

MIND CURE HEALTH INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three months ended August 31, 2020

The purpose of this Management's Discussion and Analysis ("**MD&A**") is to help the reader understand and assess the material changes and trends in Mind Cure Health Inc.'s (the "**Company**", "**we**" or "**us**") results and financial position. It presents Management's perspective on the Company's current and past activities and financial results, as well as an outlook of planned activities.

This MD&A of the results of operations and financial position for three months ending August 31, 2020, has been prepared and includes financial and other information as of October 13, 2020. This MD&A should be read in conjunction with the audited Financial Statements for the period from incorporation on March 6 to May 31, 2020 and the unaudited Condensed Consolidated Interim Financial Statements for the three months ended August 31, 2020 (the "**Financial Statements**"), both prepared in accordance with International Financial Reporting Standards ("IFRS").

Caution on Forward-Looking Information

This MD&A contains "forward-looking statements" and "forward-looking information" within the meaning of applicable securities laws (collectively, "**forward-looking information**") with respect to the Company. Statements that are forward-looking information are based on currently available competitive, financial, and economic data and operating plans as of the date of this MD&A but subject to various risks and uncertainties concerning the specific factors disclosed herein. Often, but not always, forward-looking information can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", "will", "projects", or "believes" or variations (including negative variations) of such words and phrases, or statements that certain actions, events, results or conditions "may", "could", "would", "might" or "will" be taken, occur or be achieved. Except for statements of historical fact, information contained herein constitutes forward-looking information, including, but not limited to: statements made or implied relating to the objectives of the Company, its strategies to achieve those objectives and its beliefs, plans, estimates, projections and intentions and similar statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts. Some specific forward-looking statements in this MD&A include, but are not limited to: assumptions about the Company's ability to raise capital to complete and fund its studies; the commercial viability of the Company's products being developed; the continued availability of key leadership personnel and the ability to attract qualified personnel in the future; the ability of the Company to raise additional capital as the Company continues to develop its products; anticipated trends and challenges in our business and the markets in which we intend to operate; possible impact of the novel coronavirus (COVID-19) pandemic on our personnel and business, supplies, operations, financial conditions and future sales; our ability to source mushrooms for our mushroom powder products at expected prices; our reliance on third parties to plan, conduct, develop, supply and sell our products; our competitive position and expectations regarding competition; anticipated regulatory environment, including anticipated changes to government regulation which are out of our control; our ability to generate product revenues to maintain our operations without additional funding; and plans regarding our revenue, expenses, operations and growth.

Although the Company believes that the expectations reflected in the forward-looking information contained in this MD&A are reasonable, the Company can give no assurance that these expectations will prove to be correct, and since forward-looking information inherently involves risks and uncertainties, undue reliance should not be placed on such information. The estimates and assumptions, which may prove to be incorrect, include, but are not limited to, the various assumptions set forth in this MD&A as well as the following: that the Company will be able to raise capital to complete and fund its studies, as well as

other purposes; the Company's products will be commercially viable; the Company will continue to have key leadership personnel and the ability to attract qualified personnel in the future; the Company will be able to handle trends and challenges in its business and the markets in which it operates; it will be able to deal with the challenges and remain a competitive business during the COVID-19 pandemic; the Company will be able to source its products at expected prices; the Company will be able to rely on third parties to plan, conduct, develop, supply and sell its products; the Company will continue to be competitive in its industry; there will be no unanticipated regulatory changes; the Company will be able to generate product revenues to maintain its operations without additional funding; and the Company will realize its plans regarding our revenue, expenses, operations and growth. Forward-looking statements are provided for the purpose of presenting information about management's current expectations and plans relating to the future and readers are cautioned that such statements may not be appropriate for other purposes.

Forward-looking statements involve significant risks and uncertainties and should not be read as guarantees of future performance or results as actual results may differ materially from those expressed or implied in such forward-looking statements. Those risks and uncertainties include, among other things, risks related to: risks related to: the impacts of the COVID-19 pandemic on the Canadian economy, Mind Cure's industry and Mind Cure's business, which may negatively impact, and may continue to negatively impact, Mind Cure and may materially adversely affect Mind Cure's investments, results of operations, financial condition and Mind Cure's ability to obtain additional equity or debt financing, and satisfy its financial obligations; general economic conditions; future growth potential; competition for mental health and wellness investments; changes in legislation or regulations may negatively affect the commercial viability of the Company's products and its business; key leadership personnel and the ability to attract qualified personnel in the future may not be available; the Company may not be able to raise capital in the future; may not be able to source products or may not be able to source products at prices that allow the Company to be profitable; third parties may be unreliable; the market may become more competitive; inability to generate revenues; and anticipated plans do not materialize. Additional information about risks and uncertainties is contained in this MD&A and in the Company's prospectus dated, August 27, 2020, a copy of which is available on SEDAR at www.sedar.com.

The forward-looking information contained in this MD&A is expressly qualified in its entirety by these cautionary statements. All forward-looking statements in this MD&A are made as of October 13, 2020. The Company does not undertake any obligation to update any such forward looking information, resulting from new information, future events or otherwise, except as required by applicable law.

For a more detailed discussion of certain of these risk factors, see "**Risk Factors**".

A more complete discussion of the risks and uncertainties facing the Company is disclosed in the Company's continuous disclosure filings with Canadian securities regulatory authorities at www.sedar.com.

All forward-looking information herein is qualified in its entirety by this cautionary statement, and the Company disclaims any obligation to revise or update any such forward-looking information or to publicly announce the result of any revisions to any of the forward-looking information contained herein to reflect future results, events or developments, except as required by law.

OVERVIEW

Mind Cure Health Inc. (the "**Company**") was incorporated on March 6, 2020, pursuant to the Business Corporations Act of British Columbia, Canada. The Company is engaged in the business of identifying, developing, manufacturing, and distributing products that enhance mental health and wellness, ease suffering and increase productivity. The Company's initial product offering is a branded line of organic, functional mushroom powder.

On September 17, 2020, the Company successfully closed its initial public offering, as announced in the Company's Prospectus dated August 27, 2020, and began trading on the Canadian Stock Exchange ("CSE") on September 21, 2020 under the ticker symbol "**MCUR**".

The Company's head office is located at 422 Richards Street, Suite 170, Vancouver, BC V6B 2Z4, and its registered office is located at 2500 – 700 West Georgia Street, Vancouver, British Columbia V7Y 1B3.

As at, August 31, 2020, the Company had:

- Total assets of \$821,886; total liabilities of \$158,773 and working capital of \$467,660.
- Accumulated deficit of \$402,515.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. As at the time of this reporting, this contagious disease outbreak, continues 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.

OPERATIONAL HIGHLIGHTS

On August 3, 2020, a wholly owned subsidiary, Mind Cure Health (US) Inc. (the "**Subsidiary**") was incorporated in the State of Nevada, U.S. and will be the entity through which product sales from the United States will be reported.

On August 27, 2020, the Company submitted a prospectus (the "**Prospectus**") for an initial public offering of a minimum of 5,000,000 Common Shares of the Company and a maximum 13,000,000 Common Shares (the "**Offered Shares**") at a price of \$0.20 per Common Share (the "**Offering Price**") for minimum gross proceeds of \$1,000,000 (the "**Minimum Offering**") and maximum gross proceeds of \$2,600,000 (the "**Maximum Offering**", and together with the Minimum Offering, the "**Offering**") pursuant to the terms of an agency agreement (the "**Agency Agreement**") dated August 27, 2020, between Haywood Securities Inc. (the "**Agent**") and the Company. Receipt of the Prospectus was officially acknowledged on August 28, 2020, but British Columbia Security Commission ("**BCSC**").

On September 17, 2020, the Company announced the closing of its Initial Public Offering ("**IPO**") of the Company's common shares under the Company's prospectus dated August 27, 2020.

Also, on September 17, 2020, the Company received the final authorizations from Health Canada to sell its Moonbeam functional mushroom products in Canada. Health Canada has issued Natural Product Numbers ("**NPN**") to these products, which means that they were assessed by Health Canada and found to be "safe, effective and of high quality under their recommended conditions of use."

Trading of the Company's shares commenced on September 21, 2020, on the Canadian Securities Exchange ("**CSE**") under the ticker symbol "**MCUR**".

On September 28, 2020, the Company announced the hiring of Mrs. Kelsey Ramsden as its Chief Operating Officer and appointment to the board of directors.

On September 29, 2020, the Company announced that it had been accepted to list its common shares on the Frankfurt Stock Exchange ("**FSE**") under the trading symbol "**MCUR**".

Additionally, in the weeks that have followed the end of the first quarter the Company has announced a number of additions to the Company's consultants and advisory boards, of individuals and companies, with skill sets, expertise and knowledge critical to helping the Company successfully achieve its overall business objectives.

OUTLOOK

Final preparations are underway for the branded line of organic, functional mushroom powder, with product anticipated to be ready for sale by the latter part of November, with initial availability scheduled for the US market and for the Canadian market to follow thereafter. Enhancements continued to the digital marketing program leading up to the release of the Company's new product line. Also, the Company continues to expand its operational infrastructure, in anticipation of increased business activity. Early steps have been initiated to investigate and evaluate new potential product candidates and to explore monitoring tools to help enhance mental health and wellness and to ease suffering and increase productivity.

For more information, see the Company's continuous disclosures at www.sedar.com.

QUARTERLY RESULTS OF OPERATIONS

Revenue

As the Company is in a start-up phase, there were no revenues to report for the three months ended August 31, 2020.

Operating Expenses

During the three-month period ending August 31, 2020, the Company incurred a loss and comprehensive loss of \$323,612.

Notable expenses in the quarter were professional fees of \$40,457, consisting primarily of legal fees incurred to assist in general corporate matters, trademark applications, and the incorporation of the Company's US subsidiary; consulting fees of \$16,039 were paid to various third party consultants with regards to product development and administration; filing fees of \$14,582 were paid to various regulatory bodies in anticipation of the Company's initial public offering; management fees of \$8,500 were paid to an officer of the Company for internal services used in operational and corporate activities and; stock-based compensation of \$236,800 consists of the non-cash value as measured by the Black-Scholes option pricing model to reflect the fair value of 1,600,000 options granted to certain directors, officers and consultants under the Company's Stock Option Incentive Plan.

SUMMARY OF QUARTERLY RESULTS

The following is a summary of the Company's financial results for the most recently completed quarter since inception. Given the short history of the Company, there are no historical quarters to which the most recent quarter can be compared:

	Quarter ended August 31, 2020	From incorporation on March 6, 2020 to May 31, 2020
Revenue	Nil	Nil
Net Loss	(\$323,612)	(\$78,903)
Weighted average shares	30,270,000	5,021,035
Net loss per share ⁽¹⁾	(\$0.010)	(\$0.016)
Total assets	\$738,262	\$786,489
Total liabilities	\$158,773	\$36,564
Shareholders' equity	\$579,489	\$749,925
Working capital (deficit)	\$467,660	\$638,096

(1) Basic and diluted net income per share

LIQUIDITY AND CAPITAL RESOURCES

As at, August 31, 2020, the Company had cash of \$466,421 and working capital of \$467,660.

The ability of the Company to continue as a going concern is primarily dependent upon raising additional capital and a successful marketing and distribution plan for the sale of its branded line of organic, functional mushroom powder, Moonbeam Mushrooms. However, should the Company fail to achieve any one or combination of the above, its ability to continue as a going concern will be uncertain.

FINANCIAL RISK AND CAPITAL MANAGEMENT

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in bank accounts. The majority of cash is deposited in bank accounts held with a major bank in Canada. As most of the Company's cash is held by one bank there is a concentration of credit risk. This risk is managed by using major banks that are high credit quality financial institutions as determined by rating agencies. Credit risk related to cash is assessed as low.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash. As of August 31, 2020, the Company had working capital of \$467,660 to cover short term obligations.

Historically, the Company's sole source of funding has been loans from related parties and private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding. Liquidity risk is assessed as moderate.

Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency.

The Company is exposed to foreign currency risk on fluctuations related to cash, accounts payable and accrued liabilities that are denominated in US dollars.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at August 31, 2020, the Company did not have any financial instruments subject to interest rate risk.

Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of equity and cash. There were no changes in the Company's approach to capital management during the period. The Company is not subject to any externally imposed capital requirements.

Fair value

The fair value of the Company's financial assets and liabilities approximates the carrying amount. Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

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

The following is an analysis of the Company's financial assets measured at fair value using level inputs as at August 31, 2020:

	As at, August 31, 2020		
	Level 1	Level 2	Level 3
Cash	\$ 466,421	\$ -	\$ -

Accounts payable approximates its fair value due to its short-term maturity.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

The following table sets out a breakdown of all material components of certain costs to the Company for the three months ended August 31, 2020.

Item	For the three months ended August 31, 2020
Consulting fees	16,039
Filing fees	14,582
Professional fees	40,457
Management fees	8,500
Stock-based compensation	236,800

ADDITIONAL DISCLOSURES

Off-Balance Sheet Arrangements

No off-balance sheet arrangements were made in this reporting period.

Related Party Transactions

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

During the three months ended August 31, 2020, consulting fees of \$8,500 were incurred and either paid or payable to SDI Consulting Inc. ("**SDI Consulting**"), a company controlled by Stephen D. Inouye, the Company's Chief Financial Officer.

During the three months ended August 31, 2020, 1,000,000 options were granted to directors and key management personnel measured at a fair value of \$148,000 included in share-based payments.

Outstanding Share Data

The Company's shares are listed on the CSE under MCUR and as at, October 13, 2020, the outstanding share data was as follows:

- Authorized share capital – unlimited common shares, with no par value.
- 45,382,230 (August 31, 2020 – 30,270,000) common shares issued and outstanding.
- 5,955,000 (August 31, 2020 – 1,600,000) incentive stock options outstanding
- 1,179,770 (August 31, 2020 – NIL) warrants outstanding

As at the date of this report, 2,700,000 shares of the total outstanding shares are held in escrow and will be released based on the Company's escrow agreement.

On June 10, 2020, the Company granted certain directors, officers, and consultants 1,600,000 options with an expiry date of June 10, 2025. Each option will entitle the holder to purchase a Company share at \$0.20 per share. As at, August 31, 2020, the outstanding balance of the Company's options remained at 1,600,000 with a weighted average contractual life of 4.78 years. The Company recognized \$236,800 in share-based payments pursuant to the granting and vesting of options.

On September 17, 2020, the Company announced the closing of its Initial Public Offering ("**IPO**") of the Company's common shares under the Company's prospectus dated August 27, 2020. A total of 14,950,000 common shares were issued at a price of \$0.20 per share, for gross proceeds of \$2,990,000. Pursuant to the Agency Agreement, the Company paid Haywood Securities Inc. (the "**Agent**") a cash commission equal to 8% of the gross proceeds of the Offering or \$239,200, a cash corporate finance fee of \$22,500 plus GST, and issued to the Agent and its selling group members, non-transferable share purchase warrants to acquire an aggregate of 1,196,000 Shares with an exercise price of \$0.25 per Share for a period of 24 months from the closing of the Offering.

On September 20, 2020, the Company granted an aggregate of 4,175,000 stock options under its incentive stock option plan to independent consultants. The stock options are exercisable at a price of \$0.25 and have a 5-year expiry date.

On September 23, 2020, the Company granted an aggregate of 180,000 stock options under its incentive stock option plan to an independent consultant. The stock options are exercisable at a price of \$0.33 and have a 5-year expiry date.

On September 28, 2020, pursuant to the terms of the COO's executive employment agreement a total of 96,000 common shares of the Company were issued at a deemed price of \$0.80 per share. The shares are subject to a hold period of four months and a day from the date of issuance.

Also, on September 28, 2020, the Company issued 50,000 common shares of the Company at a deemed price of \$0.80 per share, to an independent consultant. The shares are subject to a hold period of four months and a day from the date of issuance.

Stock Options Outstanding			
Date of Grant	Date of Expiry	No. of Options	Exercise Price
10-Jun-20	10-Jun-25	1,600,000	\$0.20
20-Sep-20	20-Sep-25	4,175,000	\$0.25
21-Sep-20	21-Sep-25	180,000	\$0.33
Total options outstanding:		5,955,000	

Warrants Outstanding				
Date of Grant	Date of Expiry	Date Exercised	No. of Warrants	Exercise Price
17-Sep-20	17-Sep-22		1,196,000	\$0.25
		1-Oct-20	(8,110)	\$0.25
		5-Oct-20	(8,120)	\$0.33
Total warrants outstanding:			1,179,770	

Risk Factors

Investing in the Company's securities involves a high degree of risk. In addition to the risks identified in this section and elsewhere in this MD&A, current and prospective investors should carefully consider all the risk factors noted in the Company's prospectus dated August 27, 2020, a copy of which is available on SEDAR at www.sedar.com, before purchasing Common Shares or any other securities of the Company that may be offered or that are issued and outstanding from time to time. Such risk factors identified are not a definitive list of all risk factors associated with an investment in the Company or in connection with the Company's operations. The occurrence of any of such risks, or other risks not presently known to the Company or that the Company currently believes are immaterial, could materially and adversely affect the Company's investments, prospects, cash flows, results of operations or financial condition, the Company's ability to make dividend payments to shareholders. If the value of the Common Shares or any other securities of the Company that may be offered or issued and outstanding from time to time, could decline and investors may lose all or part of their investment.

COVID-19 Outbreak.

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic. The duration and impact of the COVID-19 pandemic on the Company is unknown at this time. As such, it is not possible to reliably estimate the length and severity of COVID-19-related impacts on the Company's financial results and operations.

The Company continues to closely monitor business operations and may take further actions in response to directives of government and public health authorities or that are in the best interests of employees, customers, suppliers or other stakeholders, as necessary. These changes and any additional changes in operations in response to COVID-19 have, and could continue to, materially impact the Company's financial results and could materially impact the Company's ability to access capital on acceptable terms or at all.

The spread of COVID-19 has caused an economic slowdown and increased volatility in financial markets, which may have negatively impacted the market price for the Company's Common Shares. Governments and central banks have responded with monetary and fiscal interventions intended to stabilize economic conditions. However, it is not currently known how these interventions will impact debt and equity markets or the economy generally.

The current global uncertainty with respect to the spread of COVID-19 and its effect on the Canadian economy and the larger global economy, may have negative effects on the Company. While the precise impact of COVID-19 on the Company's ability to develop its business and its products remains unknown, the rapid spread of COVID-19 around the world and the declaration of a global pandemic by the World Health Organization may result in future workforce shortages and additional sanitary measures, further international border closures that restrict or materially slow the ability of the Company or its competitors to purchase mushroom powder or packaging, restrictions on shipping, both within Canada and the US and internationally, restrictions on the ability of the Company to gain financing through the financial markets, and any changes to the Company's regulatory framework may increase competition for the mushrooms and packaging used by the Company or affect the Company's ability to deliver its products to customers – each which could materially affect the business and financial condition of the Company.

The Common Shares involve a certain degree of risk. Any person currently holding or considering the purchase of Common Shares or any other securities of the Company that may be offered or that are issued and outstanding from time to time, should be aware of these and other factors set forth in the Company's prospectus dated August 27, 2020 and should consult with his or her legal, tax and financial advisors prior to making an investment in the Common Shares or any other securities of the Company that may be offered or that are issued and outstanding from time to time. The Common Shares and any other securities of the Company that may be offered or that are issued and outstanding from time to time should only be purchased by persons who can afford to lose all of their investment.

A more complete discussion of the risks and uncertainties facing the Company is disclosed in the Company's continuous disclosure filings with Canadian securities regulatory authorities at www.sedar.com.

Legal Proceedings

There are no legal proceedings, current or pending, to which the Company is a party or to which any of its assets are subject.

Appointment of Auditor

Davidson & Co LLP, Vancouver, BC, Canada were appointed as the Company's auditor on April 29, 2020.

Approval and Further Information

The Board of Directors of the Company has approved the disclosure contained in this MD&A. Additional information relating to the Company is available on the System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com.