

FORM 7

MONTHLY PROGRESS REPORT – DECEMBER 2020

Name of Listed Issuer: **LOBE SCIENCES CORP.** (the “Issuer” or the “Company”).

Trading Symbol: **LOBE**

Number of Outstanding Listed Securities: **199,733,984**

Date: **January 8, 2021**

Report on Business

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

Management has spent the month pursuing its business plan objectives. See the Issuer’s CSE Form 2A Listing Statement dated May 28, 2019 for a description of the Issuer’s business and business objectives. The Company plans to execute an aggressive growth plan over the short and medium term. Refer to general overview for business updates for the month of November 2020.

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

On November 16, 2020, GreenStar Biosciences Corp changed its name to Lobe Sciences Ltd (CSE: LOBE) (OTC Pink: GTSIF) ("Lobe" or the "Company") and commenced trading on the Canadian Securities Exchange (the "CSE") under its new name and trading symbol. In connection with the name change, the Company has new CUSIP and ISIN numbers - 53946V107 and CA53946V1076 respectively.

Management continues to work towards securing additional provisional patent applications in the U.S. and developing existing patents via a study with the University of Miami Miller School of Medicine. On December 1, 2020, the Company announced the launch of preclinical research studies using psilocybin and N-Acetylcysteine for the treatment of mild traumatic brain injury/concussion with post-traumatic stress disorder. The study is in collaboration with a multidisciplinary team of scientists and physicians at the University of Miami Miller School of Medicine under the lead of Michael E. Hoffer, M.D., professor of otolaryngology and neurological surgery.

On December 3, 2020, the Company engaged VisionWorks Engineering of San Diego, CA to commence engineering work to complete and test a proof-of-concept prototype of its nasal mist device. This is a major milestone towards the ultimate goal for development of effective delivery methods and commercialization. The device design allows for the precise control and delivery of medicines through the nasal cavity for faster and more efficient uptake of psychedelics and other medicines that target the brain.

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

Not applicable.

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

Not applicable.

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

Not applicable.

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

Not applicable.

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

Not applicable.

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

Not applicable.

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

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

Not applicable.

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

Not applicable.

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

Not applicable.

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

Not applicable.

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

Security	Number Issued	Details of Issuance	Use of Proceeds
Units ⁽¹⁾	23,271,000	Non-brokered Private Placement	⁽¹⁾

⁽¹⁾ On December 23, 2020, the Company issued 23,271,000 Units at a price of \$0.10 per Unit as a first closing of a non-brokered private placement raising gross proceeds of \$2,327,100. Each Unit consists of one common share in the capital of the Company and one share purchase warrant (each a "Warrant"). Each Warrant entitles the subscriber to acquire one additional Share at a price of \$0.25 per Warrant for a period of two years from the applicable closing date. The proceeds will be used to fund the Company's existing business operations, pre-clinical studies with N-Acetylcysteine and psilocybin, device development/engineering, general working capital, marketing and the costs of the Offering.

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

Not applicable.

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

Not applicable.

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

COVID-19

During the COVID-19 pandemic Cowlitz is continuing its regular operations. The Company will continue to monitor developments related to COVID-19 and assess operations as the situation evolves.

Mild traumatic brain injury

NAC has been shown to be safe and efficacious in a phase I human clinical study in treating military personnel who had suffered mTBI. The initial research focus is to demonstrate the safety and efficacy of the combination of psilocybin and NAC using broadly accepted rodent models. Final results are expected in 2021. Once this is established, more specific work can examine dose response, medicine uptake, and medicine levels. The research team at the Miller School of Medicine has conducted prior studies involving NAC with mTBI and has a license from the United States Drug Enforcement Administration to conduct research using Schedule I controlled substances, which includes psilocybin.

Advances in neuro-diagnostic assessment have revealed mild traumatic brain injury (concussion) ("mTBI") is more common than previously thought and potentially associated with a host of negative health outcomes. The Centers for Disease Control estimates that there are 3 million emergency room visits and over 230,000 hospitalizations due to traumatic brain injury ("TBI") in any given year in the United States alone. Also, at the same time there are 5.3 million Americans living with the effects of mTBI (a 53% increase over ten years ago). The World Health Organization calls traumatic brain injury a "silent epidemic" that affects over 70 million individuals across the world. The United States Department of Defense estimates that over 345,000 individuals are affected by mTBI and that 20% of all service members who deploy suffer mTBI. mTBI and PTSD are significant health care issues that often co-occur and impact each other.

United States

While the use of cannabis appears to be substantially increasing at the state legalized level in the United States, the status of Federal legalization of cannabis is uncertain. On January 15, 2019, during his confirmation hearing, Mr. Barr indicated that he personally believes cannabis should remain illegal but he also stated that if confirmed, he would not "go after companies that have relied on the 2013 Cole Memorandum and that his approach with regard to federal cannabis law enforcement would be "not to upset settled expectations." Mr. Barr's approach to cannabis federal law enforcement may prove less aggressive than Attorney General Sessions's get-tough on cannabis stance and could reduce the uncertainty stemming from Attorney General Sessions's tenure. However, Mr. Barr has made it clear that he does not support federal legalization and until he begins implementing these policies, considerable uncertainty remains. Jeff Sessions the former U.S. Attorney General was publicly opposed to the use

of cannabis and on January 4, 2018, rescinded the Cole Memorandum, stating it was unnecessary. The Cole Memorandum was a document formerly issued by the Attorney General's office (2013/2014) that gave guidance to prosecutors to focus their enforcement resources for marijuana offences on 8 priorities, including preventing distribution to minors, preventing revenue from going to organized crime and preventing impaired driving. It is likely that the States which have legalized marijuana for medical and/or recreational uses will fight any prohibition on the production, sale and use of cannabis, as they are receiving significant amounts of tax revenue in connection with these activities. The rescission of the Cole Memorandum introduced uncertainty to the market for the Company's products. On December 20, 2018, the Agriculture Improvement Act of 2018 (the "2018 Farm Bill") was passed into law. Marked as genuinely historic for the cannabis industry, the passing of the 2018 Farm Bill has removed all confusion associated with "industrial hemp". While the Issuer has always utilized organically sourced US Dept. of Agriculture approved industrial hemp in its CBD products, "hemp", defined as "the plant *Cannabis sativa* L. and any part of that plant, including the seeds thereof and all derivatives, extracts, cannabinoids, isomers, acids, salts, and salts of isomers, whether growing or not, with a delta-9 tetrahydrocannabinol concentration of not more than 0.3 percent on a dry weight basis," has now been officially removed from the Controlled Substances Act in the United States. While the Issuer is still assessing the various implications of the new law, the development is extremely positive for the Issuer and its future development plans in the U.S. and elsewhere. Regulation of the industry is expected to increase, including new regulations anticipated from the US Food and Drug Administration (FDA). Despite these challenges and a general lack of access to banking, the cannabis industry has so far enjoyed access to capital markets. The situation is constantly evolving and there is a great degree of uncertainty over how matters will be settled, however, it is likely that these US states that have legalized cannabis will fight any prohibition on its use as they are receiving significant amounts of tax revenue from the sale of cannabis. Despite the legal, regulatory, and political obstacles the marijuana industry currently faces, the industry has continued to grow.

On November 20, 2019 the House Judiciary Committee voted 24-10 to pass the Marijuana Opportunity Reinvestment and Expungement Bill of 2019 ("MORE") which removed marijuana from Schedule 1 of the Controlled Substances Act. For federal legalization to occur the MORE act will need to pass a House-wide vote as well as a vote in the Senate and then be signed into law by the President.

Washington State

On October 16, 2017, the Canadian Securities Administrators published Staff Notice 51-352 Issuers with U.S. Marijuana-Related Activities ("Staff Notice 51- 352") which provides specific disclosure expectations for issuers that currently have, or are in the process of developing, cannabis-related activities in the United States as permitted within a particular state's

regulatory framework. All issuers with United States cannabis-related activities are expected to clearly and prominently disclose certain prescribed information in prospectus filings and other required disclosure documents. As a result of the Issuer's investments in certain United States entities, the Issuer is subject to Staff Notice 51-352. See also the Issuer's CSE Form 2A Listing Statement dated May 28, 2019.

