). The Transaction constituted a reverse takeover of the Corporation by FTP, with FTP as the reverse takeover acquirer and the Corporation as the reverse takeover acquiree, under applicable Canadian securities laws.

In connection with the Continuance, the Corporation adopted new by-laws which include an advance notice provision, which stipulates the requirement to provide advance notice to the Corporation in circumstances where nominations of persons for election to the board of directors of the Corporation (the "**Board**") are made by the Corporation's shareholders other than pursuant to: (i) a requisition of a meeting made pursuant to the provisions of the CBCA; or (ii) a shareholder proposal made pursuant to the provisions of the CBCA. The Corporation's shareholders approved and ratified the advance notice provision on September 23, 2020.

The Common Shares were listed on the NEX board of the TSXV until September 30, 2020, when they were delisted from the TSXV in connection with the completion of the Transaction. The Common Shares commenced trading on the CSE on October 6, 2020, under the symbol "FTRP".

The Corporation's registered office and head office is located at 30 Duncan Street, Suite 401, Toronto, ON M5V 2C3.

The following table describes the subsidiaries of the Corporation, their place of incorporation, continuance or formation, and the percentage of the outstanding voting securities of each subsidiary that are beneficially owned, controlled or directed by the Corporation:



For more information regarding the Transaction, refer to the Circular and AIF.

Summary Description of the Business

Since the completion of the Transaction, the Corporation has adopted the business carried on by FTP. The Corporation's business is premised on a growing body of research that psychedelics can be a new way to treat a myriad of mental health conditions, including depression and addiction. Through the Corporation's existing clinics located in Toronto, Ontario, New York, New York, Santa Monica, California and Chicago, Illinois, and its contemplated expansion of physical clinic locations in other jurisdictions, including Atlanta, Georgia, Houston, Texas, San Diego, California, the State of Oregon and Amsterdam, Netherlands (collectively, the "**Clinics**"), the Corporation seeks to create a global brand of trusted clinics for ketamine-enhanced psychotherapy ("**KAP**"), psychedelic-enhanced psychotherapy and psychedelic-integration psychotherapy, enabling patients to more effectively and affordably address depression, anxiety, addiction and other conditions. Currently, and in accordance with applicable laws, ketamine is the only substance used by patients of the Clinics who have a valid prescription for such medication prescribed by the appropriate medical professional in the jurisdiction where the Clinic operates.

The Corporation is also focused on research and development, through its Field Trip Discovery business segment ("**FT Discovery**"), of psychedelic-inspired regulated medicines. FT Discovery has two independent activities: (i) developing custom synthetic molecules targeting serotonin 5HT2A receptors, which are, in part, implicated in mood disorders; and (ii) conducting research and development related to the cultivation of, as well as the identification and isolation of new substances contained in, psilocybin mushrooms and other related fungi (the "**Psilocybin Research**"), in collaboration with the University of West Indies at Mona, Jamaica ("**UWI**"), pursuant to a research agreement with UWI (the "**UWI Agreement**"). To facilitate the Psilocybin Research, the Corporation has built a 2,072 sq. ft. custom-built research and cultivation facility on the UWI campus (the "**Jamaica Facility**"). The aim of the Jamaica Facility is to seek to optimize cultivation techniques and operating procedures for psilocybin-producing fungi and develop analytical tools and techniques to support the safe use of domesticated species in psychedelic therapy in legal jurisdictions (states or countries), as markets for psilocybin producing fungi continue to emerge.

FT Discovery anticipates that insights relating to the administration of psychedelics and psychedelic-assisted psychotherapy within the Clinics can be integrated in the development of novel drug products innovated within FT Discovery. FT Discovery is also developing a molecule called FT-104 ("**FT-104**") for which a provisional patent has been filed with the United States Patent and Trademark Office ("**USPTO**") (Appl 63,045,901; June 30, 2020), with claims that include FT-104 structures and uses. Experimental evidence has been achieved and continues to be a focus of efforts in order to further support the concepts within the invention. The Corporation intends to file a utility patent with the USPTO and under the Patent Cooperation Treaty, which facilitates filing for patent recognition in multiple jurisdictions simultaneously using a single uniform patent application. FT-104 is in the pre-clinical development stage. No assurances can be given that Field Trip will be able to meet this timeline or that FT-104 will be a viable molecule.

The Corporation is operated by an executive team that has significant experience in the medical clinic industry and a robust operational and acquisition track-record in areas related to various facets of the Corporation's operations, which team is executing the Corporation's business plan to rapidly scale its business.

The Corporation plans to leverage the success of the Clinics to expand into other markets in other states, while focusing on compliance, control, efficiency and performance in the medical clinic industry. The Clinics are intended to support the Corporation's strategy of brand development and enable the Corporation to capture market share, generate brand awareness and earn patient loyalty in its operating markets.

More detailed information regarding the business of the Corporation, as well as its operations, assets and properties, can be found in the AIF and other documents incorporated by reference herein, as supplemented by the disclosure herein. See "*Documents Incorporated by Reference*" and "*Recent Developments*".

Recent Developments

On December 10, 2020, a form 211 with the Financial Industry Regulatory Authority (FINRA) was filed on the Corporation's behalf in connection with a quotation of the Common Shares on the OTCQB. There is no expected timeline for such listing and there is no guarantee that the Common Shares will be listed on the OTCQB, in a timely manner, or at all.

An additional provisional patent (Appl 63,109,095) was filed with the USPTO on November 3, 2020, wherein certain provisional examples were updated with real examples and new information relating to pharmacology and pharmacokinetics of FT-104.

On November 30, 2020, the Corporation announced:

- A. that in October 2020, the Corporation substantially completed construction of the Jamaica Facility and expects it to be fully operational by February, 2021;
- B. the Corporation anticipates utilizing similar techniques and operating procedures at its Amsterdam location, as well as in its expected operations in the State of Oregon following the passage of Measure 109. Measure 109 requires the Oregon Health Authority to create a licensing system that will create a regulated program for the cultivation of psilocybin-producing mushrooms and the provision of supervised psilocybin therapy, effectively creating the first legal market for psilocybin therapies in North America;
- C. that it has entered into two additional leases in Atlanta, Georgia and Houston, Texas, respectively, which will bring the total number of Field Trip Clinics to seven. The Atlanta, Georgia clinic will be a 5,189 sq. ft. facility located at Building 200, 750 Glenwood Avenue. The Houston, Texas clinic is a 4,600 sq. ft. facility located at Suite 4310 Westheimer Road, Suite 220 in Houston's River Oaks neighborhood;
- D. an update of the progress of the "Trip" mobile app; and
- E. the roll-out of "Portal", a proprietary digital teletherapy tool to patients in North America.

On November 19, 2020, the Corporation announced a partnership whereby the Corporation will be using WHOOP Strap 3.0, a wearable fitness tracker made by WHOOP Inc., to measure the biometric effects of the Corporation's psychedelic therapies. The Corporation plans to conduct an observational study to assess whether the Corporation's ketamine assisted therapies translate into improvements in physical health through a variety of biometric measures collected via WHOOP Strap 3.0, including heart rate variability (HRV), resting heart rate, and overall sleep quality. The Corporation procured WHOOP products and access to additional data insights via a research partnership and enterprise program. The initial focus of the study will be on military veterans who seek ketamine-assisted therapies through the Corporation's "Basecamp" program, a treatment program designed specifically for military veterans and people in high-intensity professions, such as front-line medical workers, police and firefighters.

On November 18, 2020, the Corporation announced that it had entered into a lease and plans to open a clinic in Amsterdam, Netherlands, located at Piet Heinkade 55, overlooking the IJhaven River. The 665 sq. m. (7,158 sq. ft.) location will be the first clinic focused on therapeutic use of psychedelics using legal psilocybin truffles. The Corporation expects to begin accepting people interested in participating in its programs in December 2020, with the Netherlands location expected to open in March 2021.

On November 5, 2020, in response to the passage of Measure 109 in Oregon on November 3, 2020, the Corporation announced that it is in advanced stages of identifying potential sites to establish a clinic to treat patients in the State of Oregon with psilocybin therapies. The Corporation intends to seek licenses for cultivation of psilocybin-producing mushrooms in the State of Oregon when the regulations created under Measure 109 are established.

On October 29, 2020, the Corporation announced further results of the development of FT-104. The experiments indicated that: (i) FT-104 is a near equipotent 5HT_{2A} receptor agonist to psilocybin that can be delivered with high bioavailability; and (ii) FT-104 will likely produce a reliably short-duration of psychedelic experience in the range of two to four hours, which is approximately half the duration of psilocybin. While these results are encouraging, there is no guarantee or assurances that such results will be replicated at the clinical stage of development or that FT-104 will be developed into a viable pharmaceutical.

On October 22, 2020, the Corporation announced the opening of its clinic in Chicago, Illinois where it will offer KAP.

On October 14, 2020, the Corporation announced its entry into a strategic relationship with Heroic Hearts Project ("**HHP**"), an international non-profit organization that connects military veterans struggling with mental trauma to psychedelic therapies, to increase access to, and awareness of, psychedelic therapies for veterans suffering from mental health disorders such as Post-Traumatic Stress Disorder ("**PTSD**"). Under the terms of the relationship, and in accordance with the foundation's mission, HHP will be conducting active outreach and education programs for military veterans about the therapeutic potential of KAP. The Corporation has developed a unique "KAP+" trauma-focused treatment pathway tailored to veterans and frontline workers, and intends to assist military veterans in applying for insurance and reimbursement options to make the treatment available at little to no cost.

On October 8, 2020, the Corporation announced the addition of Andrew Weil, M.D., a leader and pioneer in the field of integrative medicine, to its medical advisory board. In this role, Dr. Weil will provide the Corporation with medical advice and expertise on healing-oriented approaches to healthcare, as well as guidance on extending the influence and reach of psychedelic therapies. Dr. Weil is a Harvard-educated physician with expertise in practicing natural and preventive medicine. Dr. Weil is the founder and director of the Andrew Weil Center for Integrative Medicine at the University of Arizona, where he also holds the Lovell-Jones Endowed Chair in Integrative Rheumatology, and is Clinical Professor of Medicine and Professor of Public Health.

On September 28, 2020 the Corporation was notified that Tripp, Inc., a U.S.-based virtual reality company had filed a complaint against the Corporation alleging that the Corporation's "Trip" app violates Tripp, Inc.'s trademark. The Corporation disputes the allegation but is in discussions with Tripp, Inc. to resolve the matter amicably.

Non-Revenue Generating Projects

The Corporation currently has four significant projects, which have not yet generated revenue:

- a. FT-104 drug development;
- b. psilocybin-producing fungi research and cultivation at its Jamaica Facility;
- c. the opening of clinics in Chicago, Amsterdam, Houston, Atlanta and San Diego and explorations into Oregon; and
- d. the development of its digital teletherapy tools, being the "Trip" app and "Portal".

FT-104

FT-104 is the first drug candidate in development by the Corporation. FT-104 is a next generation, synthetic psychedelic molecule which has a design that is, in part, based on classical serotonin 2A psychedelics. Patents are pending on FT-104's structure, formulation and use in treating a variety of central nervous system disorders.

Preliminary results for FT-104 demonstrate that FT-104 is similar in potency to psilocybin, but may provide a significantly shorter duration of psychedelic experience relative to psilocybin (in the range of two to four hours, which is approximately half the duration of psilocybin), making it a more convenient and potentially preferable option for psychedelic therapy. FT-104 is concurrently undergoing optimization and cGMP scale-up, as well as pre-clinical evaluation, both of which are expected to be completed by September 2021. The Corporation anticipates that FT-104 will enter into Phase 1 clinical trials in the second half of calendar year 2021, but there is no assurance that this timeline will be met or that FT-104 will advance to clinical trials, at all.

As at September 30, 2020, the Corporation has spent approximately \$1,380,000 in the development of FT-104. The Corporation forecasts spending of approximately \$2,950,000 between October 1, 2020 and March 31, 2021, for a total spend of approximately \$4,330,800 in fiscal 2021. The Corporation anticipates spending \$4,265,000 in fiscal 2022.

Psilocybin Research

Since January 2020, the Corporation has successfully cultivated 24 varieties (from 13 different species) of psilocybin-producing fungi and truffles at its temporary facility at UWI. With the Jamaica Facility coming into full scale operation in the near term, the Corporation will endeavour to optimize the cultivation techniques and operating procedures for psilocybin-producing fungi and develop the analytical tools and techniques to ensure the safe use of domesticated species in psychedelic therapy as markets for psilocybin-producing fungi continue to emerge in different jurisdictions. The Corporation anticipates utilizing such techniques and operating procedures at its clinic location in Amsterdam and, following the passage of Measure 109, potentially in the State of Oregon, once the regulatory framework is developed and if the Corporation determines that it is beneficial operate in such jurisdiction. In addition, the Corporation will seek to identify and quantify total tryptamine content, including psilocybin and other tryptamine analogues that may play a role in the psychedelic experience, and use this knowledge to optimize production of reproducible and well-characterized psychedelic botanical medicines. Further, any new substances identified during these efforts may lead to promising new candidates for drug development.

As at September 30, 2020, the Corporation has spent approximately \$465,000 on the Psilocybin Research, including the costs related to construction of the Jamaica Facility. The Corporation anticipates additional spending of approximately \$640,000 between October 1, 2020 and March 31, 2021 for a total spend of approximately \$1,105,000 in fiscal 2021. The Corporation anticipates spending \$1,410,000 in fiscal 2022.

Clinical Expansion

In October 2020, Field Trip completed construction at its Chicago location. The Corporation also announced that it has entered into a lease to build a new clinic in Amsterdam, Netherlands, which will provide programs utilizing legal truffles containing psilocybin. The Corporation has also entered into two additional leases in Atlanta, Georgia, and Houston, Texas, as well as a letter of intent to lease a property in San Diego, California. The chart below sets out the status and target opening date of each location:

Location	Size (Sq Ft)	Gross Monthly Rent⁽¹⁾	Expiry Date	Status	Target Opening Date
Chicago	4,145	\$9,000 ⁽²⁾	June 2031	Construction complete	Late December, 2020
Amsterdam	7,158	€15,658	Oct 30, 2026	Construction in progress	March, 2021
Houston	4,600	\$18,783	June 30,	Construction in progress	January, 2021

			2026		
Atlanta	4,453	\$12,246	Jan 31, 2031	Construction in progress	January, 2021
San Diego	3,868	\$15,279	Dec 31, 2031	Letter of Intent Executed	To be determined

Notes:

- (1) Rent for properties in the United States are expressed in U.S. Dollar and rent for properties in The Netherlands is expressed in Euros.
- (2) Will increase to \$15,500 on October 1, 2021.

The Atlanta, Georgia clinic will be a 5,189 sq. ft. facility located at Building 200, 750 Glenwood Avenue. The Houston, Texas clinic is a 4,600 sq. ft. facility located at Suite 4310 Westheimer Road, Suite 220 in Houston's River Oaks neighborhood and will offer seven treatment rooms and a large group therapy room.

Digital Tools: "Trip" App and "Portal"

During the second fiscal quarter, the Corporation launched "Trip", a mobile app that provides users with a framework and tools to make the most of self-directed consciousness-expanding activities such as meditation and breathwork. "Trip" was released to users on Apple and Android platforms and has over 3,600 active users. The Corporation currently anticipates a "Trip" premium version will be released in the second half of calendar 2021.

Field Trip also launched "Portal", a proprietary digital tool designed to complement its in-person therapeutic experience. "Portal" provides content, information, meditations and synchronous and asynchronous communication tools for people in its psychedelic therapies and programs. As at September 30, 2020, the Corporation had intangible assets in progress of \$159,028 with respect to the "Trip" app and "Portal".

REGULATORY OVERVIEW

Clinical Operations

The Canadian and United States federal governments regulate drugs through the *Controlled Drugs and Substances Act* (Canada) (the "**CDSA**") and the *Controlled Substances Act* (21 U.S.C. § 811) (the "**CSA**"), respectively, which place controlled substances in a schedule. Under the CDSA, ketamine is currently a Schedule I drug and psilocybin is currently a Schedule III drug. Under the CSA, ketamine is currently a Schedule III drug as well as being listed under the associated Narcotic Control Regulations, and psilocybin is currently a Schedule I drug.

In the United States, facilities holding or administering controlled substances must be registered with the US Drug Enforcement Agency ("**DEA**") to perform this activity. As such, medical professionals or the clinics in which they operate, as applicable, are also required to have a DEA license to obtain and administer ketamine (a "**DEA License**"). To the Corporation's knowledge, the Clinics in the United States and the required medical professions hold all required DEA Licenses. Furthermore, the DEA mandates that the Clinics the security, control, recordkeeping, reporting and inventory mechanisms required by the DEA to prevent drug loss and diversion. Staff at Clinics in the United States, including the medical doctors and/or the nurse practitioner(s), advanced practice registered nurse(s) or other medical professionals who report to them, hold the required DEA Licenses and the Corporation has put in place policies designed to adhere to DEA requirements.

Health Canada and the United States Food and Drug Administration (the "**FDA**") have not approved psilocybin as a drug for any indication, however ketamine is a legally permissible medication for the treatment of certain psychological conditions. It is illegal to possess such substances without a prescription. On August 4, 2020, it was announced that a legal exemption from the CDSA was granted to four Canadians with incurable cancer, allowing them to receive psilocybin therapy to treat their anxiety as part of end-of-life care. Health Minister Patty Hajdu approved the request under Section 56(1) of the CDSA, which permits the Health Minister to exempt persons or controlled substances, if "the exemption is necessary for a medical or scientific purpose or is otherwise in the public interest".

In both Canada and the United States, the applicable federal government is responsible for regulating, among other things, the approval, import, sale and marketing of drugs such as ketamine and other psychedelic substances, whether natural or novel. **The Corporation does not directly engage in any activities that would trigger the need to comply with any federal laws related to ketamine and other psychedelic substances. See "Regulatory Overview – Research and Development Operations".**

Under the Corporation's business model, there are no state-specific licenses required to (a) operate a mental health clinic prescribing and/or administering ketamine, (b) that apply to the storage and/or administration of ketamine, other than those which mirror the CDSA requirements, and (c) operate or provide management services to the Clinics, other than standard business licenses for out-of-state companies which Field Trip Health USA Inc. ("**Field Trip USA**") has obtained in connection with the set up of these locations.

Each province and territory of Canada and each state in the United States mandates the requirements for the Clinics and the conduct of medical professionals therein. **While the treatments that occur at the Clinics are novel in some respects, the prescription of ketamine and the dispensing of ketamine are not novel and are subject to the same restrictions as would apply to any medical professional who prescribes other controlled substances to its patients. There are no special licenses, permits, authorizations or approvals required that are different from any other ordinary course approvals required by applicable governmental authorities for any medical clinic.**

The Clinics may utilize, in addition to physicians, mid-level practitioners such as physician assistants and nurse practitioners and mental health practitioners such as psychologists and psychotherapists. The exact make-up of staff for each Clinic varies by location and additional professionals and/or administrative staff may also be employed.

The Ontario government has authority over the delivery of health care services, including regulating health facilities, administering health insurance plans, such as OHIP, distributing prescription drugs within the province, and regulating health professionals such as doctors, psychologists, psychotherapists and nurse practitioners. Regulation is generally overseen by various colleges formed for that purpose, such as the College of Physicians and Surgeons of Ontario via the *Regulated Health Professions Act, 1991* (Ontario) and the *Medicine Act, 1991* (Ontario).

In the United States, the laws applicable to the Clinics and the conduct of medical professionals therein are also at the state level and vary by jurisdiction. Below is a summary of the laws applicable to the Corporation's business that it operates or is proposed to operate in the states of New York, California, Illinois, Georgia, and Texas.

State	Medical Professional	Governing Law	Regulatory Bodies
New York	Medical Doctors	State of New York are New York Education Law §§ 6500 – 6516 and 6520 – 6532 and 8 New York Codes, Rules and Regulations (" NYCRR ")	New York State Education Department, Office of the Professions, State Board for Medicine (" NY Medical Board ")
	Psychologists	New York Education Law (" NYEL ") §§ 7600 and 8 NY CRR §§ 72.1	New York State Education Department, Office of the Professions (" NYOP "), State Board for Psychology
	Psychotherapists	NYEL §§ 8400, 8 NY CRR § 52.35 and 8 NY CRR §§ 79.12.	NYOP, State Board for Mental Health Practitioners
	Nurses	NYEL §§ 6900 and additional regulations that apply only to nurses at NYCRR §§ 64.1.	NYOP, State Board for Nursing
California	Medical Doctors	Business and Professions Code, §2190.5 (" CA BPC ")	Medical Board of California (" CA Medical Board ")
	Psychologists	CA BPC	California Board of Psychology
	Psychotherapists	CA BPC	Board of Registered Nursing
	Nurses	CA BPC	Board of Registered Nursing
Illinois	Medical Doctors	Medical Practice Act (225 ILCS 60/2)	Illinois Department of Financial and Professional Regulation (" IDFPR ")
	Psychologists	Nurse Practice Act (225 ILCS 65/)	IDFPR
	Professional Counselors and Clinical	Professional Counselor and Clinical	IDFPR
	Professional Counselors	Professional Counselor Licensing and Practice Act (225 ILCS 107/1)	IDFPR

	Nurses	Clinical Psychologist Licensing Act (225 ILCS 15/)	IDFPR
Georgia	Medical Doctors	Medical Practice Act, Official Code of Georgia (“ OCGA ”) §§43-34 and 34A	Georgia Composite Medical Board (“ GA Medical Board ”)
	Psychologists	OCGA Title 43, Chapter 39	Georgia State Board of Examiners of Psychologists
	Professional Counselors	OCGA Title 43, Chapters 7A and 10A	Georgia Composite Board of Professional Counselors, Social Workers and Marriage and Family Therapists
	Nurses	Nurse Practice Act, OCGA § 43-26	Georgia State Board of Nursing
Texas	Medical Doctors	Texas Occupations Code Chapter 155 and 22 TAC Chapter 163	Texas Medical Board
	Psychologists	Texas Occupations Code Chapter 501	Texas Behavioral Health Executive Council (“ TBHEC ”)
	Professional Counselor	Texas Occupations Code Chapter 503	TBHEC
	Nurses	Texas Occupations Code Chapter 301	Texas Board of Nursing

Some states have legislation or policies relating to the “Corporate Practice of Medicine” doctrine (“**CPOM**”) that govern business relationships between licensed medical professionals and unlicensed individuals or companies. The following states have CPOM legislation: New York, California, Illinois, and Texas. The State of Georgia does not have specific CPOM legislation, but case law may have established or invoked CPOM doctrine in that state. In order to comply with CPOM, Clinics in these states are owned solely by State-licensed physicians and are organized as physician practices. In such states, Field Trip USA will provide management services to the physician practices that own such clinics. The relationship between Field Trip USA and the physician practices that it manages are subject to various standards of CPOM and fee-splitting rules.

The Corporation’s business is also governed by laws in Canada, the United States and the Netherlands pertaining to handling, use and protection of personal health information, including the *Personal Health Information Protection Act* (Ontario), *The Health Insurance Portability and Accountability Act of 1996*, the Netherlands *Personal Data Protection Act* (Wet Bescherming persoonsgegevens) and similar provincial or state laws. These laws and related regulations grant a number of rights to individuals as to their personal health information and restrict the use and disclosure of such information. The Corporation has in place privacy practices designed to comply with these requirements and ensures that service providers having access to personal health information have entered into agreements that include appropriate protective clauses, including business associate agreements where applicable.

The Opium Act (*Opiumwet*) (the “**Opium Act**”) is the primary drug legislation in the Netherlands. Article 2 and Article 3 of the Opium Act prohibit the possession, production, preparation, processing, selling, delivering, transporting, importing and exporting of any drug or substance listed on the schedules/lists accompanying the Opium Act (together, the “**Opium Act Lists**”), as well as preparations containing one or more of such substances. Article 2 and Article 3 of the Opium Act also prohibit the above-noted activities in respect of a number of plants or parts of plants which are named in the Opium Act Lists.

Under the legislative framework of the Opium Act, and as confirmed by case law from the Supreme Court of the Netherlands (the highest court in the Netherlands), insofar as the Opium Act Lists include certain compounds and preparations but not the organic matter within which those compounds occur naturally, the prohibitions in Article 2 and Article 3 of the Opium Act do not relate to unlisted organic matter (and parts thereof). As of the date of this Prospectus, the Opium Act Lists expressly name magic mushrooms, as well as psilocin (psilocine) and psilocybin (psilocybine), both of which are substances that naturally occur within both magic mushrooms and truffles. However, the Opium Act Lists do not expressly name truffles. In light of the legislative framework of the Opium Act, and case law from the Supreme Court of the Netherlands, Article 2 and Article 3 of the Opium Act do not prohibit the cultivation, production, and sale of fresh, unprocessed truffles, provided that (i) the truffles are not subject to further processing that results in the truffles becoming a preparation prohibited under the Opium Act, and (ii) the biomatter that is cultivated, produced, and sold as truffles has not progressed to a stage in growth where the biomatter has transitioned from sclerotia (truffles), to become a magic mushroom (paddo).

In the Netherlands, truffles are not registered as a medicinal product and the Corporation will not advertise truffles as such in the Netherlands. So long as the truffles are not a registered medicinal product and the treatment

with truffles is not publicly funded, the Corporation would not fall within the scope of the collective labour agreement for the mental health care sector in the Netherlands. In the event that the Dutch authorities may take the position that truffles qualify as a medicinal product the Corporation would then need to take steps to comply with local laws applicable to an alternative health care provider, including: (i) implementing a complaints procedure, a complaint register and a complaint officer in the organization; (ii) joining a recognized independent dispute body; (iii) having a quality statue in place which has been registered at the Netherlands Healthcare Institute and made public; (iv) verifying that care providers have not functioned in a way that impedes the provision of care; and (v) reporting emergencies in the provision of care and the dismissal of care provides due to underperformance local regulatory bodies.

On November 3, 2020, the State of Oregon, via Measure 109, became the first state to legalize psychedelic mushrooms for therapeutic use in supervised environments. Measure 109 is expected to allow people in the state who are age 21 or older to access psychedelic mushrooms for personal development upon passing a screening conducted by a qualified therapist. People who use the drug are expected to be able to do so at a psilocybin service centre, with the supervision of a designated service facilitator. Oregon expects to have a two-year planning period in which lawmakers will determine how the drug will be regulated, including qualifications for therapists intending to prescribe psychedelic mushrooms and for psilocybin facilitators. The program is expected to be regulated by the Oregon Health Authority. The Corporation cannot comment on the regulatory framework as it has not been created. The Corporation will assess its options in the State of Oregon when such regulations are established and may seek any required licenses or approvals at that time. See "*Risk Factors*".

Natural Products Operations

Through consultation with local resources and personnel with relevant knowledge and experience, as necessary, in Jamaica, the Corporation is satisfied that all necessary licenses, permits and regulatory approvals have been obtained in order to carry on the business as currently conducted and that such licenses, permits and regulatory approvals that have been obtained are in good standing with the exception of those whose absence would not constitute a material adverse effect on the business of the Corporation.

The Psilocybin Research is not in contravention of local laws in Jamaica and the Corporation has received a legal opinion from local counsel confirming the same with respect to the Psilocybin Research. Psilocybin mushrooms are not an illegal drug under Jamaica's *Dangerous Drugs Act, 1948* (the "**Jamaica Drug Act**"), therefore the Psilocybin Research is not in contravention of the laws of Jamaica and does not require any permit or authorization from the regulatory authorities in Jamaica. In addition, the Minister of Health & Wellness of Jamaica has delivered a letter to the Corporation stating his support for the Corporation's operations in Jamaica

As psilocybin is not included in the Jamaica Drug Act, it is not a controlled or restricted substance in Jamaica and therefore no other specific controls, permits, licenses or authorizations are required to conduct research on psilocybin. The Psilocybin Research conducted at the Jamaica Facility is governed by the Jamaica Ministry of Health ("JMh"), Ethics and Medico-Legal Affairs Panel and by the JMh Standards and Regulation Division, as would any other research conducted in a clinical setting. In addition to GLP and cGMP, research involving human subjects is governed by the JMh Guidelines for the Conduct of Research on Human Subjects. Furthermore, medicines, including natural products, require registration with the JMh prior to importation, distribution and sale in Jamaica, as outlined in the *Food and Drugs Act, 1964*.

The Corporation has received legal opinions or advice in each jurisdiction where it currently operates or proposes to operate (other than Oregon, where the applicable legislation has not yet been created), confirming the permissibility of the Corporation's operations in such jurisdictions.

Research and Development Operations

As the Corporation's business spans different operational models, the Corporation relies on a variety of researchers, medical professionals, suppliers, manufacturers and service providers for the conduct of its operations. The Corporation's research and development activities rely on the following relationships with third parties: (1) the UWI Agreement in respect of the Psilocybin Research; (2) engagement by the Corporation of a contract research organization ("**CRO**") regarding FT-104 (the "**CRO Engagement**") and (3) the service agreement with the

Corporation's contract manufacturing organization ("**CMO**") in respect of FT-104 (the "**CMO Agreement**" and together with the CRO Engagement, the "**FT-104 Agreements**").

UWI is a globally recognized academic institution. The UWI Agreement was negotiated at arm's length, with legal counsel acting on behalf of the Corporation both in Canada and Jamaica, and includes appropriate intellectual property and confidentiality provisions. With respect to the FT-104 Agreements, Health Canada and the FDA have indicated that FT-104 is not a controlled substance and therefore does not require licenses, permits or specific approvals. Notwithstanding, the CMO is Health Canada approved, FDA registered and compliant with Good Manufacturing Practices ("**cGMP**") (a standard applied in the pharmaceutical industry) in synthesis, process optimization and production of drug substances and has been successfully audited by Health Canada and the FDA.

The CRO is Good Laboratory Practices ("**GLP**") compliant and holds all licenses required for its activities as they relate to the Corporation. Both the CMO and CRO have controlled substance licenses for other known controlled substances and are qualified for handling FT-104, which, for certainty, is not a controlled substance. In addition, the Corporation has entered into appropriately negotiated services agreements or statements of work with the CMO and CRO that contemplate appropriate intellectual property and confidentiality provisions. In order to develop regulated medicines, including FT-104, the Corporation's process must be conducted in strict compliance with the regulations of Health Canada, the FDA and other applicable federal, state, local and regulatory agencies. Details regarding the process required in Canada and the United States before prescription drug product candidates may be marketed in such jurisdictions is included in the AIF under the headings "*Description of the Business – Research and Development – Canada*" and "*Description of the Business – Research and Development – United States*", respectively, which are incorporated herein by reference.

FT-104 is currently in a pre-clinical stage of development, in which the primary activities are: (1) optimization and standardization of Chemistry-Manufacturing and Controls ("**CMC**"), including additional chemical characterization, synthesis, process optimization, stability, and development of analytical methodology to ensure drug substance quality and (2) non-clinical (same as preclinical) activities ("**NCA**") that measure performance (pharmacokinetics) and safety (toxicology; pharmacology) using a variety of in-vitro and in-vivo assays. These studies will help to define parameters that would allow the safe testing of the substance in human trials. CMC activities are carried out by the CMO. NCA activities are carried out by the CRO.

The CMO is reliant on suppliers for starting materials to produce FT-104. The Corporation, along with the CMO, only source starting materials from reputable and approved suppliers who hold the proper authorizations and approvals. Weekly or bi-weekly meetings occur to monitor the activities and advancements of CMO and CRO. It is expected that, at the appropriate time, a third party regulatory group will be engaged to assist with the development of the regulatory strategy and the regulatory documentation that will be required for approval at each stage of the development.

COMPLIANCE PROGRAM

The Corporation oversees and monitors compliance with applicable laws in each jurisdiction in which it operates. In addition to the Corporation's senior executives and the employees responsible for overseeing compliance, the Corporation has local regulatory/compliance counsel engaged in every jurisdiction (provincial, state and local) in which it operates. The principal medical professional at each Clinic serves as the liaison to provincial, state and/or local governmental authorities. The Corporation has developed protocols for use in all of its Clinics with the goal of ensuring that each of the Clinics' operations and employees strictly comply with applicable laws and regulations and that operations do not endanger the health, safety or welfare of the community. Additionally, the Corporation has established a Medical Advisory Board with cross-functional expertise in business, neuroscience, pharmaceuticals, mental health and psychedelics to advise management.

In conjunction with the Corporation's human resources and operations departments, the Corporation oversees and implements training on the Corporation's protocols. The Corporation will continue to work closely with external counsel and other compliance experts, and is evaluating the engagement of one or more independent third party providers to further develop, enhance and improve its compliance and risk management and mitigation processes and procedures in furtherance of continued compliance with the laws of the jurisdictions in which the Corporation operates. The programs currently in place include continued monitoring by executives of the Corporation to ensure that all

operations conform to and comply with required laws, regulations and operating procedures. The Corporation further requires that each Clinic and all third parties in which it is engaged with report and disclose all instances of non-compliance, regulatory, administrative, or legal proceedings that may be initiated against them. The Corporation is currently in compliance with the laws and regulations in all jurisdictions and the related licencing framework applicable to its business activities. Additionally, the Corporation has established a Professional Corporation (a "PC") Advisory Committee with a mandate to provide strategic advice with respect to the structure of clinics as PCs and the protocols for operations of the PCs.

The Corporation has developed and continues to refine a compliance program designed to ensure operational and regulatory requirements continue to be satisfied. Through its human resources and operations departments, the Corporation oversees and implements training for all employees with respect to the Corporation's protocols. The Corporation intends to continue to work closely with external counsel and other compliance experts, and is evaluating the engagement of one or more independent third party providers, to further develop, enhance and improve its compliance and risk management and mitigation processes and procedures in furtherance of continued compliance with the laws of the jurisdictions in which the Corporation operates. The programs currently in place include continued monitoring by executives of the Corporation to ensure that all operations conform to and comply with required laws, regulations and operating procedures. The Corporation further requires that each Clinic, and all third parties it engages with, report and disclose all instances of non-compliance with the Corporation's protocols and any regulatory, administrative, or legal proceedings that may be initiated. The Corporation is currently in compliance with the laws and regulations in all jurisdictions and the related licensing framework applicable to its business activities.

MILESTONES

The listing statement of the Corporation dated October 1, 2020 (the "**Listing Statement**"), which is available on SEDAR at www.sedar.com, identified certain business milestones of the Corporation, which are re-produced below. As of the date hereof, the Corporation has not modified such milestones or the date of expected completion thereof. The following are "forward-looking statements" and as such, there is no guarantee that such milestones will be achieved on the timelines indicated or at all. Forward-looking statements are based on management's current expectations and are subject to a number of risks, uncertainties, and assumptions. See "*Forward-Looking Statements*".

Objective	Milestone Description	Estimated Cost	Timeframe for Completion (based on calendar year)
30 Operational Clinics ⁽¹⁾	New York City clinic operational	\$250,000	Q3 2020
	Santa Monica clinic operational	\$420,000	Q3 2020
	Chicago Clinic operational	\$400,000	Q4 2020
	10 th clinic operational (i.e. 6 additional clinics)	\$2,400,000	Q2 2021
	15 th clinic operational	\$2,000,000	Q3 2021
	20 th operational clinic	\$2,000,000	Q4 2021
	30 th operational clinic	\$4,000,000	Q2 2022
Issuer Technology Platforms	Trip App available in app store	\$200,000	Q3 2020
	Patient Portal launched	\$200,000	Q4 2020
Jamaica Facility	New research facility renovations completed	\$400,000	Q4 2020
	US utility and PCT patent filings	\$100,000	Q2 2021

Objective	Milestone Description	Estimated Cost	Timeframe for Completion (based on calendar year)
FT=104 Development Patenting and Phase 1 completed	CMC development and pre-clinical studies completed	\$2,440,000	Q2 2021
	Phase 1 studies completed	\$2,025,000	Q1 2022
TOTAL:		\$16,835,000	

Notes:

(1) Based on an estimated cost of \$200,000 - \$400,000 per Clinic, depending on Clinic size and specifications.

USE OF PROCEEDS

The net proceeds to the Corporation from the Offering will be approximately \$16,403,670, after deducting the Underwriters' Fee of \$552,330, and the estimated fees and expenses of the Offering of \$450,000. If the Over-Allotment Option is exercised in full, the estimated net proceeds to the Corporation from the Offering, after deducting the Underwriters' Fee of \$695,930 and the fees and expenses of the Offering estimated to be approximately \$450,000, will be approximately \$18,870,970. The net proceeds from the Offering are expected to be used by the Corporation as set forth below.

Total Funds Available

Upon the completion of the Offering, the Corporation anticipates it will have an estimated \$32,901,948 in funds available, comprised of:

Description	Amount
Working capital of Field Trip as at September 30, 2020	\$14,030,978
Estimated net proceeds of the Offering (assuming full exercise of the Over-Allotment Option)	\$18,870,970
Total funds available	\$32,901,948

Use of Proceeds

The Corporation expects to use its available funds over the next 12 months as follows:

Use of Available Funds	Amount
Drug development (includes patenting, preclinical studies, and phase 1 milestones)	\$4,590,000
Facility and office costs	\$3,810,000
Clinic network buildout to September 2021	\$3,310,000
Marketing expenditures	\$2,850,000
Personnel costs (general and administrative)	\$2,650,000
Natural products research & development (includes research facility renovation costs)	\$1,620,000
Professional services (excluding transaction costs)	\$1,180,000
Technology platforms (launch and maintenance of Trip App and Patient Portal)	\$860,000

Use of Available Funds	Amount
Transaction costs (legal fees, audit fees, and other expenses)	\$800,000
General and administrative	\$360,000
Travel and entertainment	\$140,000
Total use of funds	\$22,170,000
Unallocated working capital	\$10,731,948
TOTAL:	\$32,901,948

The development of FT-104 as a potential pharmaceutical is at the pre-clinical stage. Drug development (DD) is a long, expensive, and uncertain process, involving a high degree of risk. The DD business depends heavily on the ability to complete clinical development and non-clinical studies of FT104, and to obtain regulatory approval of those product candidates. Before obtaining regulatory approvals for the commercial sale of any product candidate, we must demonstrate through non-clinical studies and clinical trials that the product candidate is safe and effective for use in each target indication. See *"Regulatory Overview – Research and Development"* for a discussion on the research and development activities, *"Milestones"* for details on proceeds and anticipated costs to be spent on development and *"Description of the Business – Research and Development – Canada"* and *"Description of the Business – Research and Development – United States"* in the AIF, for the additional steps required to reach commercial production.

Prior Use of Proceeds

The table below describes the differences between the Corporation's anticipated use of proceeds from the private placements completed in August 2020 and September 2020 respectively, as outlined in the Listing Statement and actual use of proceeds per the Corporation's financial statements for the six months ended September 30, 2020. The Corporation notes the below variances do not have a material impact on the Corporation's ability to achieve its business objective and milestones.

Component	Planned Use of Proceeds	Actual Use of Proceeds	Unspent Amounts
General and administrative	\$4,490,000 ⁽¹⁾	\$2,182,144	\$2,307,856
Occupancy costs	\$2,930,000 ⁽²⁾	\$111,877	\$2,818,123
Sales and marketing	\$1,410,000	\$268,475	\$1,141,525
Research and development	\$3,520,000 ⁽³⁾	\$745,989	\$2,774,011
Capital Expenditures	\$3,000,000 ⁽⁴⁾	\$1,330,060 ⁽⁴⁾	\$1,669,940
Total use of funds	\$15,350,000	\$4,638,545	\$9,261,740

Notes:

- (1) General and administrative planned use of proceeds included \$2,190,000 in personnel costs, \$440,000 in professional services, \$440,000 in technology platforms, \$560,000 in transaction costs, \$420,000 in general and administrative, and \$440,000 in travel and entertainment.
- (2) Occupancy costs' planned use of proceeds included \$3,810,000 in facility and office costs.
- (3) Research and development planned use of proceeds included \$4,590,000 in drug development and \$1,620,000 in natural products research & development.
- (4) Capital expenditures planned use of proceeds included \$3,000,000 in clinic network buildout costs from July 1, 2020 to June 30, 2021. Actual capital expenditures for the six months ended September 30, 2020 were \$1,330,060 on a consolidated basis.

The Corporation has underspent across each component to date as the prior use of proceeds figures commenced July 1, 2020 through June 30, 2020. As such, only three months of spend has been taken into account against the 12 months use of proceeds forecast.

The expected use of net proceeds from the Offering represents the Corporation's current intentions based upon its present plans and business condition, which could change in the future as its plans and business conditions evolve. The amounts and timing of the actual use of the net proceeds will depend on multiple factors and there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary in order for the Corporation to achieve its stated business objectives. The Corporation may also require additional funds in order to fulfill its expenditure requirements to meet existing and any new business objectives, and the Corporation expects to either issue additional securities or incur debt to do so. As a result, management will retain broad discretion in the application of the net proceeds, and investors will be relying on management's judgment regarding the application of the net proceeds from the Offering.

The actual amount that the Corporation spends in connection with each of the intended uses of proceeds will depend on a number of factors, including those listed under "*Risk Factors*" in, or incorporated by reference in, this Prospectus or unforeseen events.

LIQUIDITY AND CAPITAL RESOURCES

Since inception, the Corporation has financed its operations primarily from the issuance of equity and, to a lesser degree, from patient revenues from its Clinics and interest income on funds available for investment. Excluding the Offering, the Corporation has raised \$24,308,640 in gross proceeds through brokered and non-brokered private placements. The Corporation's primary capital needs are funds to advance its research and development activities, clinic rollout and digital teletherapy tools development and for working capital purposes. These activities include staffing, preclinical studies, clinical trials and administrative costs.

The Corporation has experienced operating losses and cash outflows from operations since incorporation, and will require ongoing financing to continue its research and development, clinic rollout and digital tele-therapy development activities. As the Corporation has not yet achieved profitability, there are uncertainties regarding its ability to continue as a going concern. The Corporation has not earned significant revenues from the Clinics, nor has it earned any revenue or reached successful commercialization of any products. The Corporation's success is dependent upon the ability to finance its cash requirements to continue its activities. The Corporation has significant lease obligations related to its current Clinics, newly leases property, construction and office locations. There is significant risk of defaults on these liabilities and other liabilities of the Corporation if it cannot raise additional funds through the issuance of additional equity securities, through loan financing, or other means.

There is no assurance that additional capital or other types of financing will be available if needed or that these financings will be on terms at least as favourable to the Corporation as those previously obtained, or at all. See "*Risk Factors*".

DIVIDEND POLICY

The Corporation intends to retain its earnings, if any, to finance the growth and development of its business and does not expect to pay dividends or to make any other distributions in the near future. The Board will review this policy from time to time having regard to the Corporation's financing requirements, financial condition and other factors considered to be relevant.

DESCRIPTION OF SHARE CAPITAL

The following is a summary of the rights, privileges, restrictions and conditions attached to the Common Shares and the preferred shares in the capital of the Corporation (the "**Preferred Shares**"). The following description may not be complete and is subject to, and qualified in its entirety by reference to, the terms and provisions of the Corporation's Articles of Continuance.

Common Shares

The holders of Common Shares are entitled to receive notice of, and to attend and vote at, all meetings of the shareholders of the Corporation. Each Common Share confers the right to one vote at all meetings of the shareholders, except meetings at which only holders of a specified class of shares are entitled to vote. Subject to the prior rights and privileges attached to any other class of shares of the Corporation, the holders of the Common Shares are entitled to receive any dividend declared by the Corporation. In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, subject to the prior rights and privileges attached to any other class of shares of the Corporation, the holders of the Common Shares are entitled to receive the remaining property and assets of the Corporation. The Common Shares carry no pre-emptive rights, conversion or exchange rights, or redemption, retraction, repurchase, sinking fund or purchase fund provisions. There are no provisions requiring a holder of Shares to contribute additional capital, and no restrictions on the issuance of additional securities by the Corporation. There are no restrictions on the repurchase or redemption of Common Shares by the Corporation except to the extent that any such repurchase or redemption would render the Corporation insolvent. The Preferred Shares may, if issued, be made convertible into Common Shares at such rate and upon such basis as the Board, in its discretion, may determine.

Preferred Shares

The Preferred Shares may be issued at any time or from time to time in one or more series. Subject to the provisions of the CBCA, the Board may, by resolution, alter the articles of the Corporation to create any series of Preferred Shares and to fix before issuance, the designation, rights, privileges, restrictions and conditions to attach to the Preferred Shares of each series.

The issuance of Preferred Shares and the terms selected by the Board could decrease the amount of earnings and assets available for distribution to holders of Common Shares or adversely affect the rights and powers, including the voting rights, of the holders of the Common Shares without any further vote or action by the holders of the Common Shares, if permitted by the CBCA. The issuance of Preferred Shares, or the issuance of rights to purchase Preferred Shares, could make it more difficult for a third-party to acquire a majority of the Corporation's outstanding Common Shares and thereby have the effect of delaying, deferring or preventing a change of control of the Corporation or an unsolicited acquisition proposal or of making the removal of management more difficult. Additionally, the issuance of Preferred Shares may have the effect of decreasing the market price of the Common Shares.

There are currently no Preferred Shares outstanding.

DESCRIPTION OF SECURITIES BEING DISTRIBUTED

Common Shares

See "*Description of Share Capital*" above.

Warrants

The Warrants will be issued under and governed by the Warrant Indenture, which is to be entered into between the Corporation and the Warrant Agent on the Closing Date. The following is a summary of certain anticipated attributes of the Warrants and expected provisions of the Warrant Indenture. This summary does not purport to be complete and is subject to, and qualified in its entirety by reference to, the terms of the Warrant Indenture, which will be filed by the Corporation with the applicable Canadian securities regulatory authorities and available under the Corporation's profile on SEDAR at www.sedar.com following the closing of the Offering.

General

The Units will separate into Unit Shares and Warrants immediately following the closing of the Offering. Each Warrant will be transferable and will entitle the holder thereof to acquire one Warrant Share at the Exercise Price at any time prior to 5:00 p.m. (Toronto time) on the Warrant Expiry Date, subject to adjustment in certain customary events and acceleration, after which time the Warrants will expire.

The Corporation will appoint the principal transfer office of the Warrant Agent in Toronto, Ontario as the location at which the Warrants may be surrendered for exercise, transfer or exchange. Under the Warrant Indenture, the Corporation may, subject to applicable law, purchase by private contract or otherwise, any of the Warrants then outstanding, and any Warrants so purchased will be cancelled.

The Warrant Indenture will provide for adjustment in the number of Warrant Shares issuable upon the exercise of the Warrants and/or the exercise price per Warrant Share upon the occurrence of certain events, including: (i) the issuance of Common Shares or securities exchangeable for or convertible into Common Shares to all or substantially all of the holders of the Common Shares by way of a stock dividend or other distribution (other than a dividend in the ordinary course or a distribution of Common Shares upon the exercise of any Warrants or options outstanding as of the date of the Warrant Indenture); (ii) the subdivision, re-division or change of the Common Shares into a greater number of Common Shares; (iii) the consolidation, reduction or combination of the Common Shares into a lesser number of Common Shares; (iv) the issuance to all or substantially all of the holders of the Common Shares of rights, options or warrants under which such holders are entitled, during a period expiring not more than 45 days after the record date for such issuance, to subscribe for or purchase Common Shares, or securities exchangeable for or convertible into Common Shares, at a price per share to the holder (or at an exchange or conversion price per share) of less than 95% of the "Current Market Price" ("**Current Market Price**" will be defined in the Warrant Indenture as the volume weighted average trading price per Common Share on the CSE for the 20 consecutive trading days ending immediately prior to such record date); and (v) the issuance or distribution to all or substantially all of the holders of the Common Shares of securities of any class, rights, options or warrants to subscribe for or purchase Common Shares or securities exchangeable or convertible into any Common Shares (other than a "rights offering" pursuant to (iv)), evidences of indebtedness or any property or other assets.

The Warrant Indenture will also provide for adjustment in the class and/or number of securities issuable upon the exercise of the Warrants and/or exercise price per security in the event of the following additional events: (i) reclassifications of the Common Shares or a capital reorganization of the Corporation (other than as described above); (ii) consolidations, amalgamations, arrangements or mergers of the Corporation with or into any other corporation or other entity (other than consolidations, amalgamations, arrangements or mergers which do not result in any reclassification of the outstanding Common Shares or a change of the Common Shares into other shares); or (iii) the sale, conveyance or transfer of the undertaking or assets of the Corporation as an entirety or substantially as an entirety to another corporation or other entity.

No adjustment in the Exercise Price or the number of Warrant Shares issuable upon the exercise of the Warrants will be required to be made unless the cumulative effect of such adjustment or adjustments would result in a change of at least 1% in the Exercise Price, provided that any such adjustments that are not required to be made shall be carried forward and taken into account in any subsequent adjustment.

The Corporation will covenant in the Warrant Indenture that, during the period in which the Warrants are exercisable, it will give notice to the Warrant Agent and to the holders of the Warrants of certain stated events, including events that would result in an adjustment to the Exercise Price for the Warrants or the number of Warrant Shares issuable upon exercise of the Warrants, at least 14 days prior to the record date or effective date of such event.

The Warrant Indenture will provide that, if, following the closing of the Offering, the volume weighted average price of the Common Shares on the CSE (or such other stock exchange on which the Common Shares are then principally traded) exceeds \$9.00 for any ten (10) consecutive trading days, the Corporation shall have the right to accelerate the expiry date of the Warrants upon not less than fifteen (15) trading days' notice, to be disseminated by the Corporation by way of a news release.

No fractional Warrant Shares will be issuable upon the exercise of any Warrants and no cash or other consideration will be paid in lieu of fractional Warrant Shares. Holders of Warrants will not have any voting or pre-emptive rights or any other rights which a holder of Common Shares would have.

The Warrant Indenture will provide that, from time to time, the Corporation and the Warrant Agent may amend or supplement the Warrant Indenture for certain purposes, without the consent of the holders of the Warrants, including curing defects or inconsistencies or making any change that does not adversely affect the rights of any holder. Any amendment or supplement to the Warrant Indenture that would adversely affect the interests of the holders

of Warrants may only be made by "extraordinary resolution", which will be defined in the Warrant Indenture as a resolution either: (i) passed at a meeting of the holders of Warrants at which there are holders of Warrants present in person or represented by proxy representing at least 20% of the aggregate number of the then outstanding Warrants (unless such meeting is adjourned to a prescribed later date due to the lack of quorum) and passed by the affirmative vote of not less than 66^{2/3}% of the aggregate number of all the then outstanding Warrants represented at the meeting; or (ii) adopted by an instrument in writing signed by the holders of Warrants representing not less than 66^{2/3}% of the aggregate number of all the then outstanding Warrants.

The Warrants and the Warrant Shares issuable upon the exercise of the Warrants have not been and will not be registered under the U.S. Securities Act or any state securities laws. The Warrants will not be exercisable by, or on behalf of, a person in the United States or a U.S. Person, nor will any certificates representing the Warrant Shares issuable upon exercise of the Warrants be registered or delivered to an address in the United States, unless an exemption from the registration requirements of the U.S. Securities Act and any applicable state securities laws is available and the Corporation has received an opinion of counsel of recognized standing to such effect in form and substance reasonably satisfactory to the Corporation.

Compensation Warrants

For their services in connection with the Offering, the Underwriters will receive Compensation Warrants exercisable to purchase up to an aggregate of 122,740 Compensation Shares (or 154,651 Compensation Shares if the Over-Allotment Option is exercised in full) at a price of \$4.50 per Compensation Share. The Compensation Options shall have a term of 24 months from the Closing Date. The terms to be set out in the certificates representing the Compensation Warrants will include, among other things, customary provisions for the appropriate adjustment of the number of Compensation Shares issuable pursuant to any exercise of the Compensation Warrants upon the occurrence of certain events, including any subdivision, consolidation or reclassification of the Subordinate Voting Shares, any capital reorganization of the Corporation, or any arrangement, merger, consolidation or amalgamation of the Corporation with or into another corporation or entity, as well as customary amendment provisions.

CONSOLIDATED CAPITALIZATION

As at the date hereof,

- i. the authorized share capital of the Corporation consists of an unlimited number of Common Shares, of which 37,954,943 are issued and outstanding, and an unlimited number of Preferred Shares, issuable in series, none of which are issued and outstanding; and
- ii. the following convertible securities of the Corporation are issued and outstanding:
 - a. 299,753 compensation warrants of the Corporation (the "**Private Placement Warrants**") issued in connection with the private placements completed by FTP in August 2020 and September 2020 ("**FTP Private Placements**") to purchase 348,769 Common Shares at an exercise price of \$2.00 per Common Share, and
 - b. 3,871,729 options of the Corporation ("**Stock Options**") to purchase 3,871,729 Common Shares at a weighted average exercise price of \$0.91 per Common Share.

Following completion of the Offering, an additional 3,868,000 Common Shares, 1,934,000 Warrants (exercisable for 1,934,000 Warrant Shares) and 122,740 Compensation Warrants (exercisable for 122,740 Compensation Shares) will be issued and outstanding. If the Over-Allotment Option is exercised in full, following completion of the Offering, an additional 4,448,200 Common Shares, 2,224,100 Warrants (exercisable for 2,224,100 Warrant Shares) and 154,651 Compensation Warrants (exercisable for 154,651 Compensation Shares) will be issued and outstanding.

Subject to CSE approval, the Corporation has agreed to pay the Lead Underwriter and Canaccord Genuity Corp. the aggregate of 8,170 Common Shares (the "**Fee Shares**") and 49,016 warrants to purchase Common Shares (the "**Fee Warrants**"), for services rendered in connection with the FTP Private Placements.

PLAN OF DISTRIBUTION

Pursuant to the terms and conditions contained in the Underwriting Agreement, the Corporation has agreed to sell and the Underwriters have agreed to purchase, as principal, on a "bought deal" basis, on the Closing Date, 3,868,000 Units for consideration of \$17,406,000, payable in cash to the Corporation against delivery by the Corporation of the Units, which, following issuance, will be immediately separated into Unit Shares and Warrants. The obligations of the Underwriters under the Underwriting Agreement are subject to certain closing conditions and may be terminated at their discretion on the basis of "regulatory proceedings out", "material adverse change out", "disaster out", and "breach out" provisions in the Underwriting Agreement and may also be terminated upon the occurrence of certain other stated events. The Underwriters are obligated to take up and pay for all of the Units under the Underwriting Agreement.

The Offering Price was determined by arm's length negotiation between the Corporation and the Underwriters, with reference to the prevailing market price of the Common Shares on the CSE.

Each Unit will consist of one Unit Share and one-half of one Warrant. Each whole Warrant will entitle the holder thereof to purchase one Warrant Share at the Exercise Price at any time up to the Warrant Expiry Date, subject to adjustment in certain events. Any unexercised Warrants shall automatically expire on the Warrant Expiry Date. The Warrants will be governed by the Warrant Indenture to be dated as of the Closing Date and to be entered into between the Corporation and the Warrant Agent. If, following the closing of the Offering, the volume weighted average price of the Common Shares on the CSE exceeds \$9.00 for any ten (10) consecutive trading days, the Corporation may accelerate the expiry date of the Warrants upon not less than fifteen (15) trading days' notice.

The Corporation has granted to the Underwriters an Over-Allotment Option, exercisable in whole or in part in the sole discretion of the Lead Underwriter, at any time and from time to time, for a period of 30 days following the Closing Date, to purchase up to an additional 15% of the number of Units sold under the Offering, being up to 580,200 Over-Allotment Units and/or up to 580,200 Over-Allotment Unit Shares and/or up to 290,100 Over-Allotment Warrants, to cover the Underwriters' over-allocation position, if any, and for market stabilization purposes. The Over-Allotment Option may be exercised by the Underwriters to acquire: (a) Over-Allotment Units at the Offering Price; (b) Over-Allotment Unit Shares at a price of \$4.29 per Over-Allotment Unit Share; (c) Over-Allotment Warrants at a price of \$0.42 per Over-Allotment Warrant; or (d) any combination of Over-Allotment Units, Over-Allotment Unit Shares and Over-Allotment Warrants, so long as the aggregate number of Over-Allotment Unit Shares and Over-Allotment Warrants which may be issued under the Over-Allotment Option does not exceed 580,200 Over-Allotment Unit Shares and 290,100 Over-Allotment Warrants. If the Over-Allotment Option is exercised in full, the total price to the public, Underwriters' Fee and net proceeds to the Corporation (before deducting expenses of the Offering) will be \$20,016,900, \$695,930 and \$19,320,971, respectively. This Prospectus qualifies the grant of the Over-Allotment Option and the distribution of the Over-Allotment Units issuable upon exercise of the Over-Allotment Option. A person who acquires securities forming part of the Underwriters' over-allocation position acquires those securities under this Prospectus regardless of whether the Underwriters' over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

In consideration for the services rendered by the Underwriters in connection with the Offering, the Corporation has agreed to pay to the Underwriters the Underwriters' Fee equal to 5.5% of the gross proceeds of the Offering (including in respect of any exercise of the Over-Allotment Option), other than in respect of sales of Units, up to a maximum amount of \$9,000,000, to purchasers forming part of the President's List, upon which a cash fee equal to 1.0% will be paid. As additional consideration, the Corporation has also agreed to issue to the Underwriters such number of Compensation Warrants as is equal to 5.5% of the number of Units issued pursuant to the Offering (including any Units sold on the exercise of the Over-Allotment Option), other than in respect of sales under the President's List, upon which such number of Compensation Warrants equal to 1.0% of the Units sold under the President's List shall be issued to the Underwriters. Each Compensation Warrant is exercisable to purchase one Compensation Share at the Offering Price, subject to customary adjustment, for a period of twenty-four (24) months

following the Closing Date. This Prospectus qualifies the distribution of the Compensation Warrants and the Compensation Shares issuable upon exercise thereof in full.

Pursuant to the Underwriting Agreement, the Corporation has agreed not to, directly or indirectly, issue any Common Shares or securities or other financial instruments convertible or exercisable into Common Shares (other than to satisfy rights or obligations under equity incentive plans including pursuant to the grant and/or exercise of securities under such equity incentive plans, securities or other financial instruments existing prior to the Offering or the issuance of securities in connection with any merger, business combination, tender offer, takeover bid, arrangement, asset purchase, joint venture or similar transaction), or announce any intention to do so, for a period of 120 days from the Closing Date without the prior written consent of the Lead Underwriter, which will not be unreasonably withheld.

The Corporation has also agreed to use its best efforts to cause each of the directors and officers of the Corporation and their respective associates to enter into lock-up agreements in favour of the Underwriters, pursuant to which each such person will agree, for a period ending 120 days after the Closing Date, not to directly or indirectly, offer, sell, transfer, pledge or otherwise dispose of any of the economic consequences of ownership (or announce any intention to do any of the foregoing) of any securities of the Corporation, whether owned, directly or indirectly, or under their control or direction, subject to certain exceptions, without the prior written consent of Underwriters, such consent not to be unreasonably withheld or delayed.

Pursuant to the rules and policy statements of certain Canadian securities regulators, the Underwriters may not, throughout the period of distribution under this Prospectus, bid for or purchase Common Shares for their own account or for accounts over which they exercise control or direction. The foregoing restriction is subject to certain exceptions, on the condition that the bid or purchase not be engaged in for the purpose of creating actual or apparent active trading in or raising the price of the Common Shares. These exceptions include a bid or purchase permitted under the Universal Market Integrity Rules for Canadian marketplaces administered by the Investment Industry Regulatory Organization of Canada relating to market stabilization and passive market-making activities and a bid or purchase made for or on behalf of a client where the client's order was not solicited during the period of distribution. Subject to applicable laws and in connection with the Offering, the Underwriters may over-allot or effect transactions in connection with the Offering intended to stabilize or maintain the market price of the Common Shares at levels other than those which otherwise might prevail on the open market. Such transactions, if commenced, may be discontinued at any time.

The Underwriters propose to initially offer, either directly or through their broker-dealer affiliates or agents, the Units at the Offering Price. After a reasonable effort has been made to sell all of the Units at the Offering Price, the Underwriters may subsequently reduce the selling price to investors from time to time in order to sell any of the Units remaining unsold. Any such reduction will have the effect of reducing the compensation realized by the Underwriters by the amount that the aggregate price paid by the purchasers for the Units is less than the gross proceeds paid by the Underwriters to the Corporation and will not affect the proceeds received by the Corporation.

Subscriptions for the Units will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is anticipated that the Units will be delivered under the book-based system through CDS or its nominee and deposited in registered or electronic form with CDS on the Closing Date, or such other date as may be agreed upon by the Corporation and the Lead Underwriter, provided that the Units are to be taken up by the Lead Underwriter on or before the date that is not later than 42 days after the date of the receipt for the (final) short form prospectus relating to the Offering. No certificates evidencing the Unit Shares or Warrants comprising the Units will be issued to subscribers, except in certain limited circumstances, and registration will be made in the name of the nominee of CDS. Notwithstanding the foregoing, all Units, Unit Shares and Warrants and any Warrant Shares, offered and sold in the United States or to or for the account or benefit of U.S. Persons who are U.S. Accredited Investors and who are not Qualified Institutional Buyers will be issued in certificated, individually registered form.

The Unit Shares and the Warrants comprising the Units offered hereby and the Warrant Shares issuable upon exercise of the Warrants have not been and will not be registered under the U.S. Securities Act or any United States state securities laws and, subject to registration under the U.S. Securities Act and applicable United States state

securities laws or certain exemptions therefrom, may not be offered, sold, transferred, delivered or otherwise disposed of, directly or indirectly, within the United States or to, or for the account or benefit of, a U.S. Person.

The Units will be offered in each of the Provinces of Canada, other than Québec, through the Underwriters or its affiliates who are registered to offer the Units for sale in such provinces and such other registered dealers as may be designated by the Underwriters. Subject to applicable law, the Underwriters may offer the Units in the United States or to, or for the account or benefit of, U.S. Persons and such other jurisdictions outside of Canada and the United States as agreed between the Corporation and the Underwriters, in each case in accordance with applicable laws provided that no prospectus, registration statement or similar document is required to be filed in any such jurisdiction.

Subject to CSE approval, the Corporation has agreed to pay the Lead Underwriter and Canaccord Genuity Corp. the Fee Shares and the Fee Warrants, for services rendered in connection with the FTP Private Placement. This Prospectus qualifies the distribution of the Fee Shares, the Fee Warrants and the Common Shares issuable upon exercise thereof (the "**Fee Warrant Shares**") in full.

The Corporation has applied to the CSE for the listing of the Unit Shares, the Warrants, the Warrant Shares, the Compensation Shares, the Fee Shares and the Fee Warrant Shares. Listing will be subject to the Corporation fulfilling all of the listing requirements of the CSE. **There is currently no market through which the Warrants may be sold and purchasers may not be able to resell the Warrants acquired under this Prospectus.** See "*Risk Factors*".

Selling and Transfer Restrictions Outside of Canada

Other than in the Offering Jurisdictions, no action has been taken by the Corporation or the Underwriters that would permit a public offering of the Units offered under this Prospectus in any jurisdiction where action for that purpose is required. The Units offered under this Prospectus may not be offered or sold, directly or indirectly, nor may this Prospectus or any other offering material or advertisements in connection with the offer and sale of any Units be distributed or published in any jurisdiction, except under circumstances that will result in compliance with the applicable rules and regulations of that jurisdiction. Persons into whose possession this Prospectus comes are advised to inform themselves about and to observe any restrictions relating to the offering and the distribution of this Prospectus.

The Unit Shares, Warrants and Warrant Shares have not been and will not be registered under the U.S. Securities Act or any securities or "blue sky" laws of any of the states of the United States, and may not be offered or sold, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. Persons except in accordance with an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws. Except as permitted in the Underwriting Agreement, and as expressly permitted by applicable laws of the United States, the Underwriters will not offer or sell the Units within the United States or to, or for the account or benefit of, U.S. Persons. The Underwriting Agreement will enable the Underwriters, by or through certain United States registered broker-dealers that may be appointed by the Underwriters as sub-agents, to offer the Units in the United States or to, or for the account or benefit of, U.S. Persons to (i) Qualified Institutional Buyers pursuant to Rule 144A under the U.S. Securities Act and (ii) "accredited investors" within the meaning of Rule 501(a) of Regulation D under the U.S. Securities Act pursuant to Rule 506(b) of Regulation D under the U.S. Securities Act and similar exemptions under applicable state securities laws. Moreover, the Underwriting Agreement will provide that the Underwriters, by or through certain United States registered broker-dealers appointed by the Underwriters as sub-agents, will offer and sell the Units outside the United States to non-U.S. Persons only in accordance with Rule 903 of Regulation S under the U.S. Securities Act.

This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any Units offered by this Prospectus in any jurisdiction in which such an offer or a solicitation is unlawful.

Until 40 days after the commencement of the Offering, an offer or sale of the Units within the United States or to, or for the account or benefit of, U.S. Persons by any dealer (whether or not participating in the Offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in reliance on an exemption from the registration requirements of the U.S. Securities Act.

The Units issued to persons in the United States or to, or for the account or benefit of, U.S. Persons will be "restricted securities" within the meaning of Rule 144(a)(3) of the U.S. Securities Act.

TRADING PRICE AND VOLUME

The Common Shares are listed on the CSE under the symbol "FTRP". The following table shows the monthly ranges of high and low prices per Common Share as well as total monthly volumes traded on the CSE since October 6, 2020, the first date on which the Common Shares commenced trading on the CSE, and prior to the date of this Prospectus.

Period	Price Range (\$)		Volume
	High	Low	
December 1 – December 14	7.00	4.00	1,548,913
November, 2020	5.85	2.51	1,573,601
October 6, 2020 – October 31, 2020	3.50	2.25	1,541,898

On December 8, 2020, the last full trading day before the announcement of the Offering, the closing price per Common Share on the CSE was \$4.95.

Please refer to the AIF for trading information for the common shares of Newton Energy Corporation, prior to the Transaction ("**Newton**").

PRIOR SALES

The following tables set forth details of the issuances of securities of FTP and Newton prior to the Transaction, and the Corporation, following the Transaction for the 12-month period following the date hereof. See "*Consolidated Capitalization*".

Date of Issue	Description	Number of Securities Sold	Price Per Share/Exercise Price	Description of Consideration
October, 2019 to September, 2020	Options to purchase Class A Shares of FTP ⁽¹⁾	3,840,806	\$0.50 to \$2.00	Cash
February 6, 2020 to May 20, 2020	Class B Shares of FTP ⁽²⁾	9,507,263	US\$0.90	Cash and 20,882 Class B Shares of FTP were issued in satisfaction of financing costs
August 11, 2020	Exercise of Options to purchase Class A Shares of FTP ⁽¹⁾	9,000,900	\$0.00001	Cash
August 14, 2020	Class A Shares of FTP ⁽¹⁾ (FTP Private Placement)	5,516,724	\$2.00	Cash
August 14, 2020	Class A Shares of FTP ⁽³⁾	55,167	\$2.00	Fee in connection with the FTP Private Placement
August 14, 2020	Private Placement Compensation Warrants	299,753	\$2.00	Fee in connection with the FTP Private Placement
September 21, 2020	Class A Shares of FTP ⁽¹⁾	816,932	\$2.00	Cash
September 25, 2020	Class A Shares of FTP ⁽¹⁾	600,000	\$2.00	Payment of under the Jamaica SPA (as defined in the AIF)

Date of Issue	Description	Number of Securities Sold	Price Per Share/Exercise Price	Description of Consideration
November 2, 2020	Stock Options	65,000	\$2.68	Cash
November 25, 2020	Exercise of Stock Options	57,827	\$1.84	Cash
December 1, 2020	Stock Options	60,000	\$4.60	Cash
December 1, 2020	Exercise of Stock Options	5,812	\$1.85	Cash
December 1, 2020	Exercise of Stock Options	15,000	\$0.50	Cash
December 3, 2020	Exercise of Stock Options	62,500	\$0.50	Cash
December 7, 2020	Exercise of Stock Options	10,812	\$1.81	Cash

Notes:

- (1) Class A Shares of FTP were exchanged for Common Shares on completion of the Transaction on a 1:1 basis.
- (2) Class B Shares of FTP converted into Class A Shares of FTP following the closing of the FTP Private Placement on a 1:1 basis.

ESCROWED SECURITIES AND CONTRACTUAL RESTRICTION ON TRANSFER

The following table summarizes details of the Corporation's Common Shares held, to the Corporation's knowledge, in escrow or that are subject to a contractual restriction on transfer as of the date hereof:

Number of Securities Held in Escrow	Percentage of Class
28,490,113 ⁽¹⁾⁽²⁾	75.1%

Notes:

- (1) In connection with the Transaction and as required by the CSE, the Corporation, Odyssey Trust Company ("**Odyssey**") and the directors and senior officers of the Corporation (collectively, the "**Founders**") entered into an escrow agreement dated October 1, 2020, pursuant to which the Founders deposited 19,893,465 Common Shares (collectively, the "**Odyssey Escrowed Securities**") into escrow with Odyssey. 25% of the Odyssey Escrowed Securities were released from escrow on October 6, 2020 and an additional 25% will be released on each of April 6, 2021, October 6, 2021 and April 6, 2022. In addition to the foregoing escrow arrangements, the Founders agreed to lock-up restriction with respect to the Odyssey Escrowed Securities, which provide for a staggered release from such restrictions on the 6, 12, 18 and 24 month anniversary of the listing date, being October 6, 2020 (the "**Issue Date**").
- (2) In connection with a private placement by FTP completed in multiple tranches ending on May 20, 2020, subscribers holding, in aggregate, approximately 10,500,000 Common Shares agreed to voluntary lock-up restrictions, which provide for a staggered release from such restrictions on each 2, 4, 8 and 10 month anniversary of the Issue Date.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following is a summary, as of the date hereof, of the principal Canadian federal income tax considerations under the Tax Act generally applicable to a holder who acquires Units as beneficial owner pursuant to this Offering and who, for the purposes of the Tax Act and at all relevant times, holds Unit Shares and Warrants, and will hold their Warrant Shares issued on the exercise of Warrants as capital property, deals at arm's length with the Corporation and the Lead Underwriter, and is not affiliated with the Corporation or the Lead Underwriter (a "**Holder**"). Unit Shares, Warrants and Warrant Shares issued on the exercise of Warrants will generally be considered to be capital property to a Holder provided the Holder does not acquire or hold such Unit Shares, Warrants or Warrant Shares in the course of carrying on a business of buying or selling securities or as part of one or more transactions considered to be an adventure or concern in the nature of trade.

For purposes of this summary, Unit Shares and Warrant Shares are collectively referred to as "Common Shares" unless otherwise indicated.

This summary does not apply to a Holder (i) that is a "financial institution" for the purposes of the mark-to-market rules contained in the Tax Act; (ii) that is a "specified financial institution" as defined in the Tax Act; (iii) an interest in which would be a "tax shelter investment" as defined in the Tax Act; (iv) that has made a functional currency reporting election under the Tax Act; (v) that is exempt from tax under the Tax Act; or (vi) that has entered or will enter into a "derivative forward agreement" or "synthetic disposition arrangement", as those terms are defined in the Tax Act, with respect to the Common Shares or Warrants. Such Holders should consult their own tax advisors with respect to an investment in Unit Shares and Warrants.

This summary does not address the deductibility of interest by a Holder who has borrowed money or otherwise incurred debt in connection with the acquisition of the Units.

Additional considerations, not discussed herein, may be applicable to a Holder that is a corporation resident in Canada and is, or becomes, or does not deal at arm's length for purposes of the Tax Act with a corporation resident in Canada that is or becomes, as part of a transaction or series of transactions or events that includes the acquisition of Units or Warrant Shares issued on the exercise of Warrants, controlled by a non-resident person or group of non-resident persons not dealing with each other at arm's length for purposes of the "foreign affiliate dumping" rules in section 212.3 of the Tax Act. Such Holders should consult their own tax advisors with respect to the consequences of acquiring Units or Warrant Shares issued on the exercise of Warrants.

This summary is based upon the current provisions of the Tax Act and counsel's understanding of the current published administrative policies and assessing practices of the Canada Revenue Agency ("CRA"). The summary also takes into account all specific proposals to amend the Tax Act that have been publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Tax Proposals**"), and assumes that all such Tax Proposals will be enacted in the form proposed. No assurance can be given that the Tax Proposals will be enacted in the form proposed or at all. This summary does not otherwise take into account or anticipate any changes in law, whether by way of legislative, judicial or administrative action or interpretation, nor does it address any provincial, territorial or foreign tax considerations.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Holder and no representations with respect to the income tax consequences to any particular holder are made. This summary is not exhaustive of all Canadian federal income tax considerations and does not describe the income tax considerations relating to the deductibility of interest on money borrowed to acquire Units or to exercise Warrants. Accordingly, prospective investors in Units should consult their own tax advisors with respect to their own particular circumstances.

Allocation of Cost

Holders will be required to allocate on a reasonable basis their cost of each Unit between the Unit Share and the Warrant in order to determine their respective costs for purposes of the Tax Act. For its purposes, the Corporation intends to allocate \$4.29 to each Unit Share and \$0.42 to each one-half of a Warrant. Although the Corporation believes that its allocation is reasonable, it is not binding on the CRA or a Holder and the CRA may not agree with such allocation. Counsel expresses no opinion with respect to such allocation.

The adjusted cost base to a Holder of each Unit Share comprising a part of a Unit acquired pursuant to this Offering will be determined by averaging the cost of such Unit Share with the adjusted cost base to such Holder of all other Common Shares (if any) held by the Holder as capital property immediately prior to the acquisition.

Exercise of Warrants

The exercise of a Warrant to acquire a Warrant Share, will be deemed not to constitute a disposition of property for purposes of the Tax Act and consequently no gain or loss will be realized by a Holder upon such an exercise. When a Warrant is exercised, the Holder's cost of the Warrant Share acquired thereby will be the aggregate of the Holder's adjusted cost base of such Warrant and the exercise price paid for the Warrant Share. The Holder's

adjusted cost base of the Warrant Share so acquired will be determined by averaging such cost with the adjusted cost base (determined immediately before the acquisition of the Warrant Share) to the Holder of all Common Shares owned by the Holder as capital property immediately prior to such acquisition.

Residents of Canada

This portion of the summary is generally applicable to a Holder who, for the purposes of the Tax Act, and at all relevant times, is, or is deemed to be, resident in Canada ("**Resident Holder**").

Certain Resident Holders whose Common Shares might not otherwise qualify as capital property may, in certain circumstances, make the irrevocable election pursuant to subsection 39(4) of the Tax Act to have their Common Shares, and every other "Canadian security", as defined in the Tax Act, owned by such Resident Holder in the taxation year of the election and in all subsequent taxation years, deemed to be capital property. Such election is not available in respect of the Warrants. Resident Holders should consult their own tax advisors for advice as to whether an election under subsection 39(4) of the Tax Act is available and advisable in their own circumstances.

Dividends on Common Shares

A Resident Holder will be required to include in computing its income for a taxation year dividends (including deemed dividends) received or deemed to be received on the Common Shares.

In the case of a Resident Holder who is an individual (other than certain trusts), such dividends will be subject to the gross-up and dividend tax credit rules normally applicable under the Tax Act to taxable dividends received from taxable Canadian corporations, including the enhanced gross-up and dividend tax credit in respect of dividends designated by the Corporation as "eligible dividends". There may be limitations on the ability of the Corporation to designate dividends as "eligible dividends".

In the case of a Resident Holder that is a corporation, the amount of any such taxable dividend that is included in its income for a taxation year will generally also be deductible in computing its taxable income for that taxation year. In certain circumstances, a dividend received or deemed to be received by a Resident Holder that is a corporation may be deemed to be proceeds of disposition or a capital gain pursuant to subsection 55(2) of the Tax Act. Resident Holders should consult their own tax advisors regarding their particular circumstances.

A Resident Holder that is a "private corporation" (as defined in the Tax Act) or a "subject corporation" (for purposes of Part IV of the Tax Act) will generally be liable to pay an additional tax under Part IV of the Tax Act on dividends received or deemed to be received on a Common Share to the extent such dividends are deductible in computing the Resident Holder's taxable income. Such additional tax may be refundable in certain circumstances.

Disposition of a Common Share or a Warrant

Generally, on a disposition, or a deemed disposition, of a Common Share (other than to the Corporation unless purchased by the Corporation in the open market in the manner in which shares are normally purchased by a member of the public in an open market) or a Warrant (which does not include the exercise of a Warrant, and excluding a disposition arising on the expiry of a Warrant), a Resident Holder will realize a capital gain (or a capital loss) equal to the amount by which the proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of the Common Share or the Warrant, as the case may be, to the Resident Holder immediately before the disposition or deemed disposition. Such capital gain (or capital loss) will be subject to the treatment described below under "Taxation of Capital Gains and Capital Losses".

Expiry of Warrants

In the event of the expiry of an unexercised Warrant, a Resident Holder generally will realize a capital loss equal to the Resident Holder's adjusted cost base of such Warrant. The tax treatment of capital gains and capital losses is discussed in greater detail below under "Taxation of Capital Gains and Capital Losses".

Taxation of Capital Gains and Capital Losses

Generally, one-half of any capital gain (a "**taxable capital gain**") realized by a Resident Holder for a taxation year must be included in computing the Resident Holder's income for the year. Subject to and in accordance with the provisions of the Tax Act, a Resident Holder is required to deduct one-half of any capital loss (an "**allowable capital loss**") realized in a taxation year from taxable capital gains realized in that taxation year. Allowable capital losses in excess of taxable capital gains for the taxation year of disposition may be carried back and deducted in any of the three preceding taxation years, or in any subsequent year against net taxable capital gains realized in such years. If the Resident Holder is a corporation, any such capital loss realized on the sale of a Common Share may be reduced by the amount of any dividends which have been received by the Resident Holder on such Common Share to the extent and in circumstances prescribed by the Tax Act. Similar rules may apply where a corporation is a member of a partnership or a beneficiary of a trust that owns Common Shares, directly or indirectly through a partnership or a trust. Such Resident Holder should consult its own tax advisor.

Refundable Tax

A Resident Holder that is throughout the year a "Canadian-controlled private corporation" (as defined in the Tax Act) may be liable to pay a refundable tax on its "aggregate investment income", which is defined in the Tax Act to include taxable capital gains and dividends received or deemed to be received on the Common Shares to the extent that such dividends are not deductible in computing the Resident Holder's taxable income for the taxation year.

Alternative Minimum Tax

Capital gains or dividends realized or deemed to be realized by a Resident Holder that is an individual (other than certain specified trusts) may give rise to liability for alternative minimum tax as calculated under the detailed rules set out in the Tax Act. Resident Holders that are individuals should consult their own tax advisors.

Holders Not Resident in Canada

This portion of the summary is generally applicable to a Holder who, for the purposes of the Tax Act and at all relevant times, is not, and is not deemed to be, resident in Canada for the purposes of the Tax Act or any applicable income tax treaty or convention, and will not use or hold (and will not be deemed to use or hold) the Common Shares or Warrants in, or in the course of, carrying on a business or part of a business in Canada (a "**Non-Resident Holder**"). This summary does not apply to a Non-Resident Holder that carries on an insurance business in Canada and elsewhere or an "authorized foreign bank" (as defined in the Tax Act) and such Non-Resident Holders should consult their own tax advisors.

Dividends on Common Shares

Dividends paid or credited, or deemed to be paid or credited, on a Common Share to a Non-Resident Holder will generally be subject to Canadian withholding tax at the rate of 25%, subject to any reduction in the rate of withholding to which that Non-Resident Holder may be entitled under an applicable income tax treaty or convention. For example, where a Non-Resident Holder is a resident of the United States, is fully entitled to the benefits under the *Canada-U.S. Tax Convention* (1980), as amended, and is the beneficial owner of the dividend, the applicable rate of Canadian withholding tax is generally reduced to 15% of the amount of such dividend.

Disposition of a Common Share or a Warrant

A Non-Resident Holder will not be subject to tax under the Tax Act in respect of any capital gain realized by such Non-Resident Holder on a disposition or deemed disposition of a Common Share or a Warrant unless the Common Share or the Warrant, as the case may be, constitutes "taxable Canadian property" (as defined in the Tax Act) of the Non-Resident Holder at the time of disposition and the Non-Resident Holder is not entitled to relief under an applicable income tax treaty or convention between Canada and the country in which the Non-Resident Holder is resident.

Generally, a Common Share or a Warrant, as the case may be, will not constitute taxable Canadian property of a Non-Resident Holder at any particular time provided that the Common Shares are listed on a "designated stock exchange" for the purposes of the Tax Act (which currently includes the CSE), unless at any time during the 60-month period immediately preceding such time: (a) at least 25% or more of the issued shares of any class or series of the capital stock of the Corporation were owned by or belonged to any combination of (x) the Non-Resident Holder, (y) persons with whom the Non-Resident Holder did not deal at arm's length (for the purposes of the Tax Act), and (z) partnerships in which the Non-Resident Holder or a person described in (y) holds a membership interest directly or indirectly through one or more partnerships; and (b) more than 50% of the fair market value of such shares was derived directly or indirectly from one, or any combination of, real or immovable property situated in Canada, Canadian resource property (as defined in the Tax Act), timber resource property (as defined in the Tax Act) or options in respect of, interests in or for civil law rights in, any such property (whether or not such property exists). Notwithstanding the foregoing, a Common Share or Warrant may also be deemed to be "taxable Canadian property" in certain circumstances.

In cases where a Non-Resident Holder disposes (or is deemed to have disposed) of a Common Share or a Warrant that is taxable Canadian property to that Non-Resident Holder, and the Non-Resident Holder is not entitled to an exemption under an applicable income tax treaty or convention, the consequences described above under the headings "Residents of Canada – Disposition of a Common Share or a Warrant" and "Taxation of Capital Gains and Capital Losses" will generally be applicable to such disposition. Non-Resident Holders for whom a Common Share or a Warrant is, or may be, taxable Canadian property should consult their own tax advisors.

NON-CANADIAN INVESTORS ARE ADVISED TO CONSULT WITH THEIR OWN TAX ADVISOR REGARDING THE SPECIFIC TAX CONSEQUENCES OF THE ACQUISITION, OWNERSHIP AND DISPOSITION OF UNITS, UNITS SHARES, WARRANTS, AND WARRANT SHARES INCLUDING CANADIAN, DOMESTIC, TREATY AND OTHER TAX CONSEQUENCES OF SUCH ACQUISITION, OWNERSHIP AND DISPOSITION AND OF POTENTIAL CHANGES IN APPLICABLE TAX LAWS.

RISK FACTORS

There are certain risks inherent in an investment in the Units and in the activities of the Corporation. In addition to the risks described herein, reference is made to the section entitled "*Risk Factors*" and the AIF, which is incorporated herein by reference. Prospective investors should carefully consider, in light of their own financial circumstances, the risk factors set forth in the information incorporated by reference herein and all of the other information contained in this Prospectus (including without limitation the documents incorporated herein by reference) before purchasing any of the securities distributed under this Prospectus. The risks described herein are not the only risks faced by the Corporation and securityholders of the Corporation. Additional risks and uncertainties not currently known to the Corporation, or that the Corporation currently deems immaterial, may also materially and adversely affect its business. The business, financial condition, revenues or profitability of the Corporation could be materially adversely affected by any of the risks set forth in this Prospectus, 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 Prospectus contains forward-looking statements that involve risks and uncertainties. The Corporation'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 the Corporation described below and elsewhere in this Prospectus. See "*Forward-Looking Statements*". No inference should be drawn, nor should an investor place undue importance on, the risk factors that are included in this Prospectus 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.

Risks Related to the Offering and the Corporation

An investment in the Units is speculative

An investment in the Units and the Corporation's prospects generally are speculative due to the risky nature of its business and the present stage of its development. Investors may lose their entire investment and should carefully consider the risk factors described below, under the heading "Risk Factors" in the AIF and in the other documents incorporated by reference herein. The risks described below, in the AIF and in the other documents incorporated by

reference herein, are not the only ones faced by the Corporation. Additional risks not currently known to the Corporation, or that the Corporation currently deems immaterial, may also impair the Corporation's operations. There is no assurance that risk management steps taken will avoid future loss due to the occurrence of the risks described below (or incorporated by reference herein) or other unforeseen risks. If any of the risks described below or in the AIF or in the other documents incorporated by reference herein actually occur, then the Corporation's business, financial condition and operating results could be adversely affected. Investors should carefully consider the risks below and in the Circular and the other information elsewhere in this Prospectus and consult with their professional advisors to assess any investment in the Corporation.

Completion of the Offering

The completion of the Offering remains subject to a number of conditions. There can be no certainty that the Offering will be completed. Failure by the Corporation to satisfy all of the conditions precedent to the Offering would result in the Offering not being completed. If the Offering is not completed, the Corporation may not be able to raise the funds required for the purposes contemplated under "*Use of Proceeds*" from other sources on commercially reasonable terms or at all.

Forward-looking statements may prove to be inaccurate

Investors should not place undue reliance on forward-looking statements. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, of both general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking statements or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate. Additional information on the risks, assumptions and uncertainties can be found in this Prospectus under the heading "*Forward-Looking Statements*".

Future issuances or actual or potential sales of securities

The issuance by the Corporation of Common Shares or other securities convertible into Common Shares could result in significant dilution in the equity interest of existing shareholders and adversely affect the market price of the Common Shares. In addition, in the future, the Corporation may issue additional Common Shares or securities convertible into Common Shares, which may dilute existing shareholders. The Corporation's articles permit the issuance of an unlimited number of Common Shares and an unlimited number of Preferred Shares, and shareholders will have no pre-emptive rights in connection with such further issuances. Also, additional Common Shares may be issued by the Corporation upon the exercise of stock options and upon the exercise or conversion of other securities convertible into Common Shares. The issuance of these additional equity securities may have a similar dilutive effect on then existing holders of Common Shares.

The market price of the Common Shares could decline as a result of future issuances by the Corporation, including issuance of shares issued in connection with strategic alliances, or sales by its existing holders of Common Shares, or the perception that these sales could occur. Sales by shareholders might also make it more difficult for the Corporation to sell equity securities at a time and price that it deems appropriate, which could reduce its ability to raise capital and have an adverse effect on its business.

Negative operating cash flow and going concern

The Corporation has negative cash flow from operating activities and has historically incurred net losses. There is no assurance that sufficient revenues will be generated in the near future. To the extent that the Corporation has negative operating cash flows in future periods, it may need to deploy a portion of its existing working capital to fund such negative cash flows. The Corporation will be required to raise additional funds through the issuance of additional equity securities or through loan financing. There is no assurance that additional capital or other types of financing will be available if needed or that these financings will be on terms at least as favourable to the Corporation as those previously obtained, or at all. The Corporation's ability to successfully raise additional capital and maintain liquidity may be impaired by factors outside of its control, such as a shift in consumer attitudes towards certain therapeutic methods or a downturn in the economy.

Any inclusion in the Corporation's financial statements of a going concern opinion may negatively impact the Corporation's ability to raise future financing and achieve future revenue. The threat of the Corporation's ability to continue as a going concern will be removed only when, in the opinion of the Corporation's auditor, the Corporation's revenues have reached a level that is able to sustain its business operations. If the Corporation is unable to obtain additional financing from outside sources and eventually generate enough revenues, the Corporation may be forced to sell a portion or all of the Corporation's assets, or curtail or discontinue the Corporation's operations. If any of these events happen, you could lose all or part of your investment. The Corporation's financial statements do not include any adjustments to the Corporation's recorded assets or liabilities that might be necessary if the Corporation becomes unable to continue as a going concern.

Discretion over the use of proceeds

The Corporation will have discretion concerning the use of the net proceeds of the Offering as well as the timing of their expenditures, and may apply the net proceeds of the Offering in ways other than as described under "Use of Proceeds". As a result, an investor will be relying on the judgment of the Corporation for the application of the net proceeds of the Offering. The Corporation may use the net proceeds of the Offering in ways that an investor may not consider desirable. The results and the effectiveness of the application of the net proceeds are uncertain. If the net proceeds are not applied effectively, the Corporation's business, prospects, financial position, financial condition or results of operations may suffer.

Unpredictability and volatility of the Common Shares

Publicly-traded securities, such as those of the Corporation, will not necessarily trade at values determined by reference to the underlying value of its business. The prices at which the Common Shares will trade cannot be predicted. The market price of the Common Shares could be subject to significant fluctuations in response to a variety of factors, including the following: actual or anticipated fluctuations in the Corporation's quarterly results of operations; recommendations by securities research analysts; changes in the economic performance or market valuations of companies in the industry in which the Corporation operates; additions or departures by the Corporation's executive officers and other key personnel; significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving the Corporation or its competitors; operating and share price performance of other companies that investors deem comparable to the Corporation; and news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in the Corporation's industry or target markets.

In addition, the securities markets have experienced significant price and volume fluctuations from time to time in recent years that often have been unrelated or disproportionate to the operating performance of particular issuers. These broad fluctuations may adversely affect the market price of the Common Shares. Accordingly, prospective purchasers may not be able to sell their Common Shares at or above the Offering Price.

Conditional approval has not been received to list the Warrants for trading

The Corporation has applied to list the Warrants on the CSE, however approval of the CSE for such listing has not been received and there is currently no public market for the Warrants. There can be no assurance that a secondary market for the Warrants will develop or be sustained after the closing of the Offering. Even if a market develops for the Warrants, there can be no assurance that it will be liquid and that the price of the Warrants will be the same as the price allocated for the Warrants partially comprising the Units.

If an active market for the Warrants does not develop, the liquidity of an investor's investment in the Warrants may be limited and the price may decline below the portion of the offering price allocated to the Warrants.

Warrants are speculative in nature and may not have any value

The Warrants do not confer any rights of Common Share ownership on their holders, such as voting rights or the right to receive dividends, but rather merely represent the right to acquire Common Shares at a fixed price for a limited period of time. Specifically, commencing on the date of issuance, holders of the Warrants may exercise their

right to acquire Common Shares and pay an exercise price of \$5.60 per Common Share, subject to certain adjustments, prior to the date that is eighteen (18) months following the Closing Date, subject to acceleration in certain circumstances, after which date any unexercised Warrants will expire and have no further value. Moreover, following completion of the Offering, the market value of the Warrants, if any, is uncertain and there can be no assurance that the market value of the Warrants will equal or exceed their imputed offering price. There can be no assurance that the market price of the Common Shares will ever equal or exceed the exercise price of the Warrants, and consequently, whether it will ever be profitable for holders of the Warrants to exercise the Warrants.

Limited operating history as a public company

The Common Shares commenced trading on the CSE on October 6, 2020 and therefore the Corporation has a limited operating history as a public company. To operate effectively, the Corporation will be required to continue to implement changes in certain aspects of its business, improve information systems and develop, manage and train management-level and other employees to comply with ongoing public company requirements. Failure to take such actions, or delay in implementation thereof, could adversely affect the business, financial condition, liquidity and results of operations of the Corporation and, more specifically, could result in regulatory penalties, market criticism or the imposition of cease trade orders in respect of the Common Shares.

A Significant Number of Common Shares are owned by a Limited Number of Existing Shareholders

The Corporation's management, directors and employees own a substantial number of the outstanding Common Shares (on a non-diluted and partially-diluted basis). As such, the Corporation's management, directors and employees, as a group, are in a position to exercise influence over matters requiring shareholder approval, including the election of directors and the determination of corporate actions. As well, these shareholders could delay or prevent a change in control of the Corporation that could otherwise be beneficial to the Corporation's shareholders.

Risks Related to the Corporation's Financial Position and Need for Additional Capital

The Corporation expects to incur future losses and may never become profitable

The Corporation has historically incurred losses and expects to incur an operating loss for the year ending March 31, 2020. The Corporation believes that operating losses will continue as it is planning to incur significant costs associated with the expansion of its clinic locations, its research and development initiatives with UWI and the clinical development of FT-104 and other projects. The Corporation's net losses have had and will continue to have an adverse effect on, among other things, shareholders' equity, total assets and working capital. The Corporation expects that losses will fluctuate from quarter to quarter and year to year, and that such fluctuations may be substantial. The Corporation cannot predict when it will become profitable, if at all.

The Corporation will require additional capital to finance its operations, which may not be available to the Corporation on acceptable terms, or at all.

As a clinic operator and service provider and a research and development company, the Corporation expects to spend substantial funds to continue these initiatives. The Corporation will also require significant additional funds if it expands its current clinical plans for FT-104. Therefore, for the foreseeable future, the Corporation will have to fund all of its operations and development expenditures from cash on hand, equity financings, through collaborations with other companies or through financings from other sources. If it does not succeed in raising additional funds on acceptable terms, the Corporation might not be able to complete its planned expansion of its clinic locations, its research and development initiatives with UWI and the clinical development of FT-104 and other projects. It is possible that future financing will not be available or, if available, may not be on favorable terms. The availability of financing will be affected by the achievement of the Corporation's corporate goals, the results of operations, the ability to obtain regulatory approvals (where applicable) and the state of the capital markets generally and with particular reference to psychedelics companies. If adequate funding is not available, the Corporation may be required to delay, reduce or eliminate certain operations, or obtain funds on less favourable terms than the Corporation would otherwise accept. To the extent that external sources of capital become limited or unavailable or available on onerous terms, the

Corporation's intangible assets and its ability to continue its plans may become impaired, and the Corporation's assets, liabilities, business, financial condition and results of operations may be materially or adversely affected.

Risks Related to the Corporation's Business and Industry

Novel Coronavirus

The novel coronavirus commonly referred to as "COVID-19" was identified in December 2019 in Wuhan, China. On January 30, 2020, the World Health Organization declared the outbreak a global health emergency, and on March 11, 2020, the spread of COVID-19 was declared a pandemic by the World Health Organization. The outbreak has spread throughout Europe, the Middle East and North America, causing companies and various international jurisdictions to impose restrictions such as quarantines, business closures and travel restrictions. While these effects are expected to be temporary, the duration of the business disruptions internationally and related financial impact cannot be reasonably estimated at this time. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Corporation and its operating subsidiaries in future periods. However, depending on the length and severity of the pandemic, COVID-19 could impact the Corporation's operations, could cause delays relating to approval from the FDA and equivalent organizations in other countries, could postpone research activities, and could impair the Corporation's ability to raise funds depending on COVID-19's effect on capital markets.

The rapid development of the COVID-19 pandemic and the measures being taken by governments and private parties to respond to it are extremely fluid. While the Corporation has continuously sought to assess the potential impact of the pandemic on its operations, any assessment is subject to extreme uncertainty as to probability, severity and duration. The Corporation has attempted to assess the impact of the pandemic by identifying risks in the following principle areas:

- **Mandatory Closure.** In response to the pandemic, many provinces, states and localities have implemented mandatory shut-downs of business to prevent the spread of COVID-19. In the locations where the Corporation operates or conducts research activity, these activities have been deemed an "essential service", and thus not subject to the mandatory closures applicable to non-essential businesses. It is uncertain what impact COVID-19 will have on the construction of the Corporation's newly leased locations. If required, the Corporation will work with governmental authorities to seek temporary measures that allow it to remain operational, however, there is no guarantee that the Corporation will be permitted to remain operational. The Corporation's ability to generate revenue and meet its milestones could be materially impacted by any shut down of operations or services.
- **Patient Impact.** If its patients or potential patients become ill with COVID-19, they may be forced to quarantine, decide to self-quarantine or not to visit its Clinics to observe "social distancing", it may have a material negative impact patient acquisition and retention as well as revenues while the pandemic continues.
- **Research and Development Disruptions.** The Corporation relies on a third party CMO, CRO and other personnel for its activities related to FT-104 and the Psilocybin Research, respectively. If these third parties are unable to continue operating due to mandatory closures or other effects of the pandemic, it may negatively impact the Corporation's ability to meet its milestones and may significantly delay development. At this time, the Corporation has not experienced any significant disruptions.
- **Staffing Disruption.** The Corporation is, for the time being, implementing among its staff where feasible "social distancing" measures recommended by local authorities. The Corporation has cancelled nonessential travel by employees, implemented remote meetings where possible, and permitted all staff who can work remotely to do so. For those whose duties require them to work

on-site, measures have been implemented to reduce infection risk, such as reducing contact with patients, mandating additional cleaning and hand disinfection and providing masks and gloves to certain personnel. Nevertheless, despite such measures, the Corporation may find it difficult to ensure that its operations remain staffed due to employees falling ill with COVID-19, becoming subject to quarantine, or deciding not to come to work on their own volition to avoid infection.

The Corporation is actively addressing the risk to business continuity represented by each of the above factors through the implementation of a broad range of measures throughout its structure and is re-assessing its response to the COVID-19 pandemic on an ongoing basis. The above risks individually or collectively may have a material impact on the Corporation's ability to generate revenue.

The Corporation has sufficient cash on hand raised via equity financings to fund its operations for the next 18-months and meet its working capital requirements. To date, the Clinics have not been subject to any "lock-down" restrictions as they are medical clinics and deemed an "essential service". It is anticipated that the long-term goals of the Corporation will require additional capital contributions via debt or equity financings. In the event that the impact of COVID-19 worsens and negatively affects capital markets generally, there is a risk that the Corporation may not be able to secure funding for these long-term objectives. See "*Risk Factors*".

Risks associated with failure to achieve its publicly announced milestones according to schedule, or at all

From time to time, the Corporation may announce the timing of certain events it expects to occur, such as the anticipated timing of future clinics becoming operational, research and development updates and results from its trials on FT-104. These statements are forward-looking and are based on the best estimates of management at the time relating to the occurrence of such events. However, the actual timing of such events may differ from what has been publicly disclosed. These variations in timing may occur as a result of different events, beyond the Corporation's control having the effect of delaying the publicly announced timeline. The Corporation undertakes no obligation to update or revise any forward-looking information or statements, whether as a result of new information, future events or otherwise, except as otherwise required by law. Any variation in the timing of previously announced milestones could have a material adverse effect on its business plan, financial condition or operating results and the trading price of the Common Shares.

Risks associated with drug development

Given the early stage of FT Discovery's product development, the Corporation can make no assurance that its research and development programs will result in regulatory approval or commercially viable products. To achieve profitable operations, the Corporation, alone or with others, must successfully develop, gain regulatory approval for, and market its future products. The Corporation currently has no products that have been approved by the FDA, Health Canada or any similar regulatory authority. To obtain regulatory approvals for its product candidates being developed and to achieve commercial success, clinical trials must demonstrate that the product candidates are safe for human use and that they demonstrate efficacy. The Corporation has not yet completed later stage clinical trials for any of its product candidates.

Many product candidates never reach the stage of clinical testing and even those that do have only a small chance of successfully completing clinical development and gaining regulatory approval. Product candidates may fail for a number of reasons, including being unsafe for human use or due to the failure to provide therapeutic benefits equal to or better than the standard of treatment at the time of testing. Unsatisfactory results obtained from a particular study relating to a research and development program may cause the Corporation or its collaborators to abandon commitments to that program. Positive results of early pre-clinical research may not be indicative of the results that will be obtained in later stages of pre-clinical or clinical research. Similarly, positive results from early-stage clinical trials may not be indicative of favourable outcomes in later-stage clinical trials, and the Corporation can make no assurance that any future studies, if undertaken, will yield favourable results.

The early stage of FT Discovery's product development makes it particularly uncertain whether any of its product development efforts will prove to be successful and meet applicable regulatory requirements, and whether any of its product candidates will receive the requisite regulatory approvals, be capable of being manufactured at a

reasonable cost or be successfully marketed. If the Corporation is successful in developing its current and future product candidates into approved products, the Corporation will still experience many potential obstacles, which would affect the Corporation's ability to successfully market and commercialize such approved products, such as the need to develop or obtain manufacturing, marketing and distribution capabilities, price pressures from third-party payors, or proposed changes in health care systems. If the Corporation is unable to successfully market and commercialize any of its products, its financial condition and results of operations may be materially and adversely affected.

The Corporation can make no assurance that any future studies, if undertaken, will yield favorable results. Many companies in the pharmaceutical and biotechnology industries have suffered significant setbacks in later-stage clinical trials after achieving positive results in early-stage development, and the Corporation cannot be certain that it will not face similar setbacks. These setbacks have been caused by, among other things, pre-clinical findings made while clinical trials were underway or safety or efficacy observations made in clinical trials, including previously unreported adverse events. Moreover, pre-clinical and clinical data are often susceptible to varying interpretations and analyses, and many companies that believed their product candidates performed satisfactorily in pre-clinical studies and clinical trials nonetheless failed to obtain FDA approval. If the Corporation fails to produce positive results in its future clinical trials of FT- 104, the development timeline and regulatory approval and commercialization prospects for FT-104, would be materially adversely affected which may have materially adversely impact on the Corporation's business.

Risks related to potential Oregon operations, including access to capital

As result of Measure 109, there is a possibility that the Corporation may choose to expand its operations to the State of Oregon. While any activity in Oregon will be in compliance with laws applicable to Oregon, the decision to pursue operations in Oregon will depend on the regulatory framework established by the state government. There is a possibility that operations of the Corporation that are in compliance with the laws of Oregon could conflict or be in contravention of the federal laws of the United States. In such a circumstance, the Corporation's existing operations in the United States, and any future operations or investments, may become the subject of heightened scrutiny or enforcement by regulators, stock exchanges and other authorities in Canada and the United States. There can be no assurance that this heightened scrutiny will not in turn lead to the imposition of certain restrictions on the Corporation's ability to operate or invest in the United States or any other jurisdiction. While currently the Corporation operates in compliance with applicable laws and as such is not prohibited from sourcing any access public or private capital, in the event that the Corporation's activities in Oregon are in violation of applicable United States federal laws, it may have difficulty accessing the service of banks or sourcing financing on commercially reasonable terms or at all.

Risks related to regulatory changes

In Canada, psilocybin is classified as a Schedule III drug and ketamine as a Schedule I drug under the CDSA. In the United States, psilocybin is classified as a Schedule I drug and ketamine is classified as a Schedule III drug under the CSA. All activities involving such substances by or on behalf of the Corporation are conducted in accordance with applicable federal, provincial, state and local laws. While the Corporation is focused on programs using ketamine and psychedelic inspired compounds, the Corporation does not have any direct or indirect involvement with the illegal selling, production or distribution of any substances in the jurisdictions in which it operates and does not intend to have any such involvement. However, a violation of any applicable laws the jurisdictions in which the Corporation operates could result in significant fines, penalties, administrative sanctions, convictions or settlements arising from civil proceedings initiated by either government entities in the jurisdictions in which the Corporation operates, or private citizens or criminal charges.

Any changes in applicable laws and regulations could have an adverse effect on the Corporation's operations. The psychedelic drug industry is a fairly new industry and the Corporation cannot predict the impact of the ever-evolving compliance regime in respect of this industry. Similarly, the Corporation cannot predict the time required to secure all appropriate regulatory approvals for future products, or the extent of testing and documentation that may, from time to time, be required by governmental authorities. The impact of compliance regimes, any delays in obtaining, or failure to obtain regulatory approvals may significantly delay or impact the development of markets, its business and products, and sales initiatives and could have a material adverse effect on the business, financial condition and operating results of the Corporation.

The success of the Corporation's business is dependent on its activities being permissible under applicable laws and any reform of controlled substances laws or other laws may have a material impact on the Corporation's business and success. There is no assurance that activities of the Corporation will continue to be legally permissible.

The potential reclassification of psilocybin and other psychedelic drugs in the United States could create additional regulatory burdens on our operations and negatively affect our results of operations.

If psilocybin and/or other psychedelic drugs are rescheduled under the CSA as a Schedule II or lower controlled substance (i.e., Schedule III, IV or V), it may materially alter enforcement policies across many federal agencies, primarily the FDA and DEA. The FDA is responsible for ensuring public health and safety through regulation of food, drugs, supplements, and cosmetics, among other products, through its enforcement authority pursuant to the Federal Food, Drug, and Cosmetic Act. The FDA's responsibilities include regulating the ingredients as well as the marketing and labeling of drugs sold in interstate commerce. Since it is currently illegal under federal law to produce and sell psilocybin and psychedelic drugs other than Ketamine and as there are no federally recognized medical uses, the FDA has historically deferred enforcement related to these products to the DEA. If psilocybin and/or other psychedelic drugs were to be rescheduled to a federally controlled, yet legal, substance, the FDA would likely play a more active regulatory role. The DEA would continue to be active in regulating manufacturing, distribution and dispensing of such substances. Multi-agency regulation and enforcement could materially effect the Corporation's costs associated with research and/or therapeutic uses of these substances in its business.

Reliance on drug developers

The Corporation relies and will continue to rely on third parties to conduct a significant portion of its pre-clinical and clinical development activities. Pre-clinical activities include in vivo studies providing access to specific disease models, pharmacology and toxicology studies, and assay development. Clinical development activities include trial design, regulatory submissions, clinical patient recruitment, clinical trial monitoring, clinical data management and analysis, safety monitoring and project management. If there is any dispute or disruption in its relationship with third parties, or if it is unable to provide quality services in a timely manner and at a feasible cost, the Corporation's active development programs will face delays. Further, if any of these third parties fails to perform as the Corporation expects or if their work fails to meet regulatory requirements, the Corporation's testing could be delayed, cancelled or rendered ineffective.

Pre-clinical and clinical development activities must be carried out in accordance with GLP. GLP was originally established by the Organisation for Economic Co-operation and Development to promote the quality and validity of test data and to establish a basis for mutual acceptance of data among member states at the international level. GLP was adopted by both Health Canada and the Standards Council of Canada, which has monitoring authority for GLP compliance of test facilities within Canada, and by the FDA as (Good Laboratory Practice regulations, 21 CFR 58). Labs must adopt these GLP practices to ensure they are producing valuable test results, and each lab has its own set of approaches to staying compliant. If any of these third partner or service provider fails to GLP requirements, the Corporation's pre-clinical and clinical development activities could be delayed, cancelled or rendered ineffective.

Reliance on contract manufacturers

The Corporation has limited manufacturing experience and relies on the CMO to manufacture FT-104 for preclinical studies and clinical trials. The Corporation relies on the CMO for manufacturing, filling, packaging, storing and shipping of FT-104 in compliance with cGMP regulations. There can be no assurances that the CMO will be able to meet the Corporation's timetable and requirements. The Corporation has not contracted with alternate third parties for FT-104 production in the event that the current CMO is unable to scale up production, or if it otherwise experiences any other significant problems. If the Corporation is unable to arrange for alternative third-party manufacturing sources on commercially reasonable terms or in a timely manner, the Corporation may be delayed in the development of FT-104. Further, the CMO must operate in compliance with cGMP and ensure that their appropriate permits and licences remain in good standing and failure to do so could have a material detrimental impact on the Corporation and may adversely affect its profit margins. The CMO is in turn reliant on suppliers for starting materials, some of which have been somewhat difficult to procure, possibly due to heightened activities in psilocybin synthesis/manufacture. The CMO has been partially delayed in obtaining portions of the starting material, however, it has planned to source sufficient amounts to sustain through Phase 1 and possibly Phase 2 clinical trials.

Commercial Grade Development

To date, FT-104 has been manufactured in small quantities for pre-clinical studies. In order to commercialize its product, the Corporation needs to manufacture commercial quality drug supply for use in clinical trials. Most, if not all, of the clinical material used in phase 3/pivotal/registration studies must be derived from the defined commercial process, including scale, manufacturing site, process controls and batch size. If the Corporation has not scaled up and validated the commercial production of its product prior to the commencement of pivotal clinical trials, it may have to employ a bridging strategy during the trial to demonstrate equivalency of early stage material to commercial drug product, or potentially delay the initiation or completion of the trial until drug supply is available. The manufacturing of commercial quality drug product has long lead times, is very expensive and requires significant efforts, including scale-up of production to anticipated commercial scale, process characterization and validation, analytical method validation, identification of critical process parameters and product quality attributes, and multiple process performance and validation runs. If the Corporation does not have commercial drug supply available when needed for pivotal clinical trials, the Corporation's regulatory and commercial progress may be delayed, and it may incur increased product development costs. This may have a material adverse effect on the Corporation's business, financial condition and prospects, and may delay marketing of its product.

Clinical Testing

Before obtaining marketing approval from regulatory authorities for the sale of the Corporation's product candidates, it must conduct pre-clinical studies in animals and extensive clinical trials in humans to demonstrate the safety and efficacy of the product candidates. Clinical testing is expensive and difficult to design and implement, can take many years to complete and has uncertain outcomes. The outcome of pre-clinical studies and early clinical trials may not predict the success of later clinical trials, and interim results of a clinical trial do not necessarily predict final results. A number of companies in the pharmaceutical and biotechnology industries have suffered significant setbacks in advanced clinical trials due to lack of efficacy or unacceptable safety profiles, notwithstanding promising results in earlier trials. The Corporation does not know whether the clinical trials it may conduct will demonstrate adequate efficacy and safety to result in regulatory approval to market any of its product candidates in any jurisdiction. A product candidate may fail for safety or efficacy reasons at any stage of the testing process. A major risk the Corporation faces is the possibility that none of its product candidates under development will successfully gain market approval from the FDA or other regulatory authorities, resulting in the Corporation being unable to derive any commercial revenue from this business segment after investing significant amounts of capital in its development.

The Corporation cannot predict whether any clinical trials will begin as planned, will need to be restructured, or will be completed on schedule, or at all. The Corporation's product development costs will increase if it experiences delays in clinical testing. Significant clinical trial delays could shorten any periods during which the Corporation may have the exclusive right to commercialize its product candidates or allow its competitors to bring products to market before the Corporation, which would impair the Corporation's ability to successfully commercialize its product candidates and may harm its financial condition, results of operations and prospects. The Corporation's product development costs will increase if it experiences delays in testing or approval or if the Corporation needs to perform more or larger clinical trials than planned. Additionally, changes in regulatory requirements and policies may occur, and the Corporation may need to amend study protocols to reflect these changes. Amendments may require the Corporation to resubmit its study protocols for re-examination, which may impact the cost, timing or successful completion of that trial. Delays or increased product development costs may have a material adverse effect on the Corporation's business, financial condition and prospects.

Prior to commencing clinical trials in Canada, the United States or other jurisdictions, including Jamaica, for FT-104 or any other product candidates if developed by the Corporation, it may be required to have an allowed investigational new drug application ("**IND**") (or equivalent) for each product candidate and to file additional INDs prior to initiating any additional clinical trials for FT-104. The Corporation believes that the data from its studies will support the filing of additional INDs to enable the Corporation to undertake additional clinical studies as it has planned. However, submission of an IND (or equivalent) may not result in the FDA (or equivalent authorities) allowing further clinical trials to begin and, once begun, issues may arise that will require the Corporation to suspend or terminate such clinical trials.

Additionally, even if relevant regulatory authorities agree with the design and implementation of the clinical trials set forth in an IND, these regulatory authorities may change their requirements in the future. Failure to submit or have effective INDs (or equivalent) and commence or continue clinical programs will significantly limit its opportunity to generate revenue.

Patients for Clinical Trials

If FT-104 advances from pre-clinical testing to clinical testing, and then through progressively larger and more complex clinical trials, the Corporation will need to enroll an increasing number of patients that meet its eligibility criteria. There is significant competition for recruiting patients in clinical trials, and the Corporation may be unable to enroll the patients it needs to complete clinical trials on a timely basis or at all.

Regulatory Approval Process

The Corporation's development and commercialization activities related to FT-104 or other product candidates are significantly regulated by a number of governmental entities, including the FDA, HC, and comparable authorities in other countries, including Jamaica. Regulatory approvals are required prior to each clinical trial and the Corporation may fail to obtain the necessary approvals to commence or continue clinical testing. The Corporation must comply with regulations concerning the manufacture, testing, safety, effectiveness, labeling, documentation, advertising, and sale of products and product candidates and ultimately must obtain regulatory approval before it can commercialize a product candidate. The time required to obtain approval by such regulatory authorities is unpredictable but typically takes many years following the commencement of pre-clinical studies and clinical trials. Any analysis of data from clinical activities the Corporation performs is subject to confirmation and interpretation by regulatory authorities, which could delay, limit or prevent regulatory approval. Even if the Corporation believes results from its clinical trials are favorable to support the marketing of its product candidates, the FDA or other regulatory authorities may disagree. In addition, approval policies, regulations, or the type and amount of clinical data necessary to gain approval may change during the course of a product candidate's clinical development and may vary among jurisdictions. The Corporation has not obtained regulatory approval for any product candidate and it is possible that none of its existing product candidates or any future product candidates will ever obtain regulatory approval.

A regulatory authority may require more information, including additional pre-clinical or clinical data to support approval, which may delay or prevent approval and the Corporation's commercialization plans, or may cause the Corporation to decide to abandon the development program. If the Corporation were to obtain approval, regulatory authorities may approve any of its product candidates for fewer or more limited indications than the Corporation requests, may grant approval contingent on the performance of costly post-marketing clinical trials, or may approve a product candidate with a label that does not include the labeling claims necessary or desirable for the successful commercialization of that product candidate. Moreover, depending on any safety issues associated with the Corporation's product candidates that garner approval, the FDA may impose a risk evaluation and mitigation strategy, thereby imposing certain restrictions on the sale and marketability of such products

Violations of laws and regulations could result in repercussions

Under the CDSA, ketamine is currently a Schedule I drug and psilocybin is currently a Schedule III drug. Under the CSA, ketamine is currently a Schedule III drug and psilocybin is currently a Schedule I drug. The Corporation's operations are conducted in strict compliance with the laws and regulations regarding its activities with such substances. As such, all facilities engaged with such substances by or on behalf of the Corporation do so under current licenses, permits and approvals, as applicable, issued by appropriate federal, provincial, state and local governmental agencies. While the Corporation is focused on programs using ketamine and psychedelic inspired compounds, the Corporation does not have any direct or indirect involvement with the illegal selling, production or distribution of any substances in the jurisdictions in which it operates and does not intend to have any such involvement. However, a violation of any applicable laws and regulations, such as the CDSA and CSA, or of similar legislation in the jurisdictions in which it operates, including the Netherlands, could result in significant fines, penalties, administrative sanctions, convictions or settlements arising from civil proceedings initiated by either government entities in the jurisdictions in which the Corporation operates, or private citizens or criminal charges. Any such violations could have an adverse effect on the Corporation's operations.

Risks Related to Third Party Relationships

The Corporation has entered into agreements with third parties with respect to its operations. Such relationships could present unforeseen obstacles or costs and may involve risks that could adversely affect the Corporation, including significant amounts of management time that may be diverted from operations in order to pursue and maintain such relationships. There can be no assurance that such third parties will achieve the expected benefits to the Corporation's business or that the Corporation will be able to consummate any future relationships on satisfactory terms, or at all. Any of the foregoing could have a material adverse effect on the Corporation's business, financial condition and results of operations. Any violation of any applicable laws and regulations, such as the CDSA and CSA, or of similar legislation in the jurisdictions in which it operates, could result in such third parties suspend or withdraw their services to the Corporation. The termination or cancellation of any such agreements or the failure of the Corporation and/or the other parties to these arrangements to fulfill their obligations could have a material adverse effect on the Corporation's business, financial condition and results of operations. In addition, disagreements between the Corporation and any of third parties the Corporation contracts could lead to delays or time consuming and expensive legal proceedings, which could have a material adverse effect on the Corporation's business, financial condition and results of operations.

Competitive Conditions

The psychedelic therapy business in Canada is an emerging industry with high levels of competition. The Corporation's current business plan is substantially the establishment of a North American chain of KAP, psychedelic-enhanced psychotherapy and psychedelic-integration psychotherapy clinics. The Corporation expects that, due to the urgent need for new and innovative treatments for mental health conditions and the evidence-based studies showing the impact of psychedelics as a treatment for mental health conditions, psychedelics as a treatment for these conditions will become more accepted in the medical community. As such, the Corporation expects to compete with other similar businesses as well as with individual medical professionals who undertake the prescribing and supervising of psychedelics to their patients. While the Corporation was an early entrant to the psychedelic-enhanced psychotherapy market in Canada, other market participants have emerged. The Corporation expects to face intense competition from new or existing market participants, some of which may have greater financial resources. Increased competition by larger and better financed competitors could materially and adversely affect the business, financial condition and results of operations of the Corporation.

FT Discovery competes in the biotechnology and pharmaceutical industries, which are intensely competitive and subject to rapid and significant technological change. The Corporation's competitors include large, well-established pharmaceutical companies, biotechnology companies, and academic and research institutions developing therapeutics for the same indications the Corporation is targeting. The Corporation is also competing with providers of existing marketed therapies. Many of the Corporation's competitors have substantially greater financial, technical and human resources and have significantly greater experience in conducting pre-clinical testing and human clinical trials of product candidates, scaling up manufacturing operations and obtaining regulatory approvals of products. Accordingly, the Corporation's competitors may succeed in obtaining regulatory approval for products more rapidly.

Negative results from clinical trials or studies of others and adverse safety events involving psychedelics may have an adverse impact on the Corporation's future commercialization efforts

From time to time, studies or clinical trials on various aspects of psychedelics may be conducted by academic researchers, competitors or others. The results of these studies or trials, when published, may have a significant effect on the marketability of the substance that is the subject of the study. The publication of negative results of studies or clinical trials, or the occurrence of adverse safety events related to psychedelics could adversely affect the Corporation's clinical operations, research, share price and ability to finance future operations.

The Corporation heavily relies on the capabilities and experience of its key executives and scientists and the loss of any of them could have a material adverse impact on the Corporation

The loss of the Corporation's executive officers or other key members of the Corporation's staff, could harm the Corporation. The Corporation also depends on its scientific and clinical collaborators and advisors, all of whom have outside commitments that may limit their availability to the Corporation. In addition, the Corporation believes

that its future success will depend in large part upon its ability to attract and retain highly skilled scientific, managerial, medical, manufacturing, clinical and regulatory personnel, particularly as the Corporation expands its operations. The Corporation enters into agreements with its scientific and clinical collaborators and advisors, key opinion leaders and academic partners in the ordinary course of its business. The Corporation also enters into agreements with physicians in the ordinary course of its business. Notwithstanding these arrangements, the Corporation faces significant competition for these types of personnel from other companies, research and academic institutions, government entities and other organizations. The Corporation cannot predict its success in hiring or retaining the personnel it requires for continued growth. The loss of the services of any of the Corporation's executive officers or other key personnel could potentially harm its business, operating results or financial condition.

The Corporation's employees may engage in misconduct or other improper activities, including noncompliance with regulatory standards and requirements, which could have a material adverse effect on its business

The Corporation is exposed to the risk of employee fraud or other misconduct. Misconduct by employees could include failures to comply with applicable regulations, provide accurate information to the governmental authorities, comply with protocol and standards the Corporation has established, comply with federal, provincial, state and local laws, healthcare, fraud and abuse laws and regulations, report financial information or data accurately or disclose unauthorized activities to the Corporation. In particular, sales, marketing and business arrangements in the healthcare industry are subject to extensive laws and regulations intended to prevent fraud, kickbacks, self-dealing, and other abusive practices. These laws and regulations may restrict or prohibit a wide range of pricing, discounting, marketing and promotion, sales commission, customer incentive programs and other business arrangements. Employee misconduct could also involve the improper use of information obtained in the course of clinical trials, which could result in regulatory sanctions and serious harm to the Corporation's reputation. If any such actions are instituted against the Corporation, and the Corporation is not successful in defending itself or asserting its rights, those actions could have a substantial impact on the Corporation's business and results of operations, including the imposition of substantial fines or other sanctions.

The Corporation may expand its business through the acquisition of companies or businesses or by entering into collaborations, each of which could disrupt the Corporation's business and harm its financial condition

The Corporation has in the past and may in the future seek to expand its pipeline and capabilities by acquiring one or more companies or businesses or entering into collaborations. Acquisitions and collaborations involve numerous risks, including, but not limited to: substantial cash expenditures; technology development risks; potentially dilutive issuances of equity securities; incurrence of debt and contingent liabilities, some of which may be difficult or impossible to identify at the time of acquisition; difficulties in assimilating the operations of the acquired companies; potential disputes regarding contingent consideration; diverting the Corporation's management's attention away from other business concerns; entering markets in which the Corporation has limited or no direct experience; and potential loss of the Corporation's key employees or key employees of the acquired companies or businesses.

The Corporation's management has experience in making acquisitions and entering collaborations; however, the Corporation cannot provide assurance that any acquisition or collaboration will result in short-term or long-term benefits to it. The Corporation may incorrectly judge the value or worth of an acquired company or business. In addition, the Corporation's future success would depend in part on its ability to manage the rapid growth associated with some of these acquisitions and collaborations. The Corporation cannot provide assurance that it would be able to successfully combine its business with that of acquired businesses or manage a collaboration. Furthermore, the development or expansion of the Corporation's business may require a substantial capital investment by the Corporation.

The Corporation faces the risk of product liability claims, which could exceed its insurance coverage and produce recalls, each of which could deplete the Corporation's cash resources

If and when the Corporation develops any product, including FT-104, if ever developed, it would be exposed to the risk of product liability claims alleging that use of its product caused an injury or harm. These claims can arise at any point in the development, testing, manufacture, marketing or sale of a product and may be made directly by patients involved in clinical trials of its product candidates, by consumers or healthcare providers or by individuals,

organizations or companies selling its products. Product liability claims can be expensive to defend, even if the product or product candidate did not actually cause the alleged injury or harm.

Insurance covering product liability claims becomes increasingly expensive as a product moves through the development pipeline to commercialization. The Corporation currently maintains what it views as sufficient liability insurance coverage for its current operations; however, there can be no assurance that such insurance coverage is or will continue to be adequate or available to the Corporation at a cost acceptable to it or at all. The Corporation may choose or find it necessary to increase its insurance coverage in the future. The Corporation may not be able to secure greater or broader product liability insurance coverage on acceptable terms or at reasonable costs when needed. Any liability for damages resulting from a product liability claim could exceed the amount of its coverage, require the Corporation to pay a substantial monetary award from its own cash resources and have a material adverse effect on its business, financial condition and results of operations. Moreover, a product recall, if required, could generate substantial negative publicity about its products and business, inhibit or prevent commercialization of other products and product candidates or negatively impact existing or future collaborations.

Intellectual Property

Failure to obtain or register trademarks used or proposed to be used in the Corporation's business could require the Corporation to rebrand, resulting in a material adverse impact on its business. If the Corporation is unable to register or, if registered, maintain effective patent rights for its product candidates, the Corporation may not be able to effectively compete in the market. If the Corporation is not able to protect its proprietary information and know-how, such proprietary information may be used by others to compete against the Corporation. The Corporation may not be able to identify infringements of its patents (if and when granted), and, accordingly, the enforcement of its intellectual property rights may be difficult. Once such infringements are identified, enforcement could be costly and time consuming. Third party claims of intellectual property infringement, whether or not reasonable, may prevent or delay the Corporation's development and commercialization efforts.

The Corporation's success will depend in part upon its ability to protect its intellectual property and proprietary technologies and upon the nature and scope of the intellectual property protection the Corporation receives. The ability to compete effectively and to achieve partnerships will depend on its ability to develop and maintain proprietary aspects of the Corporation's technology and to operate without infringing on the proprietary rights of others. The presence of such proprietary rights of others could severely limit its ability to develop and commercialize its products and to conduct its existing research, and could require financial resources to defend litigation, which may be in excess of the Corporation's ability to raise such funds. There is no assurance that the Corporation's patent applications submitted or those that it intends to acquire will be approved in a form that will be sufficient to protect its proprietary technology and gain or keep any competitive advantage that the Corporation may have or, once approved, will be upheld in any post-grant proceedings brought by any third parties.

The patent positions of pharmaceutical companies can be highly uncertain and involve complex legal, scientific and factual questions for which important legal principles remain unresolved. Patents issued to the Corporation may be challenged, invalidated or circumvented. To the extent the Corporation's intellectual property offers inadequate protection, or is found to be invalid or unenforceable, the Corporation will be exposed to a greater risk of direct competition. If its intellectual property does not provide adequate protection against the Corporation's competitors, its competitive position could be adversely affected, as could the Corporation's business, financial condition and results of operations. Both the patent application process and the process of managing patent disputes can be time consuming and expensive, and the laws of some foreign countries may not protect the Corporation's intellectual property rights to the same extent as do the laws of Canada and the United States. The Corporation will be able to protect its intellectual property from unauthorized use by third parties only to the extent that its proprietary technologies, key products, and any future products are covered by valid and enforceable intellectual property rights, including patents, or are effectively maintained as trade secrets, and provided the Corporation has the funds to enforce its rights, if necessary.

The Corporation may require additional third-party licenses to effectively develop and manufacture its key products and is currently unable to predict the availability or cost of such licenses

A substantial number of patents have already been issued to other biotechnology and pharmaceutical companies. To the extent that valid third-party patent rights cover any future products or services, the Corporation would be required to seek licenses from the holders of these patents in order to manufacture, use or sell these products and services, and payments under them would reduce the Corporation's profits from these products and services. The Corporation is currently unable to predict the extent to which it may wish or be required to acquire rights under such patents, the availability and cost of acquiring such rights, and whether a license to such patents will be available on acceptable terms or at all. There may be patents in Canada, the United States or in foreign countries or patents issued in the future that are unavailable to license on acceptable terms. The Corporation's inability to obtain such licenses may hinder or eliminate its ability to manufacture and market its products.

Changes in patent law and its interpretation could diminish the value of patents in general, thereby impairing the Corporation's ability to protect its product candidates

The Corporation is dependent on intellectual property rights, particularly patents. Obtaining and enforcing patents in the biopharmaceutical industry involves technological and legal complexity, and obtaining and enforcing biopharmaceutical patents is costly, time consuming and inherently uncertain. The U.S. Supreme Court has ruled on several patent cases in recent years, either narrowing the scope of patent protection available in certain circumstances or weakening the rights of patent owners in certain situations. In addition to increasing uncertainty with regard to the Corporation's ability to obtain patents in the future, this combination of events has created uncertainty with respect to the value of patents, once obtained. Depending on decisions by the U.S. Congress, the federal courts, and the USPTO the laws and regulations governing patents could change in unpredictable ways that would weaken the Corporation's ability to obtain new patents or to enforce existing patents and patents.

Litigation regarding patents, patent applications, and other proprietary rights may be expensive, time consuming and cause delays in the development and manufacturing of FT-104

The pharmaceutical industry is characterized by extensive patent litigation. Other parties may have patents that allege that Corporation's patent application infringes upon existing patents. Such proceedings could result in adverse decisions regarding: the patentability of FT-104; and the enforceability, validity, or scope of protection offered to FT-104. If the Corporation is unable to avoid infringing the patent rights of others, the Corporation may be required to seek a license, defend an infringement action, or challenge the validity of the patents in court. Regardless of the outcome, patent litigation is costly and time consuming. In some cases, the Corporation may not have sufficient resources to bring these actions to a successful conclusion. In addition, if the Corporation does not obtain a license, develop or obtain non-infringing technology, fail to defend an infringement action successfully or have infringed patents declared invalid, the Corporation may incur substantial monetary damages, encounter significant delays in bringing its key products to market and be precluded from the manufacture, use or sale of FT-104. Even if the Corporation is successful in these proceedings, it may incur substantial costs and divert management time and attention in pursuing these proceedings, which could have a material adverse effect on the Corporation.

The Corporation's reliance on third parties requires it to share its trade secrets, which increases the possibility that a competitor will discover them

Because the Corporation relies on third parties at its Clinics, including patients and employees, and in relation to FT-104, it must share trade secrets with them. The Corporation seeks to protect its proprietary technology in part by entering into confidentiality agreements and other similar agreements prior to disclosing proprietary information. These agreements typically restrict the ability to publish data potentially relating to its trade secrets. The Corporation's academic and clinical collaborators typically have rights to publish data, provided that the Corporation is notified in advance and may delay publication for a specified time in order to secure intellectual property rights arising from the collaboration. In other cases, publication rights are controlled exclusively by the Corporation, although in some cases the Corporation may share these rights with other parties. The Corporation may also conduct joint research and development programs which may require the Corporation to share trade secrets under the terms of research and development collaborations or similar agreements. Despite its efforts to protect its trade secrets, the Corporation's competitors may discover its trade secrets, either through breach of these agreements, independent development or publication of information including its trade secrets in cases where the Corporation does not have proprietary or otherwise protected rights at the time of publication. A competitor's discovery of the Corporation's trade secrets may impair its competitive position and could have a material adverse effect on its business and financial condition.

Risks relating to CPOM Laws

Many states prohibit or otherwise regulate under the CPOM doctrine the extent to which non-licensed personnel may be involved in the practice of medicine or otherwise employ licensed personnel. Related state rules further limit the extent to which fees for professional services may be shared or “split” between parties. In connection with the Field Trip Clinic line of business, such rules in some states may impact the Corporation’s relationship with the Medical doctors who own the Professional Corporations through which therapy is delivered. The Corporation is structuring its financial and billing relationships with such Professional Corporations to be in compliance with applicable state rules. Failure to comply with state CPOM and fee splitting rules, however, may result in fines and other liabilities, which may adversely affect the Professional Corporation’s business, financial condition and results of operations.

Any failure to comply with all applicable federal and state anti-kickback laws may result in fines and other liabilities, which may adversely affect the Corporation’s results of operations and reputation

The anti-kickback statute (“AKS”) applies to Medicare and other state and federal programs. AKS prohibits the solicitation, offer, payment or receipt of remuneration in return for referrals or the purchase, or in return for recommending or arranging for the referral or purchase, of goods covered by the federal health care programs. The AKS is a criminal statute with criminal penalties, as well as potential civil and administrative penalties. The AKS, however, provides a number of statutory exceptions and regulatory “safe harbors” for particular types of transactions. At present, neither the Corporation nor the Clinics participate in any federal programs as their services are not reimbursed by Medicare, Medicaid or any other state or federal program. Many states have similar fraud and abuse laws and their own anti-kickback laws, some of which can apply to all payors, and not just governmental payors. While the Corporation believes that it is in material compliance with both federal and state AKS laws, if it were determined that the Corporation was not in compliance with the AKS, it could be subject to liability, and its operations could be curtailed, which could have a material adverse effect on its business, financial condition and results of operations. Moreover, if the activities of Professional Corporation with which the Company has a business relationship were found to constitute a violation of the AKS and the Corporation, as a result of the provision of products or services to such Professional Corporations, were found to have knowingly participated in such activities, the Corporation could be subject to sanctions or liability under such laws, including civil and/or criminal penalties, as well as exclusion from government health programs. As a result of exclusion from government health programs, neither products nor services could be provided to any beneficiaries of any federal healthcare program.

Emerging Market Risks

The Corporation has operations in Jamaica, an emerging market country, and may have operations in additional emerging markets in the future. Such operations expose the Corporation to the socio-economic conditions as well as the laws governing the activities of the Corporation in Jamaica and any other jurisdiction where the Corporation may have operations in the future. Inherent risks with conducting foreign operations include, but are not limited to: high rates of inflation; extreme fluctuations in currency exchange rates, military repression; war or civil war; social and labour unrest; organized crime; hostage taking; terrorism; violent crime; expropriation and nationalization; renegotiation or nullification of existing licenses, approvals, permits and contracts; changes in taxation policies; restrictions on foreign exchange and repatriation; and changing political norms, banking and currency controls and governmental regulations that favour or require the Corporation to award contracts in, employ citizens of, or purchase supplies from, the jurisdiction.

The Jamaican government, or other governments in emerging markets where the Corporation may have operations in the future, may intervene in its economies, sometimes frequently, and occasionally make significant changes in policies and regulations. Changes, if any, in the research, cultivation and development of psilocybin mushroom and other botanicals policies or shifts in political attitude in Jamaica or other countries where the Corporation may have operations in the future may adversely affect its operations or profitability. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, importation of product and supplies, income and other taxes, royalties, the repatriation of profits, expropriation of property, foreign investment, maintenance of licenses, approvals and permits, environmental matters, land use, land claims of local people, water use and workplace safety. Failure to comply strictly with applicable laws, regulations and local practices could materially impact the Corporation's

operations in Jamaica or other countries where the Corporation may have operations in the future. The Corporation continues to monitor developments and policies in Jamaica to assess the impact thereof to its operations or future operations; however, such developments cannot be predicted and could have an adverse effect on the Corporation's operations in Jamaica.

Jamaica has a history of economic instability (such as inflation or recession). In 2013, Jamaica launched an ambitious reform program to stabilize the economy, reduce debt, and fuel growth, gaining national and international support. While there is no current political instability, and historically there has been no change in laws and regulations, this is subject to change in the future and could adversely affect the Corporation's business, financial condition and results of operations. Jamaica is vulnerable to natural disasters such as hurricanes and flooding and the effects of climate change. It is an upper middle-income economy that is nevertheless struggling due to low growth, high public debt, and exposure to external shocks.

Global economic crises could negatively affect investor confidence in emerging markets or the economies of emerging markets, including Jamaica. Such events could materially and adversely affect the Corporation's business, financial condition and results of operations.

Financial and securities markets in Jamaica are influenced by the economic and market conditions in other countries, including other emerging market countries and other global markets. Although economic conditions in these countries may differ significantly from economic conditions in Jamaica, investors' reactions to developments in these other countries, such as the recent developments in the global financial markets, may substantially affect the capital flows into Jamaica and the market value of the securities of the Corporation. Due to the Corporation's Jamaican subsidiary being a foreign entity, an investor's ability to exercise statutory rights and remedies under Canadian laws against it may be limited.

The legal and regulatory requirements and local business culture and practices in Jamaica and the foreign countries in which the Corporation may expand are different from those in which it currently operates. The officers and directors of the Corporation will rely, to a great extent, on the Corporation's local legal counsel and local consultants and advisors in respect of legal, banking, labour, financing and tax matters in order to ensure compliance with material legal, regulatory and governmental developments as they pertain to and affect the Corporation's operations, particularly with respect to psilocybin or related operations. Increased compliance costs may be incurred by the Corporation. Further, there can be no assurance that the Corporation will develop a marketable product or service in Jamaica or any other foreign country. These factors may have a material adverse effect on the Corporation's research and development business and the results of its research and development operations.

In the event of a dispute arising in connection with the Corporation's operations in Jamaica or another a foreign jurisdiction where the Corporation may conduct business, the Corporation may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdictions of the courts of Canada or enforcing Canadian judgments in such other jurisdictions. The Corporation may also be hindered or prevented from enforcing its rights with respect to a governmental instrumentality because of the doctrine of sovereign immunity. Accordingly, the Corporation's activities in foreign jurisdictions could be substantially affected by factors beyond the Corporation's control.

Other risks include the potential for fraud and corruption by suppliers or personnel or government officials which may implicate the Corporation, compliance with applicable anti-corruption laws, including the Corruption of Foreign Public Officials Act (Canada) by virtue of the Corporation's operating in jurisdictions that may be vulnerable to the possibility of bribery, collusion, kickbacks, theft, improper commissions, facilitation payments, conflicts of interest and related party transactions and the Corporation's possible failure to identify, manage and mitigate instances of fraud, corruption, or violations applicable regulatory requirements.

The Board has effective control over the Corporation's Jamaican subsidiary in that it is wholly-owned and thus has the ability to pass all shareholder resolutions with respect thereof and can cause it to distribute dividends, subject to requirements of local laws. The Corporation does not believe that it faces any material risks outside of the normal course with respect to its corporate structure. The directors and executive officers of the Corporation's Jamaican subsidiary are also directors and officers of the Corporation, which allows the Corporation to exercise a level of control over the Jamaican subsidiary. To mitigate risk when operating in Jamaica, the Corporation may, in

part, engage local counsel and/or consultants to advise on applicable regulatory and/or operational matters, as applicable, and it is anticipated that the Corporation's personnel will visit local operations as required to maintain regular involvement in such operations. No material language barriers exist. The books and records of the Jamaican subsidiary are maintained by it as well as by the Corporation such that there are no access restrictions to such books and records by the Corporation.

The Board has effective control over the Corporation's Jamaican subsidiary in that it is wholly-owned and thus has the ability to pass all shareholder resolutions with respect thereof and can cause it to distribute dividends, subject to requirements of local laws. The Corporation does not believe that it faces any material risks outside of the normal course with respect to its corporate structure. The directors and executive officers of the Corporation's Jamaican subsidiary are also directors and officers of the Corporation, which allows the Corporation to exercise a level of control over the Jamaican subsidiary. To mitigate risk when operating in Jamaica, the Corporation may, in part, engage local counsel and/or consultants to advise on applicable regulatory and/or operational matters, as applicable, and it is anticipated that the Corporation's personnel will visit local operations as required to maintain regular involvement in such operations. No material language barriers exist. The books and records of the Jamaican subsidiary are maintained by it as well as by the Corporation such that there are no access restrictions to such books and records by the Corporation.

Enforcement of legal rights in foreign jurisdictions

In the event of a dispute arising from the Corporation's foreign operations, the Corporation may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdictions of courts in Canada. Similarly, to the extent that the Corporation's assets are located outside of Canada, investors may have difficulty collecting from the Corporation any judgments obtained in the Canadian courts and predicated on the civil liability provisions of securities laws. The Corporation may also be hindered or prevented from enforcing its rights with respect to a governmental entity or instrumentality because of the doctrine of sovereign immunity.

The Corporation is exposed to foreign exchange risk due to its operations in a variety of jurisdictions

The Corporation may be adversely affected by foreign currency fluctuations. The Corporation has operations in Canada, the United States, Jamaica and the Netherlands. Also, a significant portion of its expenditures are in other currencies, and the Corporation is therefore subject to foreign currency fluctuations which may, from time to time, impact its financial position and results of operations.

Risks Related to the Corporation's Common Shares

Inadequate internal controls may result in reporting failure

If the Corporation fails to maintain an effective system of internal controls, the Corporation might not be able to report its financial results accurately or prevent misstatement; and in that case, the Corporation's shareholders could lose confidence in its financial reporting, which would harm its business and could negatively impact the value of its shares. While the Corporation believes that it has sufficient personnel and review procedures to allow it to maintain an effective system of internal controls, there can be no assurance that the Corporation will always successfully detect misstatements or implement necessary improvements in a timely fashion.

There is no assurance of an active or liquid market

No assurance can be given that an active or liquid trading market for the Common Shares will be sustained. If an active or liquid market for the Common Shares fails to be sustained, the prices at which such securities trade may be adversely affected. Whether or not the Common Shares will trade at lower prices depends on many factors, including the liquidity of the Common Shares, prevailing interest rates, the markets for similar securities, general economic conditions and the Corporation's financial condition, historic financial performance and future prospects.

Public markets and share prices

The market price of the Common Shares on the CSE could be subject to significant fluctuations in response to variations in the Corporation's operating results or other factors. In addition, fluctuations in the stock market may adversely affect the market price of the Common Shares that may become listed and posted for trading on the CSE or any other stock exchange regardless of the operating performance of the Corporation. Securities markets have also experienced significant price and volume fluctuations from time to time. In some instances, these fluctuations have been unrelated or disproportionate to the operating performance of issuers. Market fluctuations may adversely impact the market price of the Common Shares.

Additional issuances and dilution

The Corporation may issue and sell additional securities to finance its operations. The Corporation cannot predict the size or type of future issuances of its securities or the effect, if any, that future issuances and sales of securities will have on the market price of any of its securities issued and outstanding from time to time. Sales or issuances of substantial amounts of the Corporation's securities, or the perception that such sales could occur, may adversely affect prevailing market prices for the Corporation's securities issued and outstanding from time to time. With any additional sale or issuance of the Corporation's securities, holders will suffer dilution with respect to voting power and may experience dilution in the Corporation's earnings per share.

AUDITOR AND TRANSFER AGENT

The Corporation's independent auditor is MNP LLP ("MNP"), at its office located at 3-139 Northfield Drive West, Waterloo, ON N2L 5A6. MNP is independent with respect to the Corporation within the code of professional conduct of the Chartered Professional Accountants of Ontario.

The former independent auditor of the Corporation (previously existing as Newton Energy Corporation) was DeVisser Gray LLP ("DG") at its office located at 401-905 West Pender Street, Vancouver, BC V6C 1L6. DG was independent to the Corporation (previously existing as Newton Energy Corporation) within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulation.

The transfer agent and registrar for the Common Shares is Computershare Trust Company of Canada at its principal office in Calgary, Alberta.

INTEREST OF EXPERTS

Certain legal matters relating to the Offering will be passed upon on behalf of the Corporation by Bennett Jones LLP and on behalf of the Underwriters by Borden Ladner Gervais LLP. As of the date of this Prospectus (i) the partners and associates of Bennett Jones LLP, beneficially own, directly or indirectly, less than 1% of the outstanding securities of the Corporation; and (ii) the partners and associates of Borden Ladner Gervais LLP, beneficially own, directly or indirectly, less than 1% of the outstanding securities of the Corporation.

PURCHASERS' STATUTORY RIGHTS

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal advisor.

In an offering comprising warrants (including the Warrants underlying the Units and the Over-Allotment Units), purchasers are cautioned that the statutory right of action for damages for a misrepresentation contained in the prospectus is limited, in certain provincial securities legislation, to the price at which the warrants (including the Warrants comprising part of the Units and the Over-Allotment Units) are offered to the public under the prospectus offering. This means that, under the securities legislation of certain provinces, if the purchaser pays additional amounts upon conversion, exchange or exercise of the security, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of this right of action for damages or consult with a legal adviser.

CERTIFICATE OF THE CORPORATION

Dated: December 15, 2020

This short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces of Canada, other than Québec.

(Signed) “*Joseph del Moral*”

(Signed) “*Donna Wong*”

Joseph del Moral
Chief Executive Officer

Donna Wong
Chief Financial Officer

On behalf of the Board of Directors

(Signed) “*Ronan Levy*”

(Signed) “*Hannan Fleiman*”

Ronan Levy
Director

Hannan Fleiman
Director

CERTIFICATE OF THE UNDERWRITERS

Dated: December 15, 2020

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces of Canada, other than Québec.

STIFEL NICOLAUS CANADA INC.

(Signed) “*Harris Fricker*”

Harris Fricker
President

CANACCORD GENUITY CORP.

(Signed) “*Graham Saunders*”

Graham Saunders
Head of Capital Markets Origination

BLOOM BURTON SECURITIES INC.

(Signed) “*Jolyon Burton*”

Jolyon Burton
President and Head of Investment Banking

EIGHT CAPITAL

(Signed) “*Elizabeth Staltari*”

Elizabeth Staltari
Managing Director, Investment Banking