FORM 5

QUARTERLY LISTING STATEMENT

Name of Listed Issuer: Aion Therapeutic Inc. (the "Issuer").

Trading Symbol: AION

SCHEDULE A: FINANCIAL STATEMENTS

The unaudited condensed interim consolidated financial statements for the three and nine months ended January 31, 2022, and 2021 are attached as Schedule "A".

SCHEDULE B: SUPPLEMENTARY INFORMATION

1. Related party transactions

See Note 11 of Schedule "A".

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

See Note 10 of Schedule "A".

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

See Note 10 of Schedule "A".

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

Dr. Stephen Barnhill – Director and Executive Chair
Graham Simmonds – Director, CEO and Executive Vice Chair
Paul Crath – Director and Lead Independent Director
Larry Horwitz – Director
Rosy Mondin – Director
Sara Lee Irwin – Director
Dr. Anthony Hall – Director
Rakesh Malhotra - CFO

SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS

Management's discussion and analysis for the three and nine months ended January 31, 2022, are attached as Schedule "C".

Certificate Of Compliance

The undersigned hereby certifies that:

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

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

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

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

Dated April 1, 2022.

Graham Simmonds
Name of Director or Senior Officer

(Graham Simmonds) "signed"
Signature

CEO
Official Capacity

Issuer Details Name of Issuer Aion Therapeutic Inc.	For Quarter Ended January 31, 2022	Date of Report YY/MM/DD 22/04/01
Issuer Address 45 Sheppard Avenue East, Suite 703		
City/Province/Postal Code Toronto, Ontario, M2N 5W9	Issuer Fax No. N/A	Issuer Telephone No. (416) 843-2881
Contact Name Graham Simmonds	Contact Position CEO	Contact Telephone No. (416) 843-2881
Contact Email Address graham.simmonds@aiontherapeutic.com	Web Site Address www.aiontherapeutic.com	

SCHEDULE "A"

AION THERAPEUTIC INC.

(formerly, Osoyoos Cannabis Inc.)

Unaudited Condensed Interim Consolidated Financial Statements

For the Three and Nine Months Ended January 31, 2022 and 2021

AION THERAPEUTIC INC.
(formerly, Osoyoos Cannabis Inc.)

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AION THERAPEUTIC INC.

(formerly, Osoyoos Cannabis Inc.)

NOTICE TO READER

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

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these unaudited condensed consolidated interim financial statements.

April 1, 2022

Aion Therapeutic Inc.
(formerly, Osoyoos Cannabis Inc.)
Consolidated Statements of Financial Position
As at January 31, 2022 and April 30, 2021
(Unaudited - Expressed in Canadian Dollars)

	Notes	January 31, 2022	April 30, 2021
Assets			
Current assets:			
Cash and cash equivalents		$ 1,853	$ 239,829
GST and HST receivable		126,048	-
Deferred costs		17,500	17,500
Prepaid expenses and deposits		168,137	217,363
		313,538	474,692
Property and equipment	5	1,000,000	500,000
Right-of-use asset	14	-	63,811
Other receivable	7	-	565,000
Total assets		$ 1,313,538	$ 1,603,503
Liabilities and shareholders' equity (deficiency)			
Current liabilities:			
Accounts payable and accrued liabilities		$ 1,387,877	$ 625,855
GST and HST payable		-	13,653
Lease liabilities	15	-	66,531
Loans payable	8	643,799	-
Convertible debentures		-	500,000
		2,031,676	1,206,039
Shareholders' equity (deficiency)			
Share capital	10	14,705,096	13,256,419
Contributed surplus		281,816	281,816
Warrant reserve		653,404	640,854
Share-based payment reserve		1,597,354	1,597,354
Share subscriptions pending allotment		-	375,000
Equity portion of convertible debentures	9	109,670	109,670
Accumulated other comprehensive income		136,232	138,504
Accumulated deficit		(18,201,710)	(16,002,153)
Total shareholders' equity (deficiency)		(718,138)	397,464
Total liabilities and shareholders' equity (deficiency)		$ 1,313,538	$ 1,603,503
Nature of Operations and Going Concern	1		
Contingencies and Commitments	13		

Approved by the Board of Directors on April 1, 2022.

"Graham Simmonds" (signed), Director "Paul Crath" (signed), Director

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

Aion Therapeutic Inc.
(formerly, Osoyoos Cannabis Inc.)
Consolidated Statements of Loss and Comprehensive Loss
For the Three and Nine Months Ended January 31, 2022 and 2021
(Unaudited - Expressed in Canadian Dollars)

	Notes	**Three months ended January 31, 2022**	Three months ended January 31, 2021	**Nine months ended January 31, 2022**	Nine months ended January 31, 2021
Expenses					
Accretion	9	$ **-**	$ 10,555	$ **-**	$ 62,351
Amortization of right-of-use assets		**17,485**	24,797	**63,680**	104,916
Bad debt		**-**	-	**-**	18,500
Consulting fees	11	**160,795**	288,553	**562,479**	802,394
Foreign exchange loss		**10,336**	20,381	**14,830**	17,255
Insurance		**37,500**	22,500	**70,674**	73,500
Interest expense		**25,319**	26,279	**45,976**	82,513
Investor relations		**42,500**	36,249	**218,837**	85,692
License fees		**-**	19,607	**-**	45,593
Management fees	11	**60,000**	95,928	**181,500**	227,348
Office, administration and miscellaneous		**7,715**	12,969	**126,593**	126,395
Professional fees		**-**	23,342	**53,912**	119,451
Rent		**20,988**	-	**91,079**	-
Share-based compensation	10,11	**-**	-	**-**	83,075
Transfer agent and regulatory fees		**4,247**	4,669	**38,205**	21,310
		(386,885)	(585,829)	**(1,467,765)**	(1,870,293)
Gain on assignment of lease		**-**	-	**-**	23,659
Impairment of assets held for sale		**-**	(505,600)	**-**	(505,600)
Impairment of property and equipment		**-**	(505,600)	**-**	(505,600)
Impairment of intangible assets	6	**(263,850)**	-	**(731,792)**	-
Impairment of leasehold improvements		**-**	-	**-**	(143,711)
Net loss for the period		**$ (650,735)**	$ (1,597,029)	**$ (2,199,557)**	$ (3,001,545)
Loss per share – basic and diluted		**$ (0.005)**	$ (0.015)	**$ (0.016)**	$ (0.035)
Weighted average number of common shares outstanding – basic and diluted		**141,799,269**	109,442,809	**139,274,727**	85,956,939
Net loss for the period		**$ (650,735)**	$ (1,597,029)	**$ (2,199,557)**	$ (3,001,545)
Foreign exchange translation adjustment		**(4,435)**	4,629	**(2,272)**	1,097
Comprehensive loss for the period		**$ (655,170)**	$ (1,592,400)	**$ (2,201,829)**	$ (3,000,448)

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

Aion Therapeutic Inc.
(formerly, Osoyoos Cannabis Inc.)
Consolidated Statement of Changes in Shareholders' Equity (Deficiency)
For the Nine Months Ended January 31, 2022 and 2021
(Unaudited - Expressed in Canadian Dollars)

	Number of common shares outstanding	Share capital	Subscriptions received in advance	Contributed surplus	Warrant reserve	Share-based compensation reserve	Equity portion of convertible debentures	Accumulated deficit	Accumulated other comprehensive income	Shareholders' equity (deficiency)
Balance as of April 30, 2020	**36,681,824**	**$ 7,725,860**	**-**	**$ 281,816**	**$ 623,521**	**$ 1,145,753**	**$ 94,304**	**$ (7,737,005)**	**$ -**	**$ 2,134,249**
Share-based compensation	-	-	-	-	-	81,705	-	-	-	81,705
Issuance of warrants for services	-	-	-	-	-	1,370	-	-	-	1,370
Acquisition of subsidiary	36,000,000	2,520,000	-	-	-	-	-	-	-	2,520,000
Issuance of units for private placement	20,208,340	1,010,417	-	-	-	-	-	-	-	1,010,417
Share issuance costs - cash	-	(23,674)	-	-	-	-	-	-	-	(23,674)
Issuance of broker warrants	-	(11,951)	-	-	11,951	-	-	-	-	-
Issuance of units on private placement	9,090,907	500,000	-	-	-	-	-	-	-	500,000
Issuance of shares for accrued interest	772,775	61,822	-	-	-	-	-	-	-	61,822
Equity portion of convertible debt	-	-	-	-	-	-	15,366	-	-	15,366
Issuance of units on private placement	15,384,615	1,000,000	-	-	-	-	-	-	-	1,000,000
Hare issuance costs-cash	-	(5,440)	-	-	-	-	-	-	-	(5,440)
Foreign currency translation income	-	-	-	-	-	-	-	-	1,097	1,097
Net loss for the period	-	-	-	-	-	-	-	(3,001,545)	-	(3,001,545)
Balance as at January 31, 2021	**118,138,461**	**$ 12,777,034**	**-**	**$ 281,816**	**$ 635,472**	**$ 1,228,828**	**$ 109,670**	**$ (10,738,550)**	**$ 1,097**	**$ 4,295,367**
Balance as of April 30, 2021	**124,804,794**	**$ 13,256,419**	**375,000**	**$ 281,816**	**$ 640,854**	**$ 1,597,354**	**$ 109,670**	**$ (16,002,153)**	**$ 138,504**	**$ 397,464**
Issuance of units on private placement (Note 10)	16,994,475	1,487,017	(375,000)	-	-	-	-	-	-	1,112,017
Share issuance costs - cash	-	(25,790)	-	-	-	-	-	-	-	(25,790)
Issuance of broker warrants	-	(12,550)	-	-	12,550	-	-	-	-	-
Foreign currency translation	-	-	-	-	-	-	-	-	(2,272)	(2,272)
Net loss for the period	-	-	-	-	-	-	-	(2,199,557)	-	(2,199,557)
Balance as at January 31, 2022	**141,799,269**	**$ 14,705,096**	**$ -**	**281,816**	**$ 653,404**	**$ 1,597,354**	**$ 109,670**	**$ (18,201,710)**	**$ 136,232**	**$ (718,138)**

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

Aion Therapeutic Inc.
(formerly, Osoyoos Cannabis Inc.)
Consolidated Statements of Cash Flows
For the Nine Months Ended January 31, 2022 and 2021
(Unaudited - Expressed in Canadian Dollars)

	Nine months ended January 31, 2022	Nine months ended January 31, 2021
Cash flows from operating activities		
Net loss for the period	**$ (2,199,557)**	$ (3,001,545)
Items not involving cash:		
Bad debt expense	**-**	18,500
Share-based compensation	**-**	83,075
Issuance of units for services	**-**	11,000
Issuance of shares for accrued interest	**-**	12,604
Accrued interest on debt	**38,434**	-
Accretion on loan payable and convertible debentures	**-**	39,027
Amortization of finance costs	**-**	52,277
Accretion on lease obligation	**2,395**	23,324
Write-off of leasehold improvements	**-**	143,711
Write-off of assets held for sale		505,600
Impairment of property and equipment		505,600
Amortization of right-of-use assets	**63,680**	104,916
Gain on assignment of lease	**-**	(23,659)
Non-cash working capital adjustments		
GST and HST receivable	**(74,701)**	11,454
Prepaid expenses	**49,226**	(171,605)
Accounts payable and accrued liabilities	**762,022**	248,651
Total cash used by operating activities	**(1,358,501)**	(1,437,070)
Cash flows from investing activities		
Intangible asset	**-**	(1,137,236))
Repayment of lease obligations	**(65,772)**	(139,301)
Rental deposit	**-**	64,817
Total cash used by investing activities	**(65,772)**	(1,211,720)
Cash flows from financing activities		
Repayment of loan payable	**-**	(125,000)
Repayment of convertible debentures	**(500,000)**	-
Proceeds from loans	**605,365**	-
Units issued for cash	**1,112,017**	2,445,250
Share issuance costs	**(25,790)**	(29,114)
Total cash provided by financing activities	**1,191,592**	2,291,136
Effects of foreign currency exchange rate changes	**(5,295)**	6,891
Total decrease in cash and cash equivalents during the period	**(237,976)**	(350,763)
Cash and cash equivalents - beginning of period	**239,829**	612,788
Cash and cash equivalents - end of period	**$ 1,853**	$ 262,025

The following are non-cash transactions affecting cash flows from investing and financing activities during the nine months ended January 31, 2022:

- The Company issued 238,562 broker warrants valued at $12,550 as share issuance costs.

The following are non-cash transactions affecting cash flows from investing and financing activities during the nine months ended January 31, 2021:

- The Company issued 36,000,000 common shares for the acquisition of 1196691 B.C. Ltd. (Note 4);
- The Company issued 386,750 broker warrants valued at $11,951 as share issuance costs;
- The Company settled $54,167 of accrued interest with the issuance of 1,083,340 units on private placement;
- The Company settled $12,604 of accrued interest; $29,218 of prepayment of interest and $20,000 of extension fees with the issuance of 772,775 common shares; and
- The Company settled $11,000 of directors' fees with the issuance of 200,000 units as part of a private placement.

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

1. NATURE OF OPERATIONS AND GOING CONCERN

Aion Therapeutic Inc. (formerly, Osoyoos Cannabis Inc.) ("Aion" or the "Company") was incorporated on January 13, 2011 under the *Business Corporations Act* (British Columbia). The head office of the Company is located at 45 Sheppard Avenue East, Suite 703, Toronto, Ontario, Canada, M2N 5W9. The Company is publicly traded on the Canadian Securities Exchange under the symbol "AION".

Effective October 31, 2018, the Company was part of a three-cornered amalgamation among LKP Solutions Inc. ("LKP"), 1160516 B.C. Ltd. (a wholly owned subsidiary of LKP) and former Osoyoos Cannabis Inc. ("OSO"). The result of the transactions was that LKP acquired all of the issued and outstanding securities of former OSO on the basis of one share of LKP for each share of former OSO. At completion of the transactions, LKP changed its name to Osoyoos Cannabis Inc. and the former OSO was amalgamated into 1160516 B.C. Ltd. Effective August 26, 2020, the Company changed its name to Aion Therapeutic Inc. and began trading under its new name and symbol on August 28, 2020.

On June 30, 2020, the Company completed the acquisition of 1196691 B.C. Ltd. d/b/a "PCAI Pharma" and its wholly-owned subsidiary AI Pharmaceuticals Jamaica Limited ("AI Pharma"). The business of AI Pharma involves research and development, treatment, data mining and state-of-the-art artificial intelligence (machine learning) techniques, focused on the development of combinatorial pharmaceuticals, nutraceuticals and cosmeceuticals utilizing compounds from cannabis (cannabinoids), psychedelic mushrooms (psilocybin), fungi (edible mushroom), natural psychedelic formulations (ayahuasca), and other medicinal plants in a legal environment for this type of discovery.

The backbone of the Company's combinatorial treatment formulation discovery platform is artificial intelligence techniques. Using artificial intelligence, the Company intends to create a full line of therapeutic products that includes combinatorial pharmaceuticals, nutraceuticals, and cosmeceuticals, as well as, individualized treatments for personalized medicine using human genome and other data unique to an individual. In addition, the Company is creating a strong international intellectual property portfolio related to its discoveries.

These condensed interim consolidated financial statements have been prepared using International Financial Reporting Standards ("IFRS") on a going concern basis, which presumes the realization of assets and discharge of liabilities in the normal course of business, for the next fiscal year. As at January 31, 2022, the Company had cash and cash equivalents of $1,853 (April 30, 2021 – $239,829), working capital deficit of $1,718,138 (April 30, 2021 – $731,347), and an accumulated deficit of $18,201,710 (April 30, 2021 – $16,002,153). The continuing operations of the Company are dependent on funding. The Company intends to finance its future requirements through a combination of debt and/or equity issuance. There is no assurance that the Company will be able to obtain such financings or obtain them on favorable terms. This uncertainty may cast significant doubt about the ability of the Company to continue as a going concern. These condensed interim consolidated financial statements do not include any adjustments to the carrying value or presentation of assets or liabilities that might be necessary should the Company be unable to continue as a going concern. These adjustments could be material.

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

2. BASIS OF PRESENTATION

Basis of preparation

These condensed interim consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for certain cash flow information. The functional currency of the Company and its subsidiaries is the Canadian dollar, which is also the Company's reporting currency.

Statement of compliance

These condensed interim consolidated financial statements have been prepared in conformity with International Accounting Standards ("IAS") 34 – *Interim Financial Reporting* and do not include all information required for full annual consolidated financial statements in accordance with IFRS and should be read in conjunction with the audited consolidated financials for the year ended April 30, 2021. These condensed interim consolidated financial statements of the Company and its subsidiaries were prepared using accounting policies consistent with IFRS as issued by the International Accounting Standards Board and interpretations of the IFRS Interpretations Committee ("IFRIC").

These condensed interim consolidated financial statements have been reviewed and approved by the Company's Audit Committee and its Board of Directors on April 1, 2022.

Basis of consolidation

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly and indirectly, to govern the financial and operating polices of an entity and be exposed to the variable returns from its activities. The financial statements of the Company's subsidiaries are included in the condensed interim consolidated financial statements from the date that control commences until the date that control ceases. These condensed interim consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries: Oservco Management Corp., 1160516 B.C. Ltd. and its wholly-owned subsidiary Bare Root Production Osoyoos Inc., and PCAI Pharma and its wholly-owned subsidiary AI Pharma. All inter-company transactions and balances have been eliminated on consolidation.

Significant accounting judgments and estimates

The preparation of these condensed interim consolidated financial statements in compliance with IFRS requires management to make certain critical accounting estimates and assumptions. These estimates and assumptions affect the reported amounts of assets, liabilities, shareholders' equity, and the disclosure of contingent assets and liabilities, as at the date of the financial statements, and expenses for the periods reported.

2. BASIS OF PRESENTATION (continued)

Significant accounting judgments and estimates (continued)

Critical Judgements

The preparation of these condensed interim consolidated financial statements requires management to make judgements regarding the going concern of the Company, as previously discussed in Note 1, as well as the determination of functional currency. The functional currency is the currency of the primary economic environment in which an entity operates and has been determined for each entity within the Company. The functional currency for the Company, Oservco Management Corp., 1160516 B.C. Ltd., Bare Root Production Osoyoos Inc., and PCAI Pharma have been determined to be the Canadian dollar. The functional currency of AI Pharma has been determined to be the Jamaican dollar.

Key Sources of Estimation Uncertainty

Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting periods. Actual results could differ from those estimates and such differences could be significant. Significant estimates made by management affecting the condensed interim consolidated financial statements include:

Share-based payments

Estimating fair value for granted stock options and warrants requires determining the most appropriate valuation model which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the option or warrant, volatility, dividend yield, and rate of forfeitures and making assumptions about them.

Discount rates used in convertible debentures

The Company calculates the liability portion of convertible debentures by calculating the present value of the debenture and related interest, using a discount rate equal to the market rate that would be given for similar debt, without a conversion feature. Management determines this rate by assessing what rate the Company could borrow funds at from an unrelated party.

Deferred tax assets and liabilities

The estimation of income taxes includes evaluating the recoverability of deferred tax assets and liabilities based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets and liabilities will not be realized. The ultimate realization of deferred tax assets and liabilities is dependent upon the generation of future taxable income, which in turn is dependent upon the successful execution of the Company's business plan. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets or liabilities, and deferred income tax provisions or recoveries could be affected.

2. BASIS OF PRESENTATION (continued)

Significant accounting judgments and estimates (continued)

Carrying values of tangible assets

The Company assesses the carrying value of its tangible assets annually or more frequently if warranted by a change in circumstances. If it is determined that carrying values of assets cannot be recovered, the unrecoverable amounts are charged against current net income (loss). Recoverability is dependent upon assumptions and judgements regarding market conditions, costs of operations and sustaining capital requirements. Other assumptions used in the calculation of recoverable amounts are discount rates, and future cash flows. A material change in the assumptions may significantly impact the potential impairment of these assets.

Leases

The Company estimates the lease term by considering the facts and circumstances that can create an economic incentive to exercise an extension option, or not exercise a termination option by assessing relevant factors such as store profitability. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The assessment of the lease term is reviewed if a significant event or a significant change in circumstance occurs, which affects this assessment and that is within the control of the lessee. The Company estimates the incremental borrowing rate used to measure our lease liability for each lease contract. This includes estimation in determining the asset-specific security impact.

Contingencies

By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events.

Capitalization of development costs

Initial capitalization of development costs is based on management's judgment that technical and economic feasibility is confirmed. An intangible asset arising from development is recognized if the Company can demonstrate all of the following:

a) the technical feasibility of completing the intangible asset so that it will be available for use or sale;
b) its intention to complete the intangible asset and use or sell it;
c) its ability to use or sell the intangible asset;
d) how the intangible asset will generate probable, future economic benefits;
e) the availability of adequate technical, financial and other resources; and
f) its ability to measure reliably the expenditure attributable to the intangible asset during its development phase.

2. BASIS OF PRESENTATION (continued)

Significant accounting judgments and estimates (continued)

Carrying values of goodwill and other intangible assets

The values associated with goodwill and other intangible assets involve significant estimates and assumptions, including those with respect to the determination of cash generating units ("CGUs"), future cash inflows and outflows, discount rates and useful asset lives. At least annually, the carrying amount of goodwill and other intangible assets are reviewed for potential impairment. Among other things, this review considers the recoverable amounts of the CGUs based on the higher of value in use or fair value less costs of disposal using discounted estimated future cash flows. These significant estimates require considerable judgment which could affect the Company's future results if the current estimates of future performance and fair value change.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out in the annual audited consolidated financial statements for the year ended April 30, 2021 have been applied consistently to all periods presented in these condensed interim consolidated financial statements.

4. ACQUISITIONS

Acquisition of PCAI Pharma and AI Pharma

On June 30, 2020, the Company completed the acquisition of 1196691 B.C. Ltd. d/b/a "PCAI Pharma" and its wholly-owned subsidiary AI Pharma (the "Acquisition"), as described in Note 1. As consideration for the Acquisition, the Company issued 36,000,000 Common Shares of the Company at a price of $0.07 per share for a total consideration of $2,520,000 the (the "Purchase Price").

Consideration		
36,000,000 Common Shares at a value of $0.07 per share	**$**	**2,520,000**
Purchase Price allocation		
Right-of-use asset	$	165,626
Accounts payable and accrued liabilities		(18,542)
Lease obligation		(165,626)
Provisional amount allocated to Goodwill		2,538,542
	$	**2,520,000**

Following the Acquisition, the Company determined that the entire amount of goodwill was impaired and reduced the recoverable amount to $nil, resulting in a loss on impairment of $2,538,542. The entire amount of goodwill impairment was reported in the statement of loss and comprehensive loss during the year ended April 30, 2021 and related to the specific cash generating unit of AI Pharma. As at January 31, 2022 and April 30, 2021, there were no provisional amounts for items for which the accounting is incomplete.

Since the date of the Acquisition, the Company had capitalized intangible assets in the amount $2,176,634. As a result of the impairment of the specific cash generating unit of AI Pharma, this amount was determined to be impaired (*Note 6*).

5. PROPERTY AND EQUIPMENT

The Company's property and equipment are comprised of the following:

	Equipment[(a)]	Leasehold Improvements[(b)]	Total
Cost			
Balance at April 30, 2020	**$ 2,011,200**	**$ 143,711**	**$ 2,154,911**
Asset sold, subsequently returned[(c)]	(500,000)	-	(1,005,600)
Impairment[(d)]	(1,011,200)	(143,711)	(649,311)
Balance at April 30, 2021	**$ 500,000**	**$ -**	**$ 500,000**
Additions	500,000	-	500,000
Balance at January 31, 2022	**$ 1,000,000**	**$ -**	**$ 1,000,000**
Net Book Value			
Balance, January 31, 2022	**$ 1,000,000**	**$ -**	**$ 1,000,000**
Balance, April 30, 2021	**$ 500,000**	**$ -**	**$ 500,000**

a) As at January 31, 2022, no amortization had been taken on equipment as they were not yet in use by the Company. Equipment is comprised of two identical extraction systems (the "Extraction Systems").

b) During the year ended April 30, 2021, the Company assigned its sub-leased premises to a third party. As a result, an impairment expense in the amount of $143,711 was recorded related to these leasehold improvements during the year ended April 30, 2021. During the nine months ended January 31, 2022, the Company capitalized $nil (January 31, 2021 – $nil) as leasehold improvements.

c) On February 22, 2021, the Company terminated an equipment lease (the "Equipment Lease") and a profit-sharing agreement (the "Profit Sharing Agreement") with 2623942 Ontario Limited, which were to commence on November 1, 2020 and sold one of its Extraction Systems *(Note 7)*;

d) As at April 30, 2021, impairment expense in relation to equipment was recorded in the amount of $1,011,200. The equipment value of $500,000 was determined for each of the Extraction Systems based on the selling price to an arm's-length party; and

e) Additions during the nine months ended January 31, 2022 related to the return of one of the Company's extraction system amounting to $500,000 (*Note 7).*

6. INTANGIBLE ASSETS

The Company's intangible assets are comprised of the following:

	Intellectual Property	Patents	Total
Cost			
Balance at April 30, 2020	**$ -**	**$ -**	**$ -**
Additions	1,333,183	111,659	1,444,842
Impairment	(1,333,183)	(111,659)	(1,444,842)
Balance at April 30, 2021	**$ -**	**$ -**	**$ -**
Additions	731,792	-	731,792
Impairment	(731,792)	-	(731,792)
Balance at January 31, 2022	**$ -**	**$ -**	**$ -**
Net Book Value			
Balance, January 31, 2022	**$ -**	**$ -**	**$ -**
Balance, April 30, 2021	**$ -**	**$ -**	**$ -**

The Company's intangible assets relate to the development of intellectual property and development of a patent portfolio, as described in Note 1. These intangible assets are currently in the development phase and are not yet in use. During the year ended April 30, 2021 and the nine months ended January 31, 2022, these intangible assets were deemed to be impaired as a result of the lack of revenue from the AI Pharma cash-generating unit. Accordingly, these intangible assets were determined to be impaired as at April 30, 2021 and January 31, 2022.

7. OTHER RECEIVABLE

The equipment sale was completed on February 22, 2021 to 2623942 Ontario Limited (the "Licensed Producer"). The total consideration for the sale of this equipment was $565,000 including sales taxes, which has been recorded as other receivable and has been written down to its realizable value and the difference has been recorded as an impairment charge. The sale consideration was to be settled by the issuance of the below (collectively, the "Debt"):

i) a convertible debenture in the amount of $400,000, bearing interest at 5% per annum accrued monthly in arrears, with the principal and interest convertible, at anytime prior to maturity, by the Company at $0.0025 per common share of the Licensed Producer, maturing on February 22, 2024.

ii) a promissory note in the amount of $100,000, bearing interest at 10% per annum accrued monthly in arrears, maturing on February 22, 2022; and

iii) a promissory note in the amount of $65,000, bearing interest at 10% per annum accrued monthly in arrears, maturing on the earlier of the receipt of the sale tax refund amount from the Canada Revenue Agency by the Licensed Producer or August 22, 2021.

7. OTHER RECEIVABLE (continued)

During the nine months ended January 31, 2022, the Company entered into a settlement agreement (the "Machine Settlement") with the Licensed Producer where the Company settled and retired the outstanding debt in the principal amount of $565,000 in exchange for the return of the purchased equipment to the Company. This equipment was returned during the nine months ended January 31, 2022, resulting in $500,000 being recorded as an addition to property and equipment (*Note 5*) with the remaining $65,000 allocated to GST and HST receivable.

Other receivable as at January 31, 2022 amounted to $nil (April 30, 2021 - $565,000).

8. LOANS PAYABLE

On July 27, 2021, the Company entered into a promissory note (the "Note Payable A") with a non-arm's length party for the principal amount of $150,000. The Note Payable A is unsecured, bears interest at 18% per annum and is due on demand.

On August 26, 2021, the Company entered into a promissory note (the "Note Payable B") with a non-arm's length party for the principal amount of $150,000. The Note Payable B is unsecured, bears interest at 18% per annum and is due on demand.

On September 22, 2021, the Company entered into a promissory note (the "Note Payable C") with a non-arm's length party for the principal amount of $150,000. The Note Payable C is unsecured, bears interest at 18% per annum and is due on demand.

On October 31, 2021, the Company entered into a promissory note (the "Note Payable D") with a non-arm's length party for the principal amount of $42,740 (US $34,500). The Note Payable D is unsecured, bears interest at 18% per annum and is due on demand.

On December 16, 2021, the Company entered into a promissory note (the "Note Payable E") with a non-arm's length party for the principal amount of $20,000. The Note Payable E is unsecured, bears interest at 18% per annum and is due on demand.

On January 6, 2022, the Company entered into a promissory note (the "Note Payable F") with a non-arm's length party for the principal amount of $60,000. The Note Payable F is unsecured, bears interest at 18% per annum and is due on demand.

On January 28, 2022, the Company entered into a promissory note (the "Note Payable G") with a non-arm's length party for the principal amount of $12,625 (US $10,000). The Note Payable G is unsecured, bears interest at 18% per annum and is due on demand.

On January 31, 2022, the Company entered into a promissory note (the "Note Payable H") with a non-arm's length party for the principal amount of $20,000. The Note Payable H is unsecured, bears interest at 18% per annum and is due on demand.

Interest expense in the amount of $23,396 and $38,434, respectively, was recorded for the three and nine months ended January 31, 2022 (January 31, 2021 – $nil)

As at January 31, 2022, the outstanding loans payable amounted to $643,799 (April 30, 2021 – $nil).

9. CONVERTIBLE DEBENTURES

During the year ended April 30, 2018, the Company issued convertible debentures in the aggregate principal amount of $1,130,000 (the "Debentures"). The Debentures had a maturity of 3 years, bearing interest at 10% per annum, payable in cash or convertible into Common Shares at the option of the holder at a conversion price of $0.15 per share. In connection with the Debentures, the Company issued 7,533,530 Common Share purchase warrants, each warrant exercisable at $0.20 per share for a period of 2 years from the date of issuance.

The warrants were considered to be transaction costs related to the Debentures and had a fair value of $623,521, calculated using the Black-Scholes pricing model. Of this amount, $144,116 was allocated to the equity component of the Debentures and the remaining amount allocated to the liability component, to be accreted over the term of the Debentures.

Furthermore, 342,500 Common Shares valued at $51,375 were issued to the Debenture holders and were recorded as transaction costs. Of the $51,375 in transaction costs, $11,875 was recorded as share issuance costs and the remaining amount was recorded against the liability portion of the Debentures, accreted over the term of the Debentures. On May 10, 2018, the Company repaid certain Debentures with a face value of $105,000 and a carrying value of $46,438, resulting in a loss on repayment of $47,676 and a reduction to the equity component of the Debentures of $10,886.

On April 25, 2019, certain holders of the Company's Debentures elected to convert a face value of $525,000 of the Debentures at the conversion price of $0.15 per Common Share resulting in the Company issuing 3,500,000 Common Shares. During the year ended April 30, 2020, the Company issued an aggregate of 166,667 Common Shares to settle $25,000 of accrued interest on the Debentures.

On October 29, 2020, the Company entered into an extension and amendment agreement (the "Amendment") with a Debenture holder who held a 10% Debenture maturing on November 1, 2020 in the principal amount of $262,500 and a 10% Debenture maturing on December 10, 2020 in the principal amount of $237,500. Pursuant to the Amendment, the maturity dates of these Debentures were both extended until April 30, 2021 (the "Amended Maturity Date") and the Company agreed to pay interest at a rate of 12% per annum on the Debentures from their respective maturity dates until the Amended Maturity Date. The Company also agreed to amend the conversion price of the Debentures from $0.15 per Common Share to $0.125 per Common Share and agreed to pay to the Debenture holder an extension fee of $20,000. Furthermore, the Company settled $61,822 representing (i) all interest payable on the Debentures up until the Amended Maturity Date in the aggregate amount of $41,822, and (ii) the extension fee of $20,000 through the issuance of 772,775 Common Shares at a price of $0.08 per share (see Note 10(c)).

As a result of the Amendment, the Company allocated $483,993 of the outstanding principal amount of $500,000 of the Debentures to the liability component of the Debentures and the remaining amount of $16,007 to the equity component of the Debentures. Furthermore, the extension fee of $20,000 was recorded as a transaction cost, of which $641 was recorded as issuance cost related to the equity component of the Debentures and the remaining amount of $19,359 was allocated to the liability portion of the Debentures, to be accreted until the Amended Maturity Date. In May 2021, the Company repaid the outstanding Debenture balance of $500,000.

9. CONVERTIBLE DEBENTURES (continued)

As at January 31, 2022 and April 30, 2021, the Company's Debentures were comprised of the following:

	Equity component of convertible debenture	Liability component of convertible debenture	Total
Balance, April 30, 2020	**$ 94,304**	**$ 426,196**	**$ 520,500**
Adjustment	15,366	(35,366)	(20,000)
Amortization of finance costs	-	61,956	61,956
Accretion	-	47,214	47,214
Balance, April 30, 2021	**$ 109,670**	**$ 500,000**	**$ 609,670**
Repayment	-	(500,000)	(500,000)
Balance, January 31, 2022	**$ 109,670**	**$ -**	**$ 109,670**

10. SHARE CAPITAL

The Company is authorized to issue the following shares:

- Unlimited Class "A" voting common shares with no par value
- Unlimited Class "B" non-voting preferred shares with a par value of $1.00
- Unlimited Class "C" voting common shares with no par value

a) Common shares

The holders of common shares are entitled to receive dividends which are declared from time to time and are entitled to one vote per share at meetings of the Company. All shares are ranked equally with regards to the Company's residual assets.

As at January 31, 2022, the Company had 141,799,269 class A common shares issued and outstanding.

b) Preferred shares

The Company is authorized to issue an unlimited number of preferred shares with the rights, privileges and restrictions determined by the Board of Directors at the time of issuance.

There were no issuances of preferred shares during the nine months ended January 31, 2022 and year ended April 30, 2021.

c) Share issuances

During the nine months ended January 31, 2022 and year ended April 30, 2021, the Company completed one and six tranches of non-brokered private placements, respectively (each a "Private Placement") through the issuance of units ("Units") of the Company. Each Unit consisted of one Common Share and one-half of one Common Share purchase warrant (each whole warrant, a

10. SHARE CAPITAL (continued)

c) Share issuances (continued)

"Warrant"). Each Warrant entitles the holder thereof to purchase one Common Share for a period of twenty-four months from the closing date at a price of $0.15 per Common Share. Furthermore, the Company has the right to accelerate the expiry date to be thirty days following written notice to the holders, if during the term of the Warrants the Common Shares close at or above $0.20 per Common Share on each trading day for a period of ten consecutive trading days on the Canadian Securities Exchange (the "CSE"). The Company has adopted the residual method with respect to the measurement of the Warrants and accordingly the difference between the proceeds raised and the value of the common shares is the residual fair value of the Warrants. During the nine months ended January 31, 2022 and year ended April 30, 2021, the value to Warrants assigned for Private Placements was $nil. As a result of the Private Placements, the Company incurred an aggregate of $25,790 and $44,322, respectively, in cash share issuance costs during the nine months ended January 31, 2022 and year ended April 30, 2021, respectively.

During the nine months ended January 31, 2022, the Company issued the following Common Shares:

- On June 11, 2021, the Company closed a Private Placement and issued 16,994,475 Units at a price of $0.0875 per Unit for gross proceeds of $1,487,017. In connection with the Issuance of the Units, the Company issued 16,994,475 Common Shares and 8,497,238 Warrants. Furthermore, the Company issued 238,562 broker warrants entitling the holder thereof to purchase one Common Share for a period of twenty-four months from the closing date at a price of $0.15 per Common Share (see Note 10(d) for the valuation of these broker warrants).

During the year ended April 30, 2021, the Company issued the following Common Shares:

- On June 16, 2020, the Company closed a Private Placement and issued 1,500,000 Units of the Company, at a price of $0.05 per Unit, for gross proceeds of $75,000. In connection with the issuance of the Units, the Company issued 1,500,000 Common Shares and 750,000 Warrants;
- On June 30, 2020, the Company acquired PCAI Pharma and its wholly owned subsidiary AI Pharma as described in Note 1 and Note 4. In consideration for the Transaction, the Company issued 36,000,000 Common shares, at a fair value price of $0.07 per Common Share, for a total Purchase Price of $2,520,000;
- On July 20, 2020, the Company closed a Private Placement and issued 8,500,000 Units of the Company, at a price of $0.05 per Unit, for gross proceeds of $425,000. In connection with the issuance of the Units, the Company issued 8,500,000 Common Shares and 4,250,000 Warrants;
- On July 31, 2020, the Company closed a Private Placement and issued 10,208,340 Units of the Company, at a price of $0.05 per Unit, for gross proceeds of $510,417; of which $456,250 was received in cash and $54,167 was issued to settle accrued interest payable. In connection with the issuance of the Units, the Company issued 10,208,340 Common Shares and 5,104,170 Warrants. Furthermore, the Company issued 386,750 broker warrants entitling the holder thereof to purchase one Common Share for a period of twenty-four months from the closing date at a price of $0.15 per Common Share (see Note 10(d) for the valuation of these broker warrants);
- On September 18, 2020, the Company closed a Private Placement and issued 9,090,907 Units of the Company, at a price of $0.055 per Unit, for gross proceeds of $500,000; of which

10. SHARE CAPITAL (continued)

c) Share issuances (continued)

$489,000 was received in cash and $11,000 was issued in settlement of outstanding director fees (Note 11). In connection with the Issuance of the Units, the Company issued 9,090,907 Common Shares and 4,545,454 Warrants;

- On October 29, 2020, the Company issued 772,775 Common Shares, at a price of $0.08 per Common Share, in settlement of $61,822 in interest and an extension fee in relation to the Debentures (Note 9);
- On December 23, 2020, the Company closed a Private Placement and issued 15,384,615 Units of the Company, at a price of $0.065 per Unit, for gross proceeds of $1,000,000. In connection with the issuance of the Units, the Company issued 15,384,615 Common Shares and 7,692,308 Warrants; and
- On February 22, 2021, the Company closed a Private Placement and issued 6,666,333 Units of the Company, at a price of $0.075 per Unit, for gross proceeds of $499,975. In connection with the issuance of the Units, the Company issued 6,666,333 Common Shares and 3,333,166 Warrants.

d) Warrants

During the nine months ended January 31, 2022, the Company issued the following warrants:

- On June 11, 2021 and in connection with a Private Placement, the Company issued 8,497,238 Warrants exercisable until June 11, 2023 at an exercise price of $0.15 per Common Share. These warrants were valued at $nil, using the residual value method; and
- On June 11, 2021 and in connection with a Private Placement, the Company issued 238,562 broker warrants exercisable until June 11, 2023 at an exercise price of $0.15 per Common Share, valued at $12,550. The fair value of the Brokers Warrants of $12,550, was recorded as share issuance costs estimated using the Black-Scholes option pricing model with the following assumptions: volatility of 160%, risk-free interest rate of 0.27%, expected life of 2 years and expected dividend yield of 0.00%.

During the year ended April 30, 2021, the Company issued the following warrants:

- On June 1, 2020, the Company issued 100,000 warrants to a consultant exercisable until May 31, 2021 at an exercise price of $0.10 per Common Share. These warrants were valued at $1,370 (see Note 10(f));
- On June 16, 2020 and in connection with a Private Placement, the Company issued 750,000 Warrants exercisable until June 15, 2022 at an exercise price of $0.15 per Common Share. These warrants were valued at $nil, using the residual value method;
- On July 20, 2020 and in connection with a Private Placement, the Company issued 4,250,000 Warrants exercisable until July 19, 2022 at an exercise price of $0.15 per Common Share. These warrants were valued at $nil, using the residual value method;

10. SHARE CAPITAL (continued)

d) Warrants (continued)

- On July 31, 2020 and in connection with a Private Placement, the Company issued 5,104,170 Warrants exercisable until July 30, 2022 at an exercise price of $0.15 per Common Share. These warrants were valued at $nil, using the residual value method;

- On July 31, 2020 and in connection with a Private Placement, the Company issued 386,750 broker warrants exercisable until July 30, 2022 at an exercise price of $0.15 per Common Share, valued at $11,951. The fair value of the brokers warrants of $17,333, was recorded as share issuance costs estimated using the Black-Scholes option pricing model with the following assumptions: volatility of 161%, risk-free interest rate of 0.27%, expected life of 2 years and expected dividend yield of 0.00%;

- On September 18, 2020 and in connection with a Private Placement, the Company issued 4,545,454 Warrants exercisable until September 17, 2022 at an exercise price of $0.15 per Common Share. These warrants were valued at $nil, using the residual value method;

- On December 23, 2020 and in connection with a Private Placement, the Company issued 7,692,308 Warrants exercisable until December 22, 2022 at an exercise price of $0.15 per Common Share. These warrants were valued at $nil, using the residual value method.; and

- On February 22, 2021 and in connection with a Private Placement, the Company issued 3,333,166 Warrants exercisable until February 21, 2023 at an exercise price of $0.15 per Common Share. These warrants were valued at $nil, using the residual value method.

As at January 31, 2022, the Company had the following warrants issued and outstanding:

	Number of Warrants	Weighted Average Exercise Price ($)
Outstanding, April 30, 2020	**4,258,400**	**0.34**
Issued (Consultant)	100,000	0.10
Issued	25,675,098	0.15
Issued (Broker warrants)	386,750	0.15
Expired	(306,400)	0.50
Expired	(357,000)	0.25
Outstanding, April 30, 2021	**29,756,848**	**0.17**
Issued	8,497,238	0.15
Issued (Broker warrants)	238,562	0.15
Expired	(20,000)	0.12
Expired	(200,000)	0.18
Outstanding, January 31, 2022	**38,172,648**	**0.17**

10. SHARE CAPITAL (continued)

d) Warrants (continued)

As at January 31, 2022, the Company had the following share purchase warrants outstanding:

Outstanding	Exercise Price ($)	Remaining Life (Years)	Expiry Date
750,000	0.15	0.38	June 15, 2022
4,250,000	0.15	0.39	June 19, 2022
5,104,170	0.15	0.50	July 30, 2022
386,750	0.15	0.50	July 30, 2022
4,545,454	0.15	0.63	September 17, 2022
7,692,308	0.15	0.90	December 22, 2022
3,333,166	0.15	0.97	February 21, 2023
1,500,000	0.25	1.02	March 14, 2023
1,100,000	0.45	1.02	March 14, 2023
575,000	0.25	2.19	April 8, 2024
200,000	0.45	2.19	April 8, 2024
8,497,238	0.15	1.37	June 11, 2023
238,562	0.15	1.37	June 11, 2023
38,172,648	**0.17**	**0.89**	

e) Stock options

On May 29, 2020, the Company granted 2,725,000 options to the Company's directors, officers and a consultant. These options were granted in accordance with the Company's stock option plan and are exercisable until May 28, 2023 at an exercise price of $0.10 per Common Share. These options vested on date of grant.

The Company calculated $0.04 as the fair value of option per option issued as compensation using the Black-Scholes option pricing model, for the 2,725,000 options with the following assumptions:

Expected life	3 years
Risk-free Interest rate	0.27%
Expected volatility	159%
Expected dividends yield	0%
Forfeiture rate	0%

On February 2, 2021, the Company granted 4,000,000 options to the Company's directors, officers and consultants. These options were granted in accordance with the Company's stock option plan and are exercisable until February 1, 2024 at an exercise price of $0.15 per Common Share. These options vested on date of grant.

The Company calculated $0.08 as the fair value per option issued using the Black-Scholes option pricing model, for the 4,000,000 options with the following assumptions:

Expected life	3 years
Risk-free Interest rate	0.27%
Expected volatility	153%
Expected dividends yield	0%
Forfeiture rate	0%

10. SHARE CAPITAL (continued)

e) Stock options (continued)

The Company recorded a share-based compensation expense in the amount of $nil (January 31, 2021 - $83,075).

As at January 31, 2022 and April 30, 2021, the Company had the following options issued and outstanding:

	Number of Options	Weighted Average Exercise Price ($)
Outstanding, April 30, 2020	**-**	**-**
Granted	2,725,000	0.10
Granted	4,000,000	0.15
Outstanding, April 30, 2021 and January 31, 2022	**6,725,000**	**0.13**

A summary of outstanding and exercisable stock options is as follows:

Outstanding	Exercisable	Exercise Price ($)	Remaining Life (Years)	Expiry Date
2,725,000	**2,725,000**	**0.10**	**1.32**	**May 28, 2023**
4,000,000	**4,000,000**	**0.15**	**2.01**	**February 1, 2024**
6,725,000	**6,725,000**	**0.13**	**1.73**	

f) Share-based Compensation

During the nine months ended January 31, 2022:

The Company did not issue any stock options during the nine months ended January 31, 2022.

During the year ended April 30, 2021:

The Company recognizes compensation expense for all stock options and warrants granted as compensation using the fair value method of accounting. For the year ended April 30, 2021, the Company recorded share-based compensation expense of $1,370 for 100,000 Warrants issued to a consultant for services.

The Company calculated the fair value of warrants issued as compensation using the Black-Scholes option pricing model, for the 100,000 warrants with the following assumptions:

Expected life	1 year
Risk-free Interest rate	0.29%
Expected volatility	140%
Expected dividends yield	0%
Forfeiture rate	0%

11. RELATED PARTY TRANSACTIONS

Key management personnel include the Chief Executive Officer ("CEO"), the Chief Financial Officer ("CFO"), the Board of Directors, close family members and enterprises that are controlled by such individuals as well as certain persons performing similar functions.

During the three and nine months ended January 31, 2022, amounts paid for key management services include the following:

		Three months ended January 31, 2022		Nine months ended January 31, 2022
Fees for services of CEO	$	45,000	$	135,000
Fees for services of CFO		15,000		46,500
Management fees	**$**	**60,000**	**$**	**181,500**
Fees for services of Executive Chairman		76,703		221,323
Fees for services of Chief Science Officer		36,751		111,699
Share-based compensation to directors and officers from options issued (Note 10 (e))		-		-
	$	**173,454**	**$**	**514,522**

During the three and nine months ended January 31, 2021, amounts paid for key management services include the following:

		Three months ended January 31, 2021		Nine months ended January 31, 2021
Fees for services of CEO	$	45,000	$	112,500
Fees for services of CFO		12,500		27,500
Fees for services of prior Executive Chairman		-		22,500
Fees for services of President		38,428		64,848
Management fees	**$**	**95,928**	**$**	**227,348**
Fees for services of Executive Chairman		77,875		315,208
Fees for services of Chief Science Officer		39,170		78,191
Director fees[(1)]		15,000		46,000
Share-based compensation to directors and officers from options issued (Note 10 (e))		-		80,955
	$	**227,973**	**$**	**747,702**

(1) Director fees include $11,000 of fees which were settled on September 18, 2020 through the issuance of 200,000 Units in a Private Placement.

As at January 31, 2022, the Company had the following balances with related parties:

- Included in accounts payable and accrued liabilities is $247,261 (April 30, 2021 – $49,456) due to related parties.

The right-of-use assets (Note 14), the lease liabilities (Note 15), rent and licensee fees for the nine months ended January 31, 2022 were paid to entities which are considered to be related parties by virtue of a common officer and director.

12. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash and cash equivalents, due from related party, accounts payable, loan payable, and convertible debentures.

The Company's cash and cash equivalents is measured at fair value under the fair value hierarchy based on level one quoted prices in active markets for identical assets or liabilities. The presentation of the Company's due from related party and accounts payable is fair value, taking into account their short-term nature. The fair value of convertible debentures and the loan payable are measured on the statement of financial position using level 3 of the fair value hierarchy.

The Company's financial instruments are exposed to certain financial risks, including currency risk, credit risk, liquidity risk, interest rate risk and price risk.

Financial risk management and objectives

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, and market risk (including interest rate risk, foreign currency risk, and commodity price risk).

The Company thoroughly examines the various financial risks to which it is exposed and assesses the impact and likelihood of those risks. Where material, these risks are reviewed and monitored by the Board of Directors.

The Company's financial instruments are exposed to certain financial risks, including credit risk, liquidity risk, interest rate risk and market risk

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company is not exposed to significant credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flows primarily from its financing activities.

The Company manages its liquidity needs by carefully monitoring scheduled costs. Liquidity is measured in various time bands, on day to day and week-to-week basis, as well as on long term liquidity needs over 180 day to 360 day look out periods. Funding for long term liquidity needs is based on the ability of the Company to successfully complete private placements as well as, in certain cases, to pay the outstanding balances owed in shares of the Company rather than in cash.

As at January 31, 2022, the Company had cash and cash equivalents of $1,853 and current liabilities of $2,031,676.

12. FINANCIAL INSTRUMENTS (continued)

Financial risk management and objectives (continued)

The Company considers expected cash flow from financial assets in managing liquidity risk. The Company's existing cash resources currently do not meet the current cash outflow requirements. As a result, the Company is at a risk of not being a going concern if management is unable to raise the appropriate funds prior to the maturity of the financial liabilities. Appropriate going concern disclosures have been made in Note 1.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, commodity and equity prices, and foreign exchange rates.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk.

(b) Price risk

The Company is not exposed to significant price risk as it does not possess investments in publicly traded securities.

(c) Currency risk

The Company is exposed to foreign currency risk from fluctuations in foreign exchange rates and the degree of volatility in these rates due to the timing of their accounts payable balances. This risk is mitigated by timely payment of creditors and monitoring of foreign exchange fluctuations by management. As at January 31, 2022 and April 30, 2021, the Company did not use derivative instruments to hedge its exposure to foreign currency risk.

13. CONTINGENCIES AND COMMITMENTS

On September 1, 2018, the Company executed a lease on real property (the "Lease"). On August 28, 2020, the Company entered into an assignment agreement whereby the Company assigned and transferred all right, title and interest in the Lease to a third party.

As a result, the Company no longer has any obligations with regards to the Lease.

14. RIGHT-OF-USE ASSET

Balance, April 30, 2020	**$**	**370,178**
Addition during the year (Note 4)		165,626
Early termination of sub-leased premises		(323,906)
Amortization		(128,130)
Foreign exchange adjustment		(19,957)
Balance, April 30, 2021	**$**	**63,811**
Amortization		(63,680)
Foreign exchange adjustment		(131)
Balance, January 31, 2022	**$**	**-**

Right-of-use assets consisted of a sub-leased premise in Canada (which was terminated) and sub-lease of commercial space in Jamaica which is amortized over 18 months. During the nine months January 31, 2022, the Company amortized $63,680 (January 31, 2021 – $104,916) of its right-of-use assets.

15. LEASE LIABILITIES

At the commencement date of the leases, the lease liability was measured at the present value of the lease payments that were not paid at that date. The lease payments are discounted using an interest rate of 10% which is the Company's incremental borrowing rate. The effective interest rate is 10.47%. The continuity of the lease liabilities is presented in the table below:

Balance, April 30, 2020	**$**	**407,712**
Addition during the year (Note 4)		165,626
Interest accretion expense		25,270
Lease payments made during the year		(141,873)
Early termination of sub-leased premises (Note 13)		(370,063)
Foreign exchange adjustment		(20,141)
Balance, April 30, 2021	**$**	**66,531**
Interest accretion expense		2,395
Lease payments made during the period		(65,772)
Foreign exchange adjustment		(3,154)
Balance, January 31, 2022	**$**	**-**

As at January 31, 2022 and April 30, 2021:

		January 31, 2022		**April 30, 2021**
Less than one year	$	-	$	66,531
Greater than one year		-		-
Total lease obligation	$	**-**	**$**	**66,531**

16. CAPITAL MANAGEMENT

The Company's capital structure has been defined by management as being comprised of shareholders' equity. The Company's objectives when managing its capital structure are to preserve the Company's access to capital markets and its ability to meet its financial obligations and to finance its activities and general corporate costs. This is achieved by the Board of Directors review and acceptance of budgets that are achievable within existing resources made available from private placements or other funding.

The Company monitors its capital structure using annual forecasted cash flows, budgets and targets.

The Company currently has no source of revenues; as such the Company is dependent upon external financing to fund its activities. In order to carry future projects and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

Based on available funds, the Company manages its capital structure and makes adjustments to it to maintain flexibility while achieving the objectives stated above as well as support future business opportunities. To manage the capital structure the Company may adjust its operating expenditure plans, or issue new common shares and warrants.

The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company is not subject to externally imposed capital requirements or covenants.

17. SUBSEQUENT EVENTS

On February 8, 2022, the Company entered into a promissory note (the "Note Payable I") with a non-arm's length party for the principal amount of $25,000. The Note Payable I is unsecured, bears interest at 18% per annum and is due on demand.

On February 9, 2022, the Company entered into a promissory note (the "Note Payable J") with a non-arm's length party for the principal amount of $2,500. The Note Payable J is unsecured, bears interest at 18% per annum and is due on demand.

On March 11, 2022, the Company entered into a promissory note (the "Note Payable K") with a non-arm's length party for the principal amount of US $11,000. The Note Payable K is unsecured, bears interest at 18% per annum and is due on demand.

SCHEDULE "C"

AION THERAPEUTIC INC.

(formerly, Osoyoos Cannabis Inc.)

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE AND NINE MONTHS ENDED JANUARY 31, 2022 and 2021

Prepared as at April 1, 2022

Management Discussion and Analysis

The following Management's Discussion and Analysis ("MD&A") reflects management's assessment of Aion Therapeutic Inc.'s (formerly, Osoyoos Cannabis Inc.) ("Aion" or the "Company") financial and operating results for the three and nine months ended January 31, 2022 and 2021. This document should be read in conjunction with the condensed interim consolidated financial statements and related notes for the three and nine months ended January 31, 2022. The financial statements and the financial information herein have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

This MD&A is prepared by management as at April 1, 2022. All amounts are expressed in Canadian dollars, unless otherwise noted.

Reference should also be made to the Company's filings with Canadian securities regulatory authorities, which are available at www.sedar.com.

Disclaimer

Certain statements contained in the following MD&A constitute "forward-looking statements" (within the meaning of the Canadian securities legislation) that involve risks and uncertainties. Forward-looking statements are frequently, but not always, identified by words such as "expects", "anticipates", "believes", "intends", "estimates", "potential", "possible" and similar expressions, or statements that events, conditions or results "will", "may", "could" or "should" occur or be achieved. The forward-looking statements may include statements regarding future events, developments, acquisitions, capital expenditures, timelines, strategic plans or other statements that are not statements of fact. Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of the Company may differ materially from those reflected in forward-looking statements due to a variety of risks, uncertainties and other factors. For the reasons set forth above, investors should not place undue reliance on forward-looking statements. Important factors that could cause actual results to differ materially from the Company's expectations include uncertainties involved in continued availability of capital and financing; dependence on key personnel; uncertainties related to the Company's discoveries and product development; uncertainties as to future expense levels and the possibility of unanticipated costs or expenses or cost overruns; and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and that actual results or developments may differ materially from those projected in the forward-looking statements. The Company has no policy for updating forward looking information beyond the procedures required under applicable securities laws.

Overview

Nature of Business

Aion Therapeutic Inc. (formerly, Osoyoos Cannabis Inc.) was incorporated on January 13, 2011, under the *Business Corporations Act* (British Columbia). The head office of the Company is located at 45 Sheppard Avenue East, Suite 703, Toronto, Ontario, Canada, M2N 5W9. The Company is publicly traded on the Canadian Securities Exchange under the symbol "AION".

Effective October 31, 2018, the Company was part of a three-cornered amalgamation among LKP Solutions Inc. ("LKP"), 1160516 B.C. Ltd. (a wholly owned subsidiary of LKP) and former Osoyoos Cannabis Inc. ("OSO"). The result of the transactions was that LKP acquired all of the issued and outstanding securities of former OSO on the basis of one share of LKP for each share of former OSO. At completion of the

transactions, LKP changed its name to Osoyoos Cannabis Inc. and the former OSO was amalgamated into 1160516 B.C. Ltd. Effective August 26, 2020, the Company changed its name to Aion Therapeutic Inc. and began trading under its new name and symbol on August 28, 2020.

On June 30, 2020, the Company completed the acquisition of 1196691 B.C. Ltd. d/b/a "PCAI Pharma" and its wholly-owned subsidiary AI Pharmaceuticals Jamaica Limited ("AI Pharma"). The business of AI Pharma involves research and development, treatment, data mining and state-of-the-art artificial intelligence (machine learning) techniques, focused on the development of combinatorial pharmaceuticals, nutraceuticals and cosmeceuticals utilizing compounds from cannabis (cannabinoids), psychedelic mushrooms (psilocybin), fungi (edible mushroom), natural psychedelic formulations (ayahuasca), and other medicinal plants in a legal environment for this type of discovery.

The backbone of the Company's combinatorial treatment formulation discovery platform is artificial intelligence techniques. Using artificial intelligence, the Company intends to create a full line of therapeutic products that includes combinatorial pharmaceuticals, nutraceuticals, and cosmeceuticals, as well as individualized treatments for personalized medicine using human genome and other data unique to an individual. In addition, the Company is creating a strong international intellectual property portfolio related to its discoveries.

Overall Performance

On June 30, 2020, the Company completed the acquisition of PCAI Pharma and its wholly-owned subsidiary AI Pharma (the "Acquisition"). As consideration for the Acquisition, the Company issued 36,000,000 common shares of the Company ("Common Shares") to the vendors at a fair value price of $0.07 per share for a total consideration of $2,520,000.

On August 7, 2020, the Company held an annual and special meeting of shareholders (the "Meeting"). At the Meeting, shareholders elected Dr. Stephen D. Barnhill; Graham Simmonds; Paul Crath; Larry Horwitz; Rosy Mondin; Sara Lee Irwin; and Dr. Anthony Hall to serve as directors of the Company. Furthermore, shareholders approved a corporate name change to Aion Therapeutic Inc.

Following the Meeting, the new board of directors of the Company appointed Dr. Stephen D. Barnhill as Executive Chair of the Board; Graham Simmonds as Executive Vice Chair of the Board; and Paul Crath as Lead Independent Director of the Board. Furthermore, the board of directors formed a new Compensation Committee and Governance Committee and appointed new board members to all committees as follows:

	Audit Committee	Compensation Committee	Governance Committee
Dr. Stephen D. Barnhill			
Graham Simmonds	M		
Paul Crath(I)	C	C	
Larry Horwitz(I)	M		C
Rosy Mondin(I)		M	M
Sara Lee Irwin(I)		M	
Dr. Anthony Hall(I)			M

(I) = Independent Director **C** = Committee Chair **M** = Committee Member

Effective August 26, 2020, the Company changed its name to Aion Therapeutic Inc. and began trading under its new name and symbol on August 28, 2020.

On August 28, 2020, the Company entered into an assignment agreement whereby the Company assigned and transferred all right, title and interest in a sub-leased property in British Columbia to a third party. As a result, the Company no longer has any obligations with regards to such premises.

On September 10, 2020, the Company announced the appointment of Dr. Herbert Fritsche as Chief Science Officer of the Company.

On October 21, 2020, the Company announced the appointment of Dr. James Thompson as President of the Company.

During the nine months ended January 31, 2022, and year ended April 30, 2021, the Company completed one and six tranches of non-brokered private placements, respectively (each a "Private Placement") through the issuance of units ("Units") of the Company. Each Unit consisted of one Common Share and one-half of one Common Share purchase warrant (each whole warrant, a "Warrant"). Each Warrant entitles the holder thereof to purchase one Common Share for a period of twenty-four months from the closing date at a price of $0.15 per Common Share. Furthermore, the Company has the right to accelerate the expiry date to be thirty days following written notice to the holders, if during the term of the Warrants the Common Shares close at or above $0.20 per Common Share on each trading day for a period of ten consecutive trading days on the Canadian Securities Exchange (the "CSE"). The Company has adopted the residual method with respect to the measurement of the Warrants and accordingly the difference between the proceeds raised and the value of the common shares is the residual fair value of the Warrants. During the nine months ended January 31, 2022, and year ended April 30, 2021, the value to Warrants assigned for Private Placements was $nil.

As a result of the Private Placements, the Company incurred an aggregate of $25,790 and $44,322 in cash share issuance costs during the nine months ended January 31, 2022, and year ended April 30, 2021, respectively.

During the nine months ended January 31, 2022, the Company issued the following Common Shares:

- On June 11, 2021, the Company closed a Private Placement and issued 16,994,475 Units at a price of $0.0875 per Unit for gross proceeds of $1,487,017. In connection with the Issuance of the Units, the Company issued 16,994,475 Common Shares and 8,497,238 Warrants. Furthermore, the Company issued 238,562 broker warrants entitling the holder thereof to purchase one Common Share for a period of twenty-four months from the closing date at a price of $0.15 per Common Share.

During the year ended April 30, 2021, the Company issued the following Common Shares:

- On June 16, 2020, the Company closed a Private Placement and issued 1,500,000 Units of the Company, at a price of $0.05 per Unit, for gross proceeds of $75,000. In connection with the issuance of the Units, the Company issued 1,500,000 Common Shares and 750,000 Warrants;
- On June 30, 2020, the Company acquired PCAI Pharma and its wholly-owned subsidiary AI Pharma. In consideration for the Transaction, the Company issued 36,000,000 Common shares, at a fair value price of $0.07 per Common Share, for a total Purchase Price of $2,520,000;
- On July 20, 2020, the Company closed a Private Placement and issued 8,500,000 Units of the Company, at a price of $0.05 per Unit, for gross proceeds of $425,000. In connection

with the issuance of the Units, the Company issued 8,500,000 Common Shares and 4,250,000 Warrants;

- On July 31, 2020, the Company closed a Private Placement and issued 10,208,340 Units of the Company, at a price of $0.05 per Unit, for gross proceeds of $510,417; of which $456,250 was received in cash and $54,167 was issued to settle accrued interest payable. In connection with the issuance of the Units, the Company issued 10,208,340 Common Shares and 5,104,170 Warrants. Furthermore, the Company issued 386,750 broker warrants ("Broker Warrants"), each Broker Warrant entitles the holder thereof to purchase one Common Share for a period of twenty-four months from the closing date at a price of $0.15 per Common Share
- On September 18, 2020, the Company closed a Private Placement and issued 9,090,907 Units of the Company, at a price of $0.055 per Unit, for gross proceeds of $500,000; of which $489,000 was received in cash and $11,000 was issued in settlement of outstanding director fees. In connection with the Issuance of the Units, the Company issued 9,090,907 Common Shares and 4,545,454 Warrants;
- On October 29, 2020, the Company issued 772,775 Common Shares, at a price of $0.08 per Common Share, in settlement of $61,822 in interest and an extension fee in relation to the Debentures;
- On December 23, 2020, the Company closed a Private Placement and issued 15,384,615 Units of the Company, at a price of $0.065 per Unit, for gross proceeds of $1,000,000. In connection with the issuance of the Units, the Company issued 15,384,615 Common Shares and 7,692,308 Warrants; and
- On February 22, 2021, the Company closed a Private Placement and issued 6,666,333 Units of the Company, at a price of $0.075 per Unit, for gross proceeds of $499,975. In connection with the issuance of the Units, the Company issued 6,666,333 Common Shares and 3,333,166 Warrants.

The Company received a notice of civil claim from a former CEO (the "Creditor") demanding repayment of a promissory note in the principal amount of $125,000 (the "Settlement Note") plus accrued interest at 5% per annum and collection costs of $10,000. On October 2, 2020, the Company settled the claim with the Creditor and agreed to repay the principal amount of $125,000 plus $16,421 of interest and collection costs over a period of 45 days in two installments. On December 18, 2020, the Company fully repaid the remaining principal of the Settlement Note plus additional interest and collection costs to fully settle the notice of civil claim with the Creditor.

On October 29, 2020, the Company entered into an extension and amendment agreement (the "Amendment") with a convertible debenture ("Debenture") holder who held a 10% Debenture maturing on November 1, 2020, in the principal amount of $262,500 and a 10% Debenture maturing on December 10, 2020 in the principal amount of $237,500. Pursuant to the Amendment, the maturity dates of these Debentures were both extended until July 31, 2021 (the "Amended Maturity Date") and the Company agreed to pay interest at a rate of 12% per annum on the Debentures from their respective maturity dates until the Amended Maturity Date. The Company also agreed to amend the conversion price of the Debentures from $0.15 per Common Share to $0.125 per Common Share and agreed to pay to the Debenture holder an extension fee of $20,000. Furthermore, the Company settled $61,822 representing (i) all interest payable on the Debentures up until the Amended Maturity Date in the aggregate amount of $41,822, and (ii) the extension fee of $20,000 through the issuance of 772,775 Common Shares at a price of $0.08 per share.

On February 2, 2021, Dr. James Thompson, the Company's president, tendered his resignation to accept a senior bio-medical advisor role with one of the Company's institutional investors which will allow him to continue to support the development of the Issuer.

On February 2, 2021, the Company issued stock options for the purchase of 4,000,000 common shares to a number of the Company's officers, directors and consultants. These stock options vested immediately, and shall be exercisable until February 1, 2024, at a price of $0.15 per share.

On February 22, 2021, the Company terminated an equipment lease (the "Equipment Lease") and a profit-sharing agreement (the "Profit Sharing Agreement") with 2623942 Ontario Limited, which were to commence on November 1, 2020, and entered into an agreement to sell one of its Extraction Systems.

In May 2021, the Company repaid the outstanding Debenture balance of $500,000.

On July 27, 2021, the Company entered into a promissory note (the "Note Payable A") with a non-arm's length party for the principal amount of $150,000. The Note Payable A is unsecured, bears interest at 18% per annum and is due on demand.

On August 26, 2021, the Company entered into a promissory note (the "Note Payable B") with a non-arm's length party for the principal amount of $150,000. The Note Payable B is unsecured, bears interest at 18% per annum and is due on demand.

On September 22, 2021, the Company entered into a promissory note (the "Note Payable C") with a non-arm's length party for the principal amount of $150,000. The Note Payable C is unsecured, bears interest at 18% per annum and is due on demand.

On October 31, 2021, the Company entered into a promissory note (the "Note Payable D") with a non-arm's length party for the principal amount of $42,740 (US $34,500). The Note Payable D is unsecured, bears interest at 18% per annum and is due on demand.

On December 16, 2021, the Company entered into a promissory note (the "Note Payable E") with a non-arm's length party for the principal amount of $20,000. The Note Payable E is unsecured, bears interest at 18% per annum and is due on demand.

On January 6, 2022, the Company entered into a promissory note (the "Note Payable F") with a non-arm's length party for the principal amount of $60,000. The Note Payable F is unsecured, bears interest at 18% per annum and is due on demand.

On January 28, 2022, the Company entered into a promissory note (the "Note Payable G") with a non-arm's length party for the principal amount of $12,625 (US $10,000). The Note Payable G is unsecured, bears interest at 18% per annum and is due on demand.

On January 31, 2022, the Company entered into a promissory note (the "Note Payable H") with a non-arm's length party for the principal amount of $20,000. The Note Payable H is unsecured, bears interest at 18% per annum and is due on demand.

Selected Financial Information

The following table summarizes financial information for the three months ended January 31, 2022, and the preceding seven quarters:

	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020
	$	$	$	$	$	$	$	$
Revenue			-	-	-	-	-	-
Net income (loss)	(650,735)	(801,741)	(747,081)	(5,125,100)	(1,597,029)	(886,867)	(517,649)	(307,870)
Income (loss) per share, basic and fully diluted	(0.01)	(0.01)	(0.01)	(0.04)	(0.02)	(0.01)	(0.01)	(0.01)
Total assets	1,313,538	1,354,856	1,400,308	1,603,503	5,307,736	5,895,390	6,489,497	3,335,793
Total liabilities	2,031,676	1,417,824	660,287	1,206,039	1,012,369	1,002,183	1,283,079	1,201,544
Shareholders' equity (deficiency)	(718,138)	(62,968)	740,031	397,464	4,295,367	4,893,207	5,206,418	2,134,249
Cash dividends	-	-	-	-	-	-	-	-

Results of Operations for the Three and Nine Months Ended January 31, 2022

The consolidated unaudited financial statements have been prepared using IFRS on a going concern basis, which presumes the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent on funding. The Company intends to finance its future requirements through a combination of debt and/or equity issuances. There is no assurance that the Company will be able to obtain such financings or obtain them on favorable terms. This uncertainty may cast significant doubt about the ability of the Company to continue as a going concern. These consolidated financial statements do not include any adjustments to the carrying value or presentation of assets or liabilities that might be necessary should the Company be unable to continue as a going concern. These adjustments could be material.

Revenue

Total revenue for the three and nine months ended January 31, 2022, and 2021 were $nil. The Company seeks to generate revenue through the development of combinatorial pharmaceuticals, nutraceuticals and cosmeceuticals utilizing compounds from cannabis (cannabinoids), psychedelic mushrooms (psilocybin), fungi (edible mushroom), natural psychedelic formulations (ayahuasca), and other medicinal plants. At such time, the Company may determine to commercialize such discoveries and intellectual property or may seek to license or sell its intellectual property portfolio.

Expenses

	Three months ended January 31, 2022	Three months ended January 31, 2021	**Nine months ended January 31, 2022**	Nine months ended January 31, 2021
Expenses				
Accretion	$ -	$ 10,555	$ -	$ 62,351
Amortization of right-of-use assets	**17,485**	24,797	**63,680**	104,916
Bad debt	**-**	-	**-**	18,500
Consulting fees	**160,795**	288,553	**562,479**	802,394
Foreign exchange loss (gain)	**10,336**	20,381	**14,830**	17,255
Insurance	**37,500**	22,500	**70,674**	73,500
Interest expense	**25,319**	26,279	**45,976**	82,513
Investor relations	**42,500**	36,249	**218,837**	85,692
License fees	**-**	19,607	**-**	45,593
Management fees	**60,000**	95,928	**181,500**	227,348
Office, administration and miscellaneous	**7,715**	12,969	**126,593**	126,395
Professional fees	**-**	23,342	**53,912**	119,451
Rent	**20,988**	-	**91,079**	-
Share-based compensation	**-**	-	**-**	83,075
Transfer agent and regulatory fees	**4,247**	4,669	**38,205**	21,310
	(386,885)	(585,829)	**(1,467,765)**	(1,870,293)
Gain on assignment of lease	**-**	-	**-**	23,659
Impairment of assets held for sale	**-**	(505,600)	**-**	(505,600)
Impairment of property and equipment	**-**	(505,600)	**-**	(505,600)
Impairment of intangible assets	**(263,850)**	-	**(731,792)**	-
Impairment of leasehold improvements	**-**	-	**-**	(143,711)
Net loss for the period	**$ (650,735)**	$ (1,597,029)	**$ (2,199,557)**	$ (3,001,545)
Loss per share – basic and diluted	**$ (0.005)**	$ (0.015)	**$ (0.016)**	$ (0.035)
Weighted average number of common shares outstanding – basic and diluted	**141,799,269**	109,442,809	**139,274,727**	85,956,939

Net loss for the period	**$ (650,735)**	$ (1,597,029)	**$ (2,199,557)**	$ (3,001,545)
Foreign exchange translation adjustment	**(4,435)**	4,629	**(2,272)**	1,097
Comprehensive loss for the period	**$ (655,170)**	$ (1,592,400)	**$ (2,201,829)**	$ (3,000,448

Accretion expense

Accretion expense for the three and nine months ended January 31, 2022, was $nil as compared to $10,555 and $62,351, respectively, for the three and nine months ended January 31, 2021. Accretion expense for the three and nine months ended January 31, 2021, was in relation to the Company's outstanding loan payable and convertible debentures. The decrease in accretion during the three and nine months ended January 31, 2022, is a result of the settlement of convertible debentures and loans payable during the year ended April 30, 2021.

Amortization of right-of-use assets

Amortization of right-of-use assets for the three and nine months ended January 31, 2021 was $17,485 and $63,680, respectively, as compared to $24,797 and $104,916, respectively, for the three and nine months ended January 31, 2021. Amortization of right-of-use assets for the periods were in relation to the Company's leases.

Bad debt expense

Bad debt expense for the three and nine months ended January 31, 2022 was $nil as compared to $18,500 for the three and nine months ended January 31, 2021. Bad debt expense relates to the impairment of an amount due from a former related party which was deemed uncollectible during the three and nine months ended January 31, 2021.

Consulting fees

Consulting fees for the three and nine months ended January 31, 2022 was $160,795 and $562,479, respectively, as compared to $288,553 and $802,394, respectively for the three and nine months ended January 31, 2021. The decrease in consulting fees during the three and nine months ended January 31, 2022 as compared to three and nine months ended January 31, 2021 was a result of the Company's overall reduction in spending as the Company did not raise any equity capital during the three months ended January 31, 2022.

Foreign exchange loss (gain)

Foreign exchange loss for the three and nine months ended January 31, 2022 was $10,336 and $14,830, respectively, as compared to foreign exchange loss of $20,381 and $17,255, respectively, for the three and nine months ended January 31, 2021. The foreign exchange loss (gain) for the periods was a result of the Company and its subsidiaries' United States dollar and Jamaican dollar transactions.

Insurance expense

Insurance expense for the three and nine months ended January 31, 2022 was $37,500 and $70,674, respectively, as compared to $22,500 and $73,500, respectively, for the three and nine months ended

January 31, 2021. The increase in insurance expense during the three months ended January 31, 2022 was a result of the Company obtaining a new directors and officers policy.

Interest expense

Interest expense for the three and nine months ended January 31, 2022 was $25,319 and $45,976, respectively, as compared to $26,279 and $82,513, respectively, for the three and nine months ended January 31, 2021. Interest expense for the periods ended January 31, 2022 and 2021 were related to the Company's outstanding leases, loan payable and convertible debentures. During the nine months ended January 31, 2022, the Company did not have any outstanding convertible debentures.

Investor relations

Investor relations expense for the three and nine months ended January 31, 2022 was $42,500 and $218,837, respectively, as compared to $36,249 and $85,692, respectively, for the three and nine months ended January 31, 2021. The increase in investor relations expense during the period ended January 31, 2022 was a result of the Company's overall increased activity and need for additional public market support.

License fees

License fees for the three and nine months ended January 31, 2022 was $nil, as compared to $19,607 and $45,593, respectively, for the three and nine months ended January 31, 2021. License fees for the periods ended January 31, 2022 and 2021 were in relation to R&D and processing fees to AI Pharma's Jamaican-based *Cannabis License Authority* (CLA) licensed medical cannabis partner.

Management fees

Management fees for the three and nine months ended January 31, 2022 were $60,000 and $181,500, respectively, as compared to $95,928 and $227,348, respectively, for the three and nine months ended January 31, 2021. Management fees for the periods ended January 31, 2022 and 2021 were in relation to fees payable to certain of the Company's key management and related parties.

Office and administration expense

Office and administration expense for the three and nine months ended January 31, 2022 was $7,715 and $126,593, respectively, as compared to $12,969 and $126,395, respectively, for the three and nine months ended January 31, 2021. The office and administration expenses during the periods ended January 31, 2022 and 2021 was a result of the Company's overall increased business activity as a result of the acquisition of PCAI Pharma and its wholly-owned subsidiary AI Pharma.

Professional fees

Professional fees for the three and nine months ended January 31, 2022 were $nil and $53,912, respectively, as compared to $23,342 and $119,451, respectively, for the three and nine months ended January 31, 2021. Professional fees relate to legal fees incurred for transactions, financings, and audit fees.

Rent

Rent for the three and nine months ended January 31, 2022, was $20,988 and $91,079, respectively, as compared to $nil and $nil, respectively, for the three and nine months ended January 31, 2021. Rent was in

relation to R&D and processing center to AI Pharma's Jamaican-based *Cannabis License Authority* (CLA) licensed medical cannabis partner.

Share based compensation

Share-based compensation for the three and nine months ended January 31, 2022, was $nil and $nil, respectively, as compared to $nil and $83,075, respectively, for the three and nine months ended January 31, 2021. Share-based compensation for the nine months ended January 31, 2021, was in relation to the issuance of options under the Company's stock option plan and warrants issued to directors, officers and a consultant.

Transfer agent and regulatory fees

Transfer agent and regulatory fees for the three and nine months ended January 31, 2021, were $4,247 and $38,205, respectively, as compared to $4,669 and $21,310, respectively, for the three and nine months ended January 31, 2021. This relates to the Company's filing fees and other regulatory costs which increased in the current period due to late fees paid to the regulators for late filing for the year end and quarter statements.

Gain on assignment of lease

Gain on assignment of lease for the three and nine months ended January 31, 2022, was $nil as compared to $nil and $23,659, respectively, for the three and nine months ended January 31, 2021. Gain on settlement of lease relates to the gain recognized from the extinguishment of an outstanding lease liability related to the Company's assignment of its sub-leased premises in British Columbia, Canada.

Impairment of intangible assets

Impairment of intangible assets for the three and nine months ended January 31, 2022, was $263,850 and $731,792, respectively, as compared to $nil for the three and nine months ended January 31, 2021. Impairment of intangible assets during the period ended January 31, 2021, was a result of the lack of revenue from AI Pharma (cash-generating unit).

Impairment of leasehold improvements

Impairment of leasehold improvements for the three and nine months ended January 31, 2022, was $nil as compared to $nil and $143,711, respectively, for the three and nine months ended January 31, 2021. Impairment of leasehold improvements during the three and nine months ended January 31, 2021, was related to the assignment of its sub-leased premises in British Columbia, Canada.

Foreign exchange translation adjustment

Foreign exchange translation adjustment loss (gain) for the three and nine months ended January 31, 2022, was $4,435 and $2,272, respectively, as compared to a gain of $(4,629) and $(1,097), respectively, for the three and nine months ended January 31, 2021. Foreign exchange translation adjustment relates to the translation of the Company's subsidiaries from their functional currency to the Company's presentation currency in Canadian dollars.

Net Loss and Comprehensive Loss

During the three months ended January 31, 2022, the Company recorded a net loss of $650,735 as compared to net loss of $1,597,029 during the three months ended January 31, 2021. During the nine months ended January 31, 2022, the Company recorded a net loss of $2,199,557 as compared to a net loss of $3,001,545 during the nine months ended January 31, 2021.

During the three months ended January 31, 2022, the Company recorded a comprehensive loss of $655,170 as compared to a comprehensive loss of $1,592,400 during the three months ended January 31, 2021. During the nine months ended January 31, 2022, the Company recorded a comprehensive loss of $2,201,829 as compared to a comprehensive loss of $3,000,448 during the nine months ended January 31, 2021.

Liquidity and Capital Resources

As at January 31, 2021, the Company had total assets of $1,313,538 (April 30, 2021 – $1,603,503) consisting of cash of $1,853, GST and HST receivable of $126,048, deferred costs of $17,500, prepaid expenses of $168,137, and property and equipment of $1,000,000.

As at April 30, 2021, the Company had total assets of $1,603,503 consisting of cash and cash equivalents of $239,829, deferred costs of $17,500, prepaid expenses of $217,363, property and equipment of $500,000, right-of-use assets of $63,811 and other receivable of $565,000.

The decrease in assets from April 30, 2021, was primarily a result of the decrease in cash and right-of-use assets.

As at January 31, 2022, the Company had total liabilities of $2,031,676 (April 30, 2021 – $1,206,039) consisting of accounts payable and accrued liabilities of $1,387,877, lease obligations of $nil, and loan payable of $643,799.

As at April 30, 2021, the Company had total liabilities of $1,206,039 consisting of accounts payable and accrued liabilities of $625,855, GST and HST payable of $13,653, lease obligations of $66,531, and long-term convertible debentures of $500,000.

Cash Used in Operating Activities

The Company used cash in operating activities in the amount of $1,358,501 (January 31, 2021 – $1,437,070) during the nine months ended January 31, 2022 due to the reasons as discussed above.

Cash Used in Investing Activities

The Company used cash by investing activities in the amount of $65,772 during the nine months ended January 31, 2022 as compared to cash used by investing activities of $1,211,720 during the nine months ended January 31, 2021. Cash used by investing activities related to the repayment of lease obligations during the nine months ended January 31, 2022 (January 31, 2021 repayment of lease obligations offset by the return of a rental deposit). During the nine months ended January 31, 2021, the Company had invested $1,137,236 which was impaired at the end of the year.

Cash Provided by Financing Activities

The Company was provided cash by financing activities in the amount of $1,191,592 during the nine months ended January 31, 2022 as compared to $2,291,136 during the nine months ended January 31, 2021.

These relate to the Company's Private Placements (see "*Private Placement of Units*" below) less share issuance costs and unsecured loans.

Summary

The Company recorded a net loss of $2,199,557 during the nine months ended January 31, 2021 as compared to a net loss of $3,001,545 during the nine months ended January 31, 2021. As at January 31, 2021, the Company had a working capital deficiency of $1,718,138 as compared to $731,347 as at April 30, 2021 and total shareholders' deficiency of $718,138 (April 30, 2021 – shareholders' equity of $397,464).

The Company has financed its operations from inception to date through the issuance of debt and equity securities. The Company currently has no source of revenues, and as such, administrative and other expenses may exceed available cash resources and additional funding may be required to further the Company's future business projects and to meet ongoing requirements for its general operations.

The Company's objectives when managing its capital structure are to preserve the Company's access to capital markets and its ability to meet its financial obligations. To manage the capital structure, the Company may adjust its business plan, operating expenditures or may issue new debt and/or equity. The board of directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The Company is not subject to externally imposed capital requirements or covenants.

The ability of the Company to continue as a going concern is dependent on raising additional financing, the development of its projects and generation of profitable operations in the future. The Company intends to finance its future requirements through a combination of debt and/or equity issuances. There is no assurance that the Company will be able to obtain such financings or obtain them on favorable terms. This uncertainty may cast significant doubt about the ability of the Company to continue as a going concern. These consolidated financial statements do not include any adjustments to the carrying value or presentation of assets or liabilities that might be necessary should the Company be unable to continue as a going concern. These adjustments could be material.

OUTSTANDING SHARE DATA

There were 141,799,269 common shares issued and outstanding as at January 31, 2022 and 141,799,269 common shares issued and outstanding as at April 1, 2022, being the date of this report. There were 6,725,000 stock options and 38,172,648 warrants issued and outstanding as at January 31, 2022 and 6,725,000 stock options and 38,172,648 warrants issued and outstanding as at April 1, 2022.

Private Placement of Units

The Company completed one and six tranches of Private Placements through the issuance of Units during the nine months ended January 31, 2021 and year ended April 30, 2021, respectively. Each Unit consisted of one Common Share and one-half of one Common Share purchase Warrant. Each Warrant entitles the holder thereof to purchase one Common Share for a period of twenty-four months from the closing date at a price of $0.15 per Common Share. Furthermore, the Company has the right to accelerate the expiry date to be thirty days following written notice to the holders, if during the term of the Warrants the Common Shares close at or above $0.20 per Common Share on each trading day for a period of ten consecutive trading days on the CSE.

On June 16, 2020, the Company closed a Private Placement and issued 1,500,000 Units of the Company,

at a price of $0.05 per Unit, for gross proceeds of $75,000. In connection with the issuance of the Units, the Company issued 1,500,000 Common Shares and 750,000 Warrants.

On July 20, 2020, the Company closed a Private Placement and issued 8,500,000 Units of the Company, at a price of $0.05 per Unit, for gross proceeds of $425,000. In connection with the issuance of the Units, the Company issued 8,500,000 Common Shares and 4,250,000 Warrants.

On July 31, 2020, the Company closed a Private Placement and issued 10,208,340 Units of the Company, at a price of $0.05 per Unit, for gross proceeds of $510,417; of which $456,250 was received in cash and $54,167 was issued to settle accrued interest payable. In connection with the issuance of the Units, the Company issued 10,208,340 Common Shares and 5,104,170 Warrants. Furthermore, the Company issued 386,750 Broker Warrants, each Broker Warrant entitles the holder thereof to purchase one Common Share for a period of twenty-four months from the closing date at a price of $0.15 per Common Share.

On September 18, 2020, the Company closed a Private Placement and issued 9,090,907 Units of the Company, at a price of $0.055 per Unit, for gross proceeds of $500,000; of which $489,000 was received in cash and $11,000 was issued in settlement of outstanding director fees. In connection with the Issuance of the Units, the Company issued 9,090,907 Common Shares and 4,545,454 Warrants.

On December 23, 2020, the Company closed a Private Placement and issued 15,384,615 Units of the Company, at a price of $0.065 per Unit, for gross proceeds of $1,000,000. In connection with the issuance of Units, the Company issued 15,384,615 Common Shares and 7,692,308 Warrants.

On February 22, 2021, the Company closed a Private Placement and issued 6,666,333 Units of the Company, at a price of $0.075 per Unit, for gross proceeds of $499,975. In connection with the issuance of the Units, the Company issued 6,666,333 Common Shares and 3,333,166 Warrants.

On June 11, 2021, the Company closed a Private Placement and issued 16,994,475 Units at a price of $0.0875 per Unit for gross proceeds of $1,487,017. In connection with the Issuance of the Units, the Company issued 16,994,475 Common Shares and 8,497,238 Warrants. Furthermore, the Company issued 238,562 broker warrants entitling the holder thereof to purchase one Common Share for a period of twenty-four months from the closing date at a price of $0.15 per Common Share.

Acquisition of PCAI Pharma and AI Pharma

On June 30, 2020, the Company completed the acquisition of 1196691 B.C. Ltd. d/b/a "PCAI Pharma" and its wholly owned subsidiary AI Pharma (the "Acquisition"), as described above. As consideration for the Acquisition, the Company issued 36,000,000 Common Shares of the Company at a price of $0.07 per share for a total consideration of $2,520,000 the (the "Purchase Price").

Consideration		
36,000,000 common shares at a value of $0.07 per share	**$**	**2,520,000**
Purchase price allocation		
Right-of-use asset	$	165,626
Accounts payable and accrued liabilities		(18,542)
Lease obligation		(165,626)
Provisional amount allocated to Goodwill		2,538,542
	$	**2,520,000**

Following the Acquisition, the Company determined that the entire amount of goodwill was impaired and reduced the recoverable amount to $nil, resulting in a loss on impairment of $2,538,542. The entire amount of goodwill impairment was reported in the statement of loss and comprehensive loss during the year ended April 30, 2021 and related to the specific cash generating unit of AI Pharma. As at January 31, 2022 and April 30, 2021, there were no provisional amounts for items for which the accounting is incomplete.

Since the date of the Acquisition, the Company had capitalized intangible assets in the amount $2,064,975. As a result of the impairment of the specific cash generating unit of AI Pharma, this amount was determined to be impaired.

Share Capital

Preferred Shares

The Company is authorized to issue an unlimited number of preferred shares with the rights, privileges and restrictions determined by the board of directors at the time of issuance.

As at January 31, 2022 and the date hereof, there are no issued or outstanding preferred shares.

Common Shares

The Company is authorized to issue an unlimited number of Common Shares, without par value. The holders of Common Shares are entitled to receive dividends which are declared from time to time and are entitled to one vote per share at meetings of the Company. All shares are ranked equally with regards to the Company's residual assets.

As at January 31, 2022, the Company had 141,799,269 Common Shares issued and outstanding. Refer to *Private Placement of Units* for the details of Common Share issuances.

Warrants

During the nine months ended January 31, 2022, the Company issued the following warrants:

- On June 11, 2021 and in connection with a Private Placement, the Company issued 8,497,238 Warrants exercisable until June 11, 2023 at an exercise price of $0.15 per Common Share. These warrants were valued at $nil, using the residual value method; and

- On July 11, 2021 and in connection with a Private Placement, the Company issued 386,750 broker warrants exercisable until June 11, 2023 at an exercise price of $0.15 per Common Share, valued at $12,550. The fair value of the Brokers Warrants of $12,550, was recorded as share issuance costs estimated using the Black-Scholes option pricing model with the following assumptions: volatility of 160%, risk-free interest rate of 0.27%, expected life of 2 years and expected dividend yield of 0.00%;

During the year ended April 30, 2021, the Company issued the following warrants:

- On June 1, 2020, the Company issued 100,000 warrants to a consultant exercisable until May 31, 2021 at an exercise price of $0.10 per Common Share. These warrants were valued at $1,370;

- On June 16, 2020 and in connection with a Private Placement, the Company issued 750,000 Warrants exercisable until June 15, 2022 at an exercise price of $0.15 per Common Share. These warrants were valued at $nil, using the residual value method;

- On July 20, 2020 and in connection with a Private Placement, the Company issued 4,250,000 Warrants exercisable until July 19, 2022 at an exercise price of $0.15 per Common Share. These warrants were valued at $nil, using the residual value method;

- On July 31, 2020 and in connection with a Private Placement, the Company issued 5,104,170 Warrants exercisable until July 30, 2022 at an exercise price of $0.15 per Common Share. These warrants were valued at $nil, using the residual value method;

- On July 31, 2020 and in connection with a Private Placement, the Company issued 386,750 broker warrants exercisable until July 30, 2022 at an exercise price of $0.15 per Common Share, valued at $11,951. The fair value of the brokers warrants of $17,333, was recorded as share issuance costs estimated using the Black-Scholes option pricing model with the following assumptions: volatility of 161%, risk-free interest rate of 0.27%, expected life of 2 years and expected dividend yield of 0.00%;

- On September 18, 2020 and in connection with a Private Placement, the Company issued 4,545,454 Warrants exercisable until September 17, 2022 at an exercise price of $0.15 per Common Share. These warrants were valued at $nil, using the residual value method.

- On December 23, 2020 and in connection with a Private Placement, the Company issued 7,692,308 Warrants exercisable until December 22, 2022 at an exercise price of $0.15 per Common Share. These warrants were valued at $nil, using the residual value method.; and

- On February 22, 2021 and in connection with a Private Placement, the Company issued 3,333,166 Warrants exercisable until February 21, 2023 at an exercise price of $0.15 per Common Share. These warrants were valued at $nil, using the residual value method.

Options

As at January 31, 2022 and the date hereof, the Company had 6,725,000 options issued and outstanding respectively.

On May 29, 2020, the Company granted 2,725,000 options to directors, officers and a consultant of the Company. The options were granted in accordance with the Company's stock option plan and are exercisable until May 28, 2023 at an exercise price of $0.10 per Common Share.

On February 2, 2021, the Company granted 4,000,000 options to the Company's directors, officers and consultants. These options were granted in accordance with the Company's stock option plan and are exercisable until February 1, 2024 at an exercise price of $0.15 per Common Share. These options vested on date of grant.

Related Party Transactions

Key management personnel include the Chief Executive Officer ("CEO"), the Chief Financial Officer ("CFO"), the Board of Directors, close family members and enterprises that are controlled by such individuals as well as certain persons performing similar functions.

During the three and nine months ended January 31, 2022, amounts paid for key management services include the following:

		Three months ended January 31, 2022		Nine months ended January 31, 2022
Fees for services of CEO	$	45,000	$	135,000
Fees for services of CFO		15,000		46,500
Management fees	**$**	**60,000**	**$**	**181,500**
Fees for services of Executive Chairman		76,703		221,323
Fees for services of Chief Science Officer		36,751		111,699
Share-based compensation to directors and officers from options issued (Note 10 (e))		-		-
	$	**173,454**	**$**	**514,522**

During the three and nine months ended January 31, 2021, amounts paid for key management services include the following:

		Three months ended January 31, 2021		Nine months ended January 31, 2021
Fees for services of CEO	$	45,000	$	112,500
Fees for services of CFO		12,500		27,500
Fees for services of prior Executive Chairman		-		22,500
Fees for services of President		38,428		64,848
Management fees	**$**	**95,928**	**$**	**227,348**
Fees for services of Executive Chairman		77,875		315,208
Fees for services of Chief Science Officer		39,170		78,191
Director fees[(1)]		15,000		46,000
Share-based compensation to directors and officers from options issued (Note 10 (e))		-		80,955
	$	**227,973**	**$**	**747,702**

[(1)] Director fees include $11,000 of fees which were settled on September 18, 2020, through the issuance of 200,000 Units in a Private Placement.

As at January 31, 2022, the Company had the following balances with related parties:

- Included in accounts payable and accrued liabilities is $247,261 (April 30, 2021 – $49,456) due to related parties.

The right-of-use assets, the lease liabilities, rent and licensee fees for the nine months ended January 31, 2022 were paid to entities which are considered to be related parties by virtue of a common officer and director.

Loan Payable

On July 27, 2021, the Company entered into a promissory note (the "Note Payable A") with a non-arm's length party for the principal amount of $150,000. The Note Payable A is unsecured, bears interest at 18% per annum and is due on demand.

On August 26, 2021, the Company entered into a promissory note (the "Note Payable B") with a non-arm's length party for the principal amount of $150,000. The Note Payable B is unsecured, bears interest at 18% per annum and is due on demand.

On September 22, 2021, the Company entered into a promissory note (the "Note Payable C") with a non-arm's length party for the principal amount of $150,000. The Note Payable C is unsecured, bears interest at 18% per annum and is due on demand.

On October 31, 2021, the Company entered into a promissory note (the "Note Payable D") with a non-arm's length party for the principal amount of $42,740 (US $34,500). The Note Payable D is unsecured, bears interest at 18% per annum and is due on demand.

On December 16, 2021, the Company entered into a promissory note (the "Note Payable E") with a non-arm's length party for the principal amount of $20,000. The Note Payable E is unsecured, bears interest at 18% per annum and is due on demand.

On January 6, 2022, the Company entered into a promissory note (the "Note Payable F") with a non-arm's length party for the principal amount of $60,000. The Note Payable F is unsecured, bears interest at 18% per annum and is due on demand.

On January 28, 2022, the Company entered into a promissory note (the "Note Payable G") with a non-arm's length party for the principal amount of $12,625 (US $10,000). The Note Payable G is unsecured, bears interest at 18% per annum and is due on demand.

On January 31, 2022, the Company entered into a promissory note (the "Note Payable H") with a non-arm's length party for the principal amount of $20,000. The Note Payable H is unsecured, bears interest at 18% per annum and is due on demand.

Interest expense in the amount of $23,396 and $38,434, respectively, was recorded for the three and nine months ended January 31, 2022 (January 31, 2021 – $nil)

As at January 31, 2022, the outstanding loans payable amounted to $643,799 (April 30, 2021 – $nil).

Convertible Debentures

During the three months ended April 30, 2018, the Company issued convertible debentures in the aggregate principal amount of $1,130,000 (the "Debentures"). The Debentures had a maturity of 3 years, bearing interest at 10% per annum, payable in cash or convertible into Common Shares at the option of the holder at a conversion price of $0.15 per share. In connection with the Debentures, the Company issued 7,533,530 Common Share purchase warrants, each warrant exercisable at $0.20 per share for a period of 2 years from the date of issuance.

The warrants were transaction costs related to the Debentures and had a fair value of $623,521, calculated using the Black-Scholes pricing model. Of this amount, $144,116 was allocated to the equity component of the Debentures and the remaining amount allocated to the liability component, to be accreted over the term of the Debentures.

Furthermore, 342,500 Common Shares valued at $51,375 were issued to the Debenture holders and were recorded as transaction costs. Of the $51,375 in transaction costs, $11,875 was recorded as share issuance costs and the remaining amount was recorded against the liability portion of the Debentures, accreted over the term of the Debentures.

On May 10, 2018, the Company repaid certain Debentures with a face value of $105,000 and a carrying value of $46,438, resulting in a loss on repayment of $47,676 and a reduction to the equity component of the Debentures of $10,886.

On April 25, 2019, certain holders of the Company's Debentures elected to convert a face value of $525,000 of the Debentures at the conversion price of $0.15 per Common Share resulting in the Company issuing 3,500,000 Common Shares. During the three months ended April 30, 2020, the Company issued an aggregate of 166,667 Common Shares to settle $25,000 of accrued interest on the Debentures.

On October 29, 2020, the Company entered into an extension and amendment agreement (the "Amendment") with a Debenture holder who held a 10% Debenture maturing on November 1, 2020 in the principal amount of $262,500 and a 10% Debenture maturing on December 10, 2020 in the principal amount of $237,500. Pursuant to the Amendment, the maturity dates of these Debentures were both extended until July 31, 2021 (the "Amended Maturity Date") and the Company agreed to pay interest at a rate of 12% per annum on the Debentures from their respective maturity dates until the Amended Maturity Date. The Company also agreed to amend the conversion price of the Debentures from $0.15 per Common Share to $0.125 per Common Share and agreed to pay to the Debenture holder an extension fee of $20,000. Furthermore, the Company settled $61,822 representing (i) all interest payable on the Debentures up until the Amended Maturity Date in the aggregate amount of $41,822, and (ii) the extension fee of $20,000 through the issuance of 772,775 Common Shares at a price of $0.08 per share.

As a result of the Amendment, the Company allocated $483,993 of the outstanding principal amount of $500,000 of the Debentures to the liability component of the Debentures and the remaining amount of $16,007 to the equity component of the Debentures. Furthermore, the extension fee of $20,000 was recorded as a transaction cost, of which $641 was recorded as issuance cost related to the equity component of the Debentures and the remaining amount of $19,359 was allocated to the liability portion of the Debentures, to be accreted until the Amended Maturity Date.

In May 2021, the Company repaid the outstanding Debenture balance of $500,000. As at October 31, 2021, the Company's outstanding convertible debenture amounted to $nil (April 30, 2021 - $500,000).

Off Balance Sheet Arrangements

As at January 31, 2022, the Company had no material off balance sheet arrangements such as guaranteed contracts, contingent interests in assets transferred to an entity, derivative instrument obligations or any instruments that could trigger financing, market or credit risk to the Company.

Significant Accounting Policies

These unaudited consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for certain cash flow information. The functional currency of the Company and its subsidiaries is the Canadian dollar, which is also the Company's presentation currency.

These consolidated financial statements have been prepared in accordance with International Accounting Standards 1, Presentation of Consolidated Financial Statements using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC").

Basis of consolidation

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly and indirectly, to govern the financial and operating polices of an entity and be exposed to the variable returns from its activities. The financial statements of the Company's subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries: Oservco Management Corp., 1160516 B.C. Ltd. and its wholly owned subsidiary Bare Root Production Osoyoos Inc., and PCAI Pharma and its wholly owned subsidiary AI Pharma. All inter-company transactions and balances have been eliminated on consolidation.

Significant accounting judgements and estimates

The preparation of these consolidated financial statements in compliance with IFRS requires management to make certain critical accounting estimates and assumptions. These estimates and assumptions affect the reported amounts of assets, liabilities, shareholders' equity, and the disclosure of contingent assets and liabilities, as at the date of the financial statements, and expenses for the periods reported.

Critical Judgements

The preparation of these consolidated financial statements requires management to make judgements regarding the going concern of the Company, as well as the determination of functional currency. The functional currency is the currency of the primary economic environment in which an entity operates and has been determined for each entity within the Company. The functional currency for the Company, Oservco Management Corp., 1160516 B.C. Ltd., Bare Root Production Osoyoos Inc., and PCAI Pharma have been determined to be the Canadian dollar. The functional currency of AI Pharma has been determined to be the Jamaican dollar.

Key Sources of Estimation Uncertainty

Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting periods. Actual results could differ from those estimates and such differences could be significant.

Significant estimates made by management affecting the consolidated financial statements include:

Share-based compensation

Estimating fair value for granted stock options and compensatory warrants requires determining the most appropriate valuation model which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the option or warrant, volatility, dividend yield, and rate of forfeitures and making assumptions about them.

Deferred tax assets and liabilities

The estimation of income taxes includes evaluating the recoverability of deferred tax assets and liabilities based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets and liabilities will not be realized. The ultimate realization of deferred tax assets and liabilities is dependent upon the generation of future taxable income, which in turn is dependent upon the successful execution of the Company's business plan. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets or liabilities, and deferred income tax provisions or recoveries could be affected.

Carrying values of tangible assets

The Company assesses the carrying value of its tangible assets annually or more frequently if warranted by a change in circumstances. If it is determined that carrying values of assets cannot be recovered, the unrecoverable amounts are charged against current earnings. Recoverability is dependent upon assumptions and judgements regarding market conditions, costs of operations and sustaining capital requirements. Other assumptions used in the calculation of recoverable amounts are discount rates, and future cash flows. A material change in the assumptions may significantly impact the potential impairment of these assets.

Discount rates used in convertible debentures

The Company calculates the liability portion of convertible debentures by calculating the present value of the debenture and related interest, using a discount rate equal to the market rate that would be given for similar debt, without a conversion feature. Management determines this rate by assessing what rate the Company could borrow funds at from an unrelated party.

Leases

The Company estimates a lease term by considering the facts and circumstances that can create an economic incentive to exercise an extension option, or not exercise a termination option by assessing relevant factors such as profitability. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The assessment of a lease term is

reviewed if a significant event or a significant change in circumstance occurs, which affects this assessment and that is within the control of the lessee. The Company estimates the incremental borrowing rate used to measure our lease liability for each lease contract. This includes estimation in determining the asset-specific security impact.

Contingencies

By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events.

Capitalization of development costs

Initial capitalization of development costs is based on management's judgment that technical and economic feasibility is confirmed. Subsequent development costs are capitalized if the Company can demonstrate an economic benefit to the underlying intangible asset. An intangible asset arising from development is recognized if the Company can demonstrate all of the following:

a) the technical feasibility of completing the intangible asset so that it will be available for use or sale;
b) its intention to complete the intangible asset and use or sell it;
c) its ability to use or sell the intangible asset;
d) how the intangible asset will generate probable, future economic benefits;
e) the availability of adequate technical, financial and other resources; and
f) its ability to measure reliably the expenditure attributable to the intangible asset during its development phase.

Carrying values of goodwill and other intangible assets

The values associated with goodwill and other intangible assets involve significant estimates and assumptions, including those with respect to the determination of cash generating units ("CGUs"), future cash inflows and outflows, discount rates and useful asset lives. At least annually, the carrying amount of goodwill and other intangible assets are reviewed for potential impairment. Among other things, this review considers the recoverable amounts of the CGUs based on the higher of value in use or fair value less costs of disposal using discounted estimated future cash flows. These significant estimates require considerable judgment which could affect the Company's future results if the current estimates of future performance and fair value change.

Business combinations

Acquisitions have been accounted for using the acquisition method as per IFRS 3, Business Combinations. Goodwill arising from acquisitions are measured as the fair value of the consideration transferred less the net recognized amount of the estimated fair value of identifiable assets acquired and liabilities assumed (subject to certain exemptions to fair value measurement principles such as deferred tax assets or liabilities), all measured as of the acquisition date. Transaction costs that are incurred by the Company in connection with a business combination are expensed as incurred (except for costs directly related to the issuance of shares which are recognized in equity).

The Company uses its best estimates and assumptions to accurately value assets and liabilities assumed at an acquisition date as well as contingent consideration, where applicable, and these estimates are inherently uncertain and subject to refinement. As a result, during the measurement period, which may be up to one year from an acquisition date, the Company records adjustments to the assets acquired and liabilities assumed with a corresponding offset to goodwill. On conclusion of the measurement period or final determination of the values of assets acquired or liabilities assumed, whichever comes first, any subsequent adjustments are recorded in profit and loss.

Intangible assets

Intangible assets are measured at cost less accumulated amortization and accumulated impairment losses. Amortization is recorded on a straight-line basis over the estimated useful life of the asset acquired, which varies depending on the nature of the intangible asset. Intangible assets are amortized from the date when they are available for use.

The estimated useful life is reviewed at the end of each reporting period with the effect of any changes in estimate being accounted for on a prospective basis. Internally incurred development costs recognized as intangible assets when the following criteria are met:

a) it is technically feasible to complete the intangible asset so that it will be available for use;

b) management intends to complete the intangible asset and use or sell it;

c) there is an ability to use or sell the intangible asset;

d) it can be demonstrated how the intangible asset will generate probable future economic benefits;

e) adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available; and

f) the expenditure attributable to the intangible asset during its development can be reliably measured.

Intangible assets relate to the Company's internal development expenditures in relation to patent and intellectual property development as described in Note 1 to the financial statements. Other internal development expenditures that do not meet these criteria are recognized as an expense as incurred. Intangible assets with definite lives are assessed for impairment whenever there is an indication that the intangible asset may be impaired. These intangible assets will be amortized when they are ready for use. The amortization period and the amortization method are reviewed at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates on a prospective basis.

Financial Instruments and Other Risk Factors

The Company's financial instruments consist of cash and cash equivalents, accounts payable, loan payable, and convertible debentures.

The Company's cash and cash equivalents is measured at fair value under the fair value hierarchy based on level one quoted prices in active markets for identical assets or liabilities. The presentation of the Company's due from related party and accounts payable is fair value, taking into account their short-term nature. The fair value of loan payable approximates fair value. The fair value of convertible debentures are measured on the statement of financial position using level 3 of the fair value hierarchy.

The Company's financial instruments are exposed to certain financial risks, including currency risk, credit risk, liquidity risk, interest rate risk, price risk and foreign currency risk.

Financial risk management and objectives

The Company, through its financial assets and liabilities, is exposed to various risks. The Company has established policies and procedures to manage these risks, with the objective of minimizing any adverse effect that changes in these variables could have on these consolidated financial statements. The following analysis provides a measurement of risks as at January 31, 2022:

Credit Risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company is not exposed to significant credit risk.

Liquidity Risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected if its access to the capital market is hindered, whether as a result of a downturn in stock market conditions generally or matters specific to the Company. The Company generates cash flows primarily from its financing activities.

The Company manages its liquidity needs by carefully monitoring scheduled costs. Liquidity is measured in various time bands, on day to day and week-to-week basis, as well as on long term liquidity needs over 180 days to 360 day look out periods. Funding for long term liquidity needs is based on the ability of the Company to successfully complete private placements as well as, in certain cases, to pay the outstanding balances owed in shares of the Company rather than in cash.

As at January 31, 2022, the Company had cash of $1,853 and current liabilities of $2,031,676.

The Company considers expected cash flow from financial assets in managing liquidity risk. The Company's existing cash resources currently do not meet the current cash outflow requirements. As a result, the Company is at a risk of not being a going concern if management is unable to raise the appropriate funds prior to the maturity of the financial liabilities.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, commodity and equity prices, and foreign exchange rates.

a) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate risk.

b) Price Risk

The Company is not exposed to significant price risk as it does not possess investments in publicly traded securities.

c) Foreign Currency Risk

The Company is exposed to foreign currency risk from fluctuations in foreign exchange rates and the degree of volatility in these rates due to the timing of their accounts payable balances. The risk is mitigated by timely payment of creditors and monitoring of foreign exchange fluctuations by management. As at January 31, 2022, the Company did not use derivative instruments to hedge its exposure to foreign currency risk.

Contingencies and Commitments

On September 1, 2018, the Company executed a lease on real property and paid a rental deposit of $64,817 (the "Lease"). The Lease expires on August 31, 2023, subject to a 5-year renewal option at fair value rent. In years 1 and 2, the monthly rent (including common area cost) is $10,714, for years 3 and 4 $11,581 and year 5 $12,449. The Company has the option to acquire the property for $1,500,000. The option may be exercised at the end of the initial lease term on giving prior notice of at least six (6) months prior to the end of the initial lease term. On August 28, 2020, the Company entered into an assignment agreement whereby the Company assigned and transferred all right, title and interest in the Lease to a third party.

As a result, the Company no longer has any obligations with regards to the Lease.

Risks and Uncertainties

The Company is subject to a number of risks and uncertainties due to the nature of its business and the present stage of development. Current and potential investors should give special consideration to the risk factors involved.

Additional Financing

The continued development of the Company will require additional financing. There is no guarantee that the Company will be able to achieve its business objectives. The Company intends to fund its future business activities by way of additional offerings of equity and/or debt financing as well as through anticipated positive cash flow from operations in the future. The failure to raise or procure such additional funds or the failure to achieve positive cash flow could result in the delay or indefinite postponement of current business objectives. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, will be on terms acceptable to the Company. If additional funds are raised by offering equity securities, existing shareholders could suffer significant dilution. Any debt financing secured in the future could involve the granting of security against assets of the Company and also contain restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Company to obtain additional capital and to pursue business opportunities, including potential acquisitions. The Company will require additional financing to fund its operations until positive cash flow is achieved.

Investments may be pre-revenue

The Company has made and may make future investments in entities that have no significant sources of operating cash flow and no revenue from operations. As such, the Company's investments are subject to risks and uncertainties including the risk that the Company's investments will not be able to:

- implement or execute their current business plan, or create a business plan that is sound;
- maintain their anticipated management team; and/or
- raise sufficient funds in the capital markets or otherwise to effectuate their business plan.

If the Company's investments cannot execute any one of the foregoing, their businesses may fail, which could have a materially adverse impact on the business, financial condition and operating results of the Company.

Research and development

Although the Company, itself and through its investments, is committed to the development of combinatorial pharmaceuticals, nutraceuticals and cosmeceuticals, there can be no assurances that such research and development activities will prove profitable or that the resulting discoveries and products, if any, will be commercially viable or successfully produced and marketed.

Intellectual property and proprietary protection

The success of the Company will depend, in part, on the ability of the Company and the Company's investments to maintain, enhance and protect its intellectual property, including various existing and potential proprietary discoveries, techniques and processes. The Company and the Company's investments may be vulnerable to competitors who develop competing technology. Furthermore, the protection of the Company's intellectual property may be a costly litigation process.

Reliance on management

The success of the Company is dependent upon the ability, expertise, judgment, discretion and good faith of its senior management. Qualified individuals are in high demand, and the Company may incur significant costs to attract and retain them. The loss of the services of such individuals or an inability to attract other suitably qualified persons when needed, could have a material adverse effect on the Company's ability to execute on its business plan and strategy, and the Company may be unable to find adequate replacements on a timely basis, or at all.

COVID-19

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

Subsequent Events

On February 8, 2022, the Company entered into a promissory note (the "Note Payable I") with a non-arm's length party for the principal amount of $25,000. The Note Payable I is unsecured, bears interest at 18% per annum and is due on demand.

On February 9, 2022, the Company entered into a promissory note (the "Note Payable J") with a non-arm's length party for the principal amount of $2,500. The Note Payable J is unsecured, bears interest at 18% per annum and is due on demand.

On March 11, 2022, the Company entered into a promissory note (the "Note Payable K") with a non-arm's length party for the principal amount of US $11,000. The Note Payable K is unsecured, bears interest at 18% per annum and is due on demand.

Corporate Information

Directors and Officers

Dr. Stephen D. Barnhill – Executive Chair
Graham Simmonds – Executive Vice Chair & Chief Executive Officer
Paul Crath – Lead Independent Director
Larry Horwitz – Director
Rosy Mondin – Director
Sara Lee Irwin – Director
Dr. Anthony Hall – Director
Rakesh Malhotra – Chief Financial Officer
Dr. Herbert Fritsche – Chief Science Officer

Corporate Office

45 Sheppard Avenue East, Suite 703, Toronto, Ontario, Canada, M2N 5W9

Independent Auditor

Harbourside CPA LLP, Vancouver

Transfer Agent

Capital Transfer Agency ULC, Toronto

Other Information

Additional information on the Company is available on SEDAR at www.sedar.com.