

## FORM 7

### **MONTHLY PROGRESS REPORT – JUNE 2022**

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

Trading Symbol: **LOBE**

Number of Outstanding Listed Securities: **38,487,648\***

\* On June 10, 2022, the Company consolidated its issued share capital on a ratio of 6 old common shares for every 1 new post-consolidated common share. All current and comparative references to the number of common shares, weighted average number of common shares, loss per share, stock options and warrants have been restated to give effect to this share consolidation.

Date: **July 26, 2022**

#### **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.

**Our patent portfolio now consists of multiple patent filings for the use and delivery of psilocybin, psilocin analogues and N-Acetyl Cysteine (NAC) as well as a new patent that covers the uses and preparation of multiple proprietary stable forms of the psilocin molecule. The Company is actively pursuing drug development programs using two initial proprietary psilocin analogues. L-130, targeting neurologic conditions such as severe anxiety, Post Traumatic Stress Disorder (PTSD), as well as other brain traumas. L-131, a second new chemical entity related to psilocin and covered in the recently filed patent application is a drug candidate for a second neurological disorder affecting children.**

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

**Our patent portfolio now consists of multiple patent filings for the use and delivery of psilocybin, psilocin analogues and NAC as well as a new patent that covers the uses and preparation of multiple proprietary stable forms of the psilocin molecule. The Company is actively pursuing drug development programs using two initial proprietary psilocin analogues. L-130, targeting neurologic conditions such as severe anxiety, PTSD, as well as other brain traumas. L-131, a second new chemical entity related to psilocin and covered in the recently filed patent application is a drug candidate for a second neurological disorder affecting children.**

2. 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.**

3. 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.**

4. 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.**

5. 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.

**On June 21, 2022, the Company announced an exclusive agreement with Clearway Global LLC ("Clearway"). In recent preclinical studies, treatment with Lobe's unique platform technology combining NAC with the bio psychedelic psilocybin, showed statistically significant positive results in a model of PTSD when compared to either moiety alone. In association with Clearway the Company plans to develop proprietary new chemical entities (NCEs) that improve upon naturally derived psychedelic molecules which can be unstable as pharmaceutical drugs. These NCEs are being studied as potentially low dose therapeutics without the psychedelic effect to allow patients to be treated at home or by their family physician.**

6. 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.**

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

**Not applicable.**

8. 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.

**On July 7, 2022 the Company announced it has developed its initial Phase 1 study plan intended to demonstrate the safety and appropriate dosing range for its proprietary new chemical entity; L-130. It is also announcing the acquisition of a second new chemical entity, L-131, which is expected to enter preclinical toxicity trials later this year or early in 2023.**

**We expect to submit a Pre-IND meeting request with the FDA in the third quarter of this year. After receiving the FDA response to our Pre-IND questions, we will file our investigational new drug application (IND) to enable us to move forward with our initial clinical study later this year or early in 2023.**

**Our initial Phase 1 study will evaluate the safety of L-130 in healthy volunteers in a single ascending dose trial. Following this, a second Phase 1 trial will evaluate longer term use of the drug candidate in a multiple ascending dose study (MAD). Once an appropriate dosing level is determined to have no hallucinatory effect, we will conduct a third and final safety study in patients evaluating both pharmacokinetics and preliminary efficacy at the selected dose. This Phase Ib MAD trial will also seek to confirm the synergistic effects seen in preclinical studies when combinations with NAC were administered with a similar psychedelic compound. Lobe has filed a patent protecting the use of NAC in combination with various psychedelic derived compounds.**

**Lobe's approach is focused on providing a therapeutic that employs sub-psychedelic dose levels to treat patients at home or in their physician's office and avoiding long stays associated with other treatment modalities. Delivering a non-hallucinatory dose of L-130 over several days will enable patients and their doctors the opportunity to maintain their normal routine while receiving treatment.**

**L-131 will enter preclinical rodent studies in late 2022 or early 2023 to evaluate its safety and pharmacokinetics. The initial trial will be a standard 28-day preclinical safety study to enable human Phase 1 trials planned later in 2023.**

**On July 19, 2022 the Company announced it has filed a provisional patent for the preparation and use of its proprietary and stable psilocin related compounds.**

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

**Not applicable.**

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

**Not applicable.**

11. 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.**

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

**Not applicable.**

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

Security	Number Issued	Details of Issuance	Use of Proceeds
Common Shares <sup>(1)</sup>	416,666	Stock Option Exercise	N/A
Common Shares <sup>(2)</sup>	187,501	Restricted Share Unit Exercise	N/A

(1) On June 1, 2022, the Company issued 416,666 common shares to a consultant of the Company pursuant to the exercise of share purchase options have an exercise price of \$0.03.

(2) On June 22, 2022, the Company issued 187,501 common shares to officers of the Company pursuant to the exercise of restricted share units.

On June 6, 2022, the Company announced a consolidation of its common shares on the basis of six (6) pre-consolidation common shares for one (1) post-consolidation common share. No fractional shares were issued as a result of the share consolidation. Fractional interests of 0.5 or greater were rounded up to the nearest whole number of shares and fractional interests of less than 0.5 were rounded down to the nearest whole number of common shares. Post consolidation, the Company had 38,300,147 common shares outstanding.

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

**Not applicable.**

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

**Not applicable.**

16. 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 the Company 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 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 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.

## 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 Certificate of Compliance.
2. As of the date hereof there were 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 7 Monthly Progress Report is true.

Dated: July 26, 2022

Philip J. Young  
Name of Director or Senior  
Officer

(Signed) "Philip J. Young"  
Signature

Chief Executive Officer  
Official Capacity

<b><i>Issuer Details</i></b>	For Month End	Date of Report
Name of Issuer Lobe Sciences Ltd.	June 30, 2022	YY/MM/DD 22/07/26
Issuer Address Suite 1400, 1199 West Hastings Street		
City/Province/Postal Code Vancouver, BC V6E 3T5	Issuer Fax No. N/A	Issuer Telephone No. 949-505-2653
Contact Name Philip J. Young	Contact Position CEO	Contact Telephone No. 949-505-2653
Contact Email Address <a href="mailto:info@lobebiosciences.com">info@lobebiosciences.com</a>	Web Site Address <a href="http://www.lobesciences.com">www.lobesciences.com</a>	