OPTIMI HEALTH CORP.

Table of Concordance from Final Prospectus to Form 2A

1.	Table of Contents	4
2.	Corporate Structure	15
3.	General Development of the Business	15
4.	Narrative Description of the Business	15
5.	Selected Consolidated Financial Information	12
6.	Management's Discussion and Analysis	32
7.	Market for Securities	53
8.	Consolidated Capitalization	38
9.	Option to Purchase Securities	39
10.	Description of the Securities	36
11.	Escrowed Securities	43
12.	Principal Shareholders	44
13.	Directors and Officers	44
14.	Capitalization	Attached
15.	Executive Compensation	49
16.	Indebtedness of Directors and Executive Officers	50
17.	Risk Factors	55
18.	Promoters	62
19.	Legal Proceedings	62
20.	Interest of Management and Others in Material Transactions	62
21.	Auditors, Transfer Agents and Registrars	63
22.	Material Contracts	63
23.	Interest of Experts	63
24.	Other Material Facts	64
25.	Financial Statements	64
APPENDIX A: MINERAL PROJECTS		N/A
APPENDIX B: OIL AND GAS PROJECTS		N/A
APPENDIX C: DESCRIPTION OF CERTAIN SECURITIES		N/A

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities.

*These securities have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or the securities laws of any state of the United States and may not be offered, sold or delivered, directly or indirectly, in the United States (as such term is defined in Regulation S under the U.S. Securities Act) (the "**United States**"), except pursuant to an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of these securities in the United States.*

PROSPECTUS

Initial Public Offering February 12, 2021

OPTIMI HEALTH CORP.

201 – 1448 Commercial Drive,
Vancouver, British Columbia
Canada V5L 3X9

Minimum: $15,000,000/20,000,000 Units
Maximum: $18,000,000/24,000,000 Units

This prospectus (this "**Prospectus**") qualifies the distribution (the "**Offering**") of a minimum of 20,000,000 units of securities (each, a "**Unit**") of Optimi Health Corp. ("**we**" or the "**Company**" or "**Optimi**" or "**us**") and a maximum of 24,000,000 Units, at a price of $0.75 per Unit (the "**Offering Price**"), for minimum gross proceeds of $15,000,000 (the "**Minimum Offering**") and maximum gross proceeds of $18,000,000 (the "**Maximum Offering**"). Each Unit will consist of one common share in the capital of the Company (a "**Common Share**", and each Common Share included in a Unit being a "**Unit Share**") and one-half of one Common Share purchase warrant (each whole such warrant, a "**Warrant**"). Each Warrant will entitle the holder to acquire one Common Share (each, a "**Warrant Share**") at an exercise price of $1.25 per Warrant Share at any time until 24 months after the Closing Date (as defined herein) (the "**Expiry Date**"), provided that if the volume weighted average closing price of the Common Shares on the Canadian Securities Exchange (the "**Exchange**") or such other stock exchange on which the Common Shares are then trading is equal to or greater than $2.50 for a period of 20 consecutive trading days, the Company may at its option elect to accelerate the expiry of the Warrants by providing notice to the holders thereof (by news release) within 10 calendar days following the end of such 20 consecutive trading day period, in which case the Warrants will expire on the date specified in such notice, which shall be not less than 30 calendar days following delivery of such notice. The Warrants will be governed by a warrant indenture (the "**Warrant Indenture**") to be entered into on or before the Closing Date between the Company and Endeavor Trust Corporation (the "**Warrant Agent**"). The Units will be immediately separated into Unit Shares and Warrants upon issuance.

The Units will be offered on a "best-efforts" basis pursuant to an agency agreement (the "**Agency Agreement**") dated February 12, 2021 between the Company and Mackie Research Capital Corporation as lead agent and sole bookrunner (the "**Lead Agent**"), Canaccord Genuity Corp. and Stifel Nicolaus Canada Inc. (collectively, the "**Agents**").

As at the date of this Prospectus, the Company does not have any of its securities listed or quoted on any stock exchange or quotation service and has not applied to list or quote any of its securities and does not intend to apply to list or quote any of its securities on the Toronto Stock Exchange, Aequitas NEO Exchange Inc., a U.S. marketplace, or a marketplace outside Canada and the United States of America (other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc).

The Company has applied to list its Common Shares on the Exchange under the symbol "OPTI". The Company shall use commercial reasonable efforts to list the Warrants on the Exchange. Listing is subject to fulfilling all of the listing requirements of the Exchange.

The Company is developing a vertically integrated Canadian functional mushroom brand that focuses on the health and wellness food markets. The Company also intends to cultivate, extract, process and distribute high quality strains of fungi products at its Facilities (as defined herein) located in Princeton, British Columbia. The Company intends to grow and process functional mushrooms, to develop its own health food products and to sell its mushrooms and related products directly to consumers, to other health food brands and to distributors.

An investment in the Units involves a high degree of risk and must be considered speculative due to the nature of the Company's business. The risks outlined in this Prospectus should be carefully reviewed and considered by investors in connection with an investment in the Company's securities. See "Risk Factors".

	Price to the Public[(1)]	**Agents' Commission[(2)]**	**Net Proceeds to the Company[(3)]**
Per Unit	$0.75	$0.0525	$0.6975
Minimum Offering	$15,000,000	$1,050,000	$13.950.000
Maximum Offering[(4)]	$18,000,000	$1,260,000	$16,740,000

(1) The Offering Price has been determined by negotiation between us and the Agents.

(2) Pursuant to the terms of the Agency Agreement, the Company has agreed to pay the Agents a cash fee (the "**Agents' Commission**") equal to 7.0% of the aggregate gross proceeds of the Offering. As additional compensation, the Company has also agreed to issue to the Agents such number of non-transferrable compensation options (the "**Agent Options**") as is equal to 7.0% of the number of Units sold pursuant to the Offering. Each Agent Option will be exercisable for one Unit (an "**Agent Unit**") at an exercise price of $0.75 until the Expiry Date. Each Agent Unit will consist of one Common Share and one-half of a Common Share purchase warrant (each whole such warrant, an "**Agent Unit Warrant**"). The Agent Unit Warrants will be issued under the Warrant Indenture, and have the same attributes as the Warrants to be comprised in the Units. In addition, the Company has agreed to pay the Lead Agent a work fee of $50,000 on the Closing Date.

(3) We will pay the expenses associated with the Offering, which, not including the Agents' Commission, will be approximately $200,000. We have also agreed to reimburse the Agents for their reasonable expenses in connection with the Offering. See "Use of Proceeds" and "Plan of Distribution".

(4) We have granted the Agents an option (the "**Over-Allotment Option**"), exercisable in whole or in part, at the sole discretion of the Agents, at any time up to 30 days following the Closing (as defined herein), to purchase from the Company up to such additional number of Units (the "**Over-Allotment Units**") as is equal to 15% of the number of Units sold under the Offering at the Offering Price. The Over-Allotment Option may be exercised by the Agents, in whole or in part, to acquire, as necessary, a combination of (i) Over-Allotment Units; (ii) additional Unit Shares (the "**Over-Allotment Shares**") at a price of $0.7379 per Over-Allotment Share; or (iii) additional Warrants ("**Over-Allotment Warrants**") at a price of $0.0242 per Over-Allotment Warrant, with each Over-Allotment Warrant entitling the holder thereof to acquire, subject to adjustment in certain circumstances, one Common Share (an "**Over-Allotment Warrant Share**") on the same terms as the Warrants. The Over-Allotment Option has been granted solely to cover over-allotments, if any, and for market stabilization purposes. If the Over-Allotment Option is exercised in full, the total price to the public, Agents' Commission and proceeds to the Company will be $20,700,000, $1,449,000 and $19,251,000, respectively. This Prospectus also qualifies the grant of the Over-Allotment Option and distribution of the Over-Allotment Units, Over-Allotment Shares and Over-Allotment Warrants to be issued and sold upon exercise of the Over-Allotment Option. See "Plan of Distribution".

A purchaser who acquires securities forming part of the Over-Allotment Option acquires those securities under this Prospectus, regardless of whether the Over-Allotment Option is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. Unless the context otherwise requires, when used herein, all references to "Offering" include the exercise of the Over-Allotment Option, all references to "Units" include the Over-Allotment Units issuable upon exercise of the Over-Allotment Option, all references to "Unit Shares" include the Over-Allotment Shares issuable upon exercise of the Over-Allotment Option, all references to "Warrants" include the Over-Allotment Warrants issuable upon exercise of the Over-Allotment Option and all references to "Warrant Shares" include the Over-Allotment Warrant Shares issuable upon exercise of the Over-Allotment Warrants.

The following table sets out the number of securities that may be issuable to the Agents:

Agents' Position	Maximum Size or Number of Securities Available for the Maximum Offering	Exercise Period	Exercise Price
Over-Allotment Option.....	3,600,000 Units	Up to 30 days following the Closing	$0.75 per Unit
Agents' Options.....	1,932,000 Units (assuming exercise in full of the Over-Allotment Option)	Up to 24 months following the Closing	$0.75 per Unit

Subscriptions will be received subject to rejection or allocation in whole or in part and the Agents reserve the right to close the subscription books at any time without notice. The closing of the Offering (the "**Closing**") is expected to occur on or about February 24, 2021, or such other date as we and the Agents may agree which falls on or before March 30, 2021 (the "**Closing Date**").

This Offering is subject to the Minimum Offering being achieved. If subscriptions representing the Minimum Offering are not received within 90 days of the issuance of a final receipt for this Prospectus, or if a receipt has been issued for an amendment to this Prospectus, within 90 days of the issuance of such receipt and in any event not later than 180 days from the date of final receipt for this Prospectus, the Offering will cease. The Agents, pending closing of the Offering, will hold in trust all subscription funds received pursuant to the provisions of the Agency Agreement. If the Minimum Offering is not completed, the subscription proceeds received by the Agents in connection with the Offering will be returned to the subscribers without interest or deduction, unless the subscribers have otherwise instructed the subject Agent. See "Plan of Distribution".

Other than pursuant to certain exceptions, it is anticipated that CDS Clearing and Depository Services Inc. ("**CDS**"), or its nominee, will be made the registered holder of the Unit Shares and Warrants issued under this Prospectus, electronically through the non-certificated inventory ("**NCI**") system of CDS. Unit Shares and Warrants registered to CDS or its nominee will be deposited electronically with CDS on an NCI basis on the Closing Date. See "Plan of Distribution".

Investors should rely only on the information contained in this Prospectus. Neither the Company nor the Agents have authorized anyone to provide investors with different or additional information. The information contained in this Prospectus is accurate only as of the date of this Prospectus.

The Company's registered office is located at 400 – 725 Granville Street, Vancouver, British Columbia V7Y 1G5. The Company's head office is located at 201 - 1448 Commercial Drive Vancouver, British Columbia, V5L 3X9.

TABLE OF CONTENTS

ABOUT THIS PROSPECTUS....5
GLOSSARY....5
CURRENCY....7
CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS....7
MARKET AND INDUSTRY DATA....9
MARKETING MATERIALS....9
ELIGIBILITY FOR INVESTMENT....9
PROSPECTUS SUMMARY....11
THE OFFERING....12
CORPORATE STRUCTURE....15
DESCRIPTION OF THE BUSINESS....15
USE OF PROCEEDS....30
DIVIDENDS OR DISTRIBUTIONS....32
MANAGEMENT'S DISCUSSION AND ANALYSIS....32
DESCRIPTION OF SHARE CAPITAL....36
CONSOLIDATED CAPITALIZATION....38
OPTIONS TO PURCHASE SECURITIES....39
PRIOR SALES....42
ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER....43
PRINCIPAL SECURITYHOLDERS....44
DIRECTORS AND EXECUTIVE OFFICERS....44
EXECUTIVE COMPENSATION....49
INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS....50
AUDIT COMMITTEE AND CORPORATE GOVERNANCE....50
CORPORATE GOVERNANCE....52
PLAN OF DISTRIBUTION....53
RISK FACTORS....55
PROMOTER....62
LEGAL PROCEEDINGS....62
INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS....62
AUDITORS....63
REGISTRAR AND TRANSFER AGENT....63
MATERIAL CONTRACTS....63
EXPERTS....63
OTHER MATERIAL FACTS....64
RIGHTS OF WITHDRAWAL AND RESCISSION....64
FINANCIAL STATEMENTS....64
Schedule "A"....65
Schedule "B"....66
CERTIFICATE OF THE COMPANY....67
CERTIFICATE OF THE AGENTS....68
CERTIFICATE OF PROMOTER....69
Promoter....69

ABOUT THIS PROSPECTUS

An investor should rely only on the information contained in this Prospectus. Neither we nor the Agents have authorized anyone to provide investors with additional or different information. The information contained on our website is not intended to be included in or incorporated by reference into this Prospectus and prospective investors should not rely on such information when deciding whether or not to invest in Units. The information contained in this Prospectus is accurate only as of the date of this Prospectus or the date indicated, regardless of the time of delivery of this Prospectus or of any sale of the Units.

Neither the Company nor the Agents are offering to sell the Units in any jurisdiction where the offer or sale of such securities is not permitted. Investors are required to inform themselves about, and to observe any restrictions relating to, the Offering and the possession or distribution of this Prospectus.

GLOSSARY

This glossary defines certain business, industry, technical and legal terms used in this Prospectus for the convenience of the reader. It is not a comprehensive list of all defined terms used in this Prospectus.

"**Agency Agreement**" means the Agency Agreement dated February 12 between the Company and the Agents;

"**Agents**" means, collectively, Mackie Research Capital Corporation, Canaccord Genuity Corp. and Stifel Nicolaus Canada Inc.;

"**Agents' Commission**" has the meaning ascribed to such term on the cover page of this Prospectus;

"**Agent Unit**" has the meaning ascribed to such term on the cover page of this Prospectus;

"**Agent Unit Warrant**" has the meaning ascribed to such term on the cover page of this Prospectus;

"**Agent Options**" has the meaning ascribed to such term on the cover page of this Prospectus;

"**Awards**" means collectively Options, RSRs and DSUs;

"**BC Green**" means BC Green Pharmaceuticals Inc.;

"**Board**" means the Board of Directors of the Company;

"**CDSA**" means the *Controlled Drugs and Substances Act* (Canada), as amended;

"**Closing**" means the closing of the Offering;

"**Closing Date**" has the meaning ascribed to such term on the cover page of this Prospectus;

"**Common Shares**" means the common shares in the capital of the Company and "**Common Share**" means any one of them;

"**Company**" means Optimi Health Corp.;

"**Dealer's License**" means the licensed dealer designation under the *Narcotic Control Regulations* (Canada);

"**DSUs**" means the deferred share units granted pursuant to the Equity Incentive Plan;

"**Equity Incentive Plan**" means the equity incentive plan of the Company dated October 9, 2020;

"**Escrow Agent**" means Endeavor Trust Corporation;

"**Escrow Agreements**" means the NP 46-201 escrow agreements dated February 12, 2021 among the Escrow Agent, the Company and various Principals and shareholders of the Company;

"**Exchange**" means the Canadian Securities Exchange;

"**Expiry Date**" has the meaning ascribed to such term on the cover page of this Prospectus;

"**Facilities**" means the Company's 20,000 square foot cultivation and processing facilities currently under construction in Princeton, B.C. As used herein, the term "Facilities" will include both the applicable land, as well as the buildings and other fixtures thereon;

"**First Private Placement**" means the non-brokered private placement financing by the Company conducted on July 6, 2020, and consisting of an aggregate of 20,000,000 Common Shares at a price of $0.05 per share, and 10,000,000 PP Warrants exercisable at $0.10 per share for a period of 24 months from the date of issuance;

"**IFRS**" means International Financial Reporting Standards;

"**Lead Agent**" means Mackie Research Capital Corporation;

"**Lease Agreement**" means the industrial lease agreement dated as of July 23, 2020 and entered into by BC Green, as landlord, and the Company, as tenant, with respect to the lease of the Facilities;

"**Listing Date**" means the date that the Common Shares are listed on the Exchange;

"**Minimum Offering**" has the meaning ascribed to such term on the cover page of this Prospectus;

"**Maximum Offering**" has the meaning ascribed to such term on the cover page of this Prospectus;

"**NI 41-101**" means National Instrument 41-101 *General Prospectus Requirements* of the Canadian Securities Administrators;

"**NI 52-110**" means National Instrument 52-110 *Audit Committees* of the Canadian Securities Administrators;

"**NI 58-101**" means National Instrument 58-101 *Disclosure of Corporate Governance Practices* of the Canadian Securities Administrators;

"**NP 46-201**" means National Policy 46-201 *Escrow for Initial Public Offerings* of the Canadian Securities Administrators;

"**NP 58-201**" means National Policy 58-201 *Corporate Governance Guidelines* of the Canadian Securities Administrators;

"**Offering**" has the meaning ascribed to such term on the cover page of this Prospectus;

"**Offering Price**" has the meaning ascribed to such term on the cover page of this Prospectus;

"**Optimi Labs**" means Optimi Labs Inc., a wholly-owned subsidiary of the Company;

"**Options**" means stock options granted pursuant to the Equity Incentive Plan;

"**Over-Allotment Option**" has the meaning ascribed to such term on the cover page of this Prospectus;

"**PP Warrants**" means the Common Share purchase warrants issued under the First Private Placement;

"**Principal**" of an issuer means:

(a) a person or company who acted as a promoter of the issuer within two years before the prospectus;

(b) a director or senior officer of the issuer or any of its material operating subsidiaries at the time of the prospectus;

(c) a 20% holder – a person or company that holds securities carrying more than 20% of the voting rights attached to the issuer's outstanding securities immediately before and immediately after the issuer's initial public offering; or

(d) a 10% holder – a person or company that:

(i) holds securities carrying more than 10% of the voting rights attached to the issuer's outstanding securities immediately before and immediately after the issuer's initial public offering, and

(ii) has elected or appointed, or has the right to elect or appoint, one or more directors or senior officers of the issuer or any of its material operating subsidiaries;

"**Private Placements**" means the First Private Placement and the Special Warrant Private Placement, collectively.

"**Prospectus**" means this prospectus;

"**Research Exemption**" means an authorization for the use of psilocybin and psilocin for scientific purposes granted by Health Canada under J.01.059 of Part J of the Food and Drug Regulations (FDR) obtained by the Company on January 13, 2021;

"**RSRs**" means the restricted share rights granted pursuant to the Equity Incentive Plan;

"**Special Warrant**" means a special warrant issued by the Company which entitled the holder to acquire, without additional payment, one SW Unit for each Special Warrant held;

"**Special Warrant Private Placement**" means the private placement of Special Warrants closed by the Company on September 11, 2020 pursuant to which 17,963,005 Special Warrants were issued at a price of $0.25 per Special Warrant for total gross proceeds of $4,490,751.25;

"**Schintler Consulting Agreement**" has the meaning set out under "Description of the Business – Employees".

"**Stier Consulting Agreement**" has the meaning set out under "Description of the Business – Employees".

"**SW Shares**" mean the Common Shares issued on January 12, 2021 on deemed exercise of the Special Warrants;

"**SW Units**" means the units issued on January 12, 2021 on deemed exercise of the Special Warrants, each comprised of one SW Share and one SW Warrant;

"**SW Warrants**" means the Common Share purchase warrants issued on January 12, 2021 on deemed exercise of the Special Warrants, each exercisable at a price of $0.40 for a period of two years from the date of issuance of the Special Warrants to acquire one Common Share;

"**SW Warrant Share**" means a Common Share issuable on exercise or deemed exercise of an SW Warrant;

"**Tax Act**" means *Income Tax Act* (Canada) and the regulations thereunder;

"**Unit**" has the meaning ascribed to such term on the cover page of this Prospectus;

"**Unit Share**" has the meaning ascribed to such term on the cover page of this Prospectus;

"**Warrant**" has the meaning ascribed to such term on the cover page of this Prospectus; and

"**Warrant Share**" has the meaning ascribed to such term on the cover page of this Prospectus.

CURRENCY

In this Prospectus, unless otherwise indicated, all dollar amounts are expressed in Canadian dollars and references to $ are to Canadian dollars.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Except for statements of historical fact relating to the Company, certain statements in this Prospectus may constitute forward-looking information, future oriented financial information, or financial outlooks (collectively, "forward looking information") within the meaning of Canadian securities laws. Forward-looking information may relate to this Prospectus, the Company's future outlook and anticipated events or results and, in some cases, can be identified by terminology such as "may", "could", "should", "expect", "plan", "anticipate", "believe", "intend", "estimate",

"projects", "predict", "potential", "targeted", "possible", "continue" or other similar expressions concerning matters that are not historical facts and include, but are not limited in any manner to, those with respect to any and all timing, development, operational, financial, economic, legal, regulatory and political factors that may influence future events or conditions, as such matters may be applicable. In particular, this Prospectus contains forward-looking statements pertaining to the following: proposed progress and expenditures for the construction of the Facilities, general and administrative expenses (see "Use of Available Funds" for further details); expectations generally about the Company's business plans and its ability to raise further capital for corporate purposes - see "*Risk Factors*"; the application for listing of the Common Shares and Warrants on the Exchange; timing and cost of completion and construction of the Facilities; expected cost and timing of completion of phase I of construction of the Facilities; expected cost and timing of completion of phase II of construction of the Facilities; anticipated timing of commencement of operations at the Facilities; expected timing for development of the Company's products; expected timing for development of the Company's branding strategy; expected timing for commencement of the sale of mushrooms and related products to consumers and distributors; expected fungi varieties to be used in the Company's proposed product offerings; timing and availability of product from the Company's suppliers; timing and capacity of the Company's co-packager; timing of purchase and delivery of raw materials; timing and cost of development of the Company's e-commerce platform; the Company's proposed marketing and social media strategy; the development of a trademark and intellectual property platform; development of online distribution networks; timing for receipt of potential Dealer's Licence; proposed research and development activities to be undertaken by Numinus on behalf of the Company; the potential for clinical trials by Innovate Calgary; and the anticipated impact of COVID-19 on the Company's planned activities

Such forward-looking statements are based on a number of material factors and assumptions, and include: that consumer buying patterns will increase with specialty and health food merchants; that the timing and cost of the construction of the Facilities will progress in accordance with management's expectations; that economic conditions in Canada will continue to show modest improvement in the near to medium future; that the availability of mushrooms from the Company's supplier(s) from time to time, and the fulfillment capabilities of the Company's co-packer(s) from time to time, will not be impeded or impaired and will continue as expected; that the average cost of whole mushroom seed will fluctuate in line with historical trends; that there will be no material change to the competitive environment in the distribution of mushroom-based food additives and supplements; that there will be no material change in the prevailing rates of digital advertisements applicable to the Company's e-commerce platform; that the Company will be able to access sufficient qualified staff; that the Company will be able to develop distribution channels and a customer base; that applicable regulatory bodies will not materially amend or alter either the requirements applicable to Dealer's License or Research Exemption applicants; that the Company's intellectual property applications and portfolio will proceed and be managed as expected; that there will be no material changes with the Company's larger customers; that the Company's research and development partners will perform such services on a commercially reasonable basis in line with industry standards; that the impact of COVID-19 on the Company's business will continue to be minimal; and that there will be no material changes to the tax and other regulatory requirements governing the Company. While the Company considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect. Actual results may vary from such forward-looking information for a variety of reasons, including but not limited to risks and uncertainties disclosed in this Prospectus, such as: limited operating history; changes in public tastes, availability of materials, consumer perceptions and preferences, brand awareness and dependency on third party suppliers, distributors and retailers; dependency on key personnel; product liability and recall; intellectual property risks; research and development; product obsolescence; anticipated growth may not materialize; dilution; unissued share capital; liquidity and future financing risk; market risk for securities; increased costs of being a publicly traded company; and other risk factors described elsewhere in this Prospectus. See "Risk Factors".

Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. New factors emerge from time to time, and it is not possible for management to predict all of such factors and to assess in advance the impact of each such factor on the Company's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement. There is no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Forward-looking statements are based upon management's beliefs, estimates and opinions on the date the statements are made and, other than as required by law, the Company does not intend, and undertakes no obligation to update any forward-looking information to reflect, among other things, new information or future events.

Upon becoming a reporting issuer, the Company intends to discuss in its quarterly and annual reports referred to as the Company's Management's Discussion & Analysis documents, any events and circumstances that occurred during the period to which such document relates that are reasonably likely to cause actual events or circumstances to differ materially from those disclosed in the Prospectus. New factors emerge from time to time, and it is not possible for management to predict all of such factors and to assess in advance the impact of each such factor on the Company's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement.

Investors are cautioned against placing undue reliance on forward-looking statements.

All of the forward-looking information contained in this Prospectus is expressly qualified by the foregoing cautionary statements. Investors should read this Prospectus in its entirety and consult their own professional advisors to ascertain and assess the income tax, legal, risk factors and other aspects of their investment in Units.

MARKET AND INDUSTRY DATA

Unless otherwise indicated, information contained in this Prospectus concerning the Company's industry and the markets in which it operates, including its general expectations and market position, market opportunities and market share, is based on information from independent industry organizations, other third-party sources (including industry publications, surveys and forecasts) and management studies and estimates.

Unless otherwise indicated, the Company's estimates are derived from publicly available information released by independent industry analysts and third-party sources as well as data from the Company's internal research, and include assumptions made by the Company which it believes to be reasonable based on its knowledge of the Company's industry and markets. The Company's internal research and assumptions have not been verified by any independent source, and the Company has not independently verified any third-party information. While the Company believes the market position, market opportunity and market share information included in this Prospectus is generally reliable, such information is inherently imprecise. In addition, projections, assumptions and estimates of the Company's future performance and the future performance of the industry and markets in which it operates are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described under the headings "*Cautionary Note Regarding Forward-Looking Information*" and "*Risk Factors*".

MARKETING MATERIALS

A "template version" of the following "marketing materials" (each such term as defined in National Instrument 41-101 – *General Prospectus Requirements*) for this Offering filed with the securities commission or similar regulatory authority in each of the provinces of Canada (other than Quebec) are specifically incorporated by reference into this Prospectus:

- the term sheet in respect of the Offering dated December 16 (the "**Term Sheet**"); and
- an investor presentation in respect of the Offering dated January 15, 2021 (the "**Presentation**").

The Term Sheet and Presentation referred to above are available under our profile on SEDAR at www.sedar.com.

In addition, any template version of any other marketing materials filed with the securities commission or similar regulatory authority in each of the provinces of Canada (other than Quebec) in connection with this Offering, after the date hereof, but prior to the termination of the distribution of Units under this Prospectus (including any amendments to, or an amended version of, any template version of any marketing materials), is deemed to be incorporated by reference herein. Any template version of any marketing materials utilized in connection with this Offering are not part of this Prospectus to the extent that the contents of the template version of the marketing materials have been modified or superseded by a statement contained in this Prospectus.

ELIGIBILITY FOR INVESTMENT

In the opinion of Miller Thomson LLP, counsel to the Company, based on the provisions of the *Income Tax Act* (Canada) and the regulations thereunder (collectively, the "**Tax Act**") as of the date hereof, the Unit Shares and Warrants, will at a particular time, be "qualified investments" under the Tax Act for a trust governed by a registered

retirement savings plan ("**RRSP**"), registered retirement income fund ("**RRIF**"), deferred profit sharing plan, registered education savings plan ("**RESP**"), registered disability savings plan ("**RDSP**") and tax-free savings account ("**TFSA**") (collectively, "**Deferred Plans**") provided that at such particular time (i) in the case of the Unit Shares, the Common Shares are listed on a "designated stock exchange" as defined in the Tax Act (which currently includes the Exchange) or the Company otherwise qualifies as a "public corporation" (other than a "mortgage investment corporation") for the purposes of the Tax Act, and (ii) in the case of the Warrants: (a) the Warrants are listed on a "designated stock exchange" as defined in the Tax Act (which currently includes the Exchange); or (b) the Common Shares are listed on a "designated stock exchange" as defined in the Tax Act (which includes the Exchange) or the Company otherwise qualifies as a "public corporation" (other than a "mortgage investment corporation") for the purposes of the Tax Act and neither the Company, nor any person with whom the Company does not deal at arm's length, is an annuitant, a beneficiary, an employer or a subscriber under, or a holder of the particular Deferred Plan.

As of the date of this prospectus, the Common Shares are not currently listed on a "designated stock exchange" and the Company is not a "public corporation", as those terms are defined in the Tax Act. The published administrative position of the Canada Revenue Agency (the "**CRA**") is that in order for a security to qualify for this purpose, the listing must be full and unconditional, and that a mere approval or conditional approval is insufficient. It is our understanding that the Company has applied to list the Common Shares on the Exchange as of a time that is shortly before the Closing of the Offering. However, listing will be subject to the Company fulfilling all of the requirements of the Exchange. In addition, there can be no guarantee that Exchange approval of a listing (if at all) as of a time that is shortly before the Closing of the Offering would be granted or would be in a form that is, or is acceptable to the CRA as, a full and unconditional listing. No legal opinion or advance tax ruling has been sought or obtained in respect of the listing application or the status of the Common Shares as listed on a designated stock exchange as of any particular time. There can be no assurance that the Common Shares will be listed on the Exchange, or on any other designated stock exchange, as of Closing.

If the Common Shares are not listed on the Exchange (or another designated stock exchange) at the time of the issuance of the Unit Shares and Warrants on the Closing and the Company is not otherwise a "public corporation" (other than a "mortgage investment corporation") at that time, the Unit Shares and Warrants may not be qualified investments for a Deferred Plan at that time. **Should the Unit Shares and Warrants be acquired or held by a Deferred Plan at a time when such securities do not constitute a qualified investment, adverse tax consequences not described herein are expected to arise for the Deferred Plan and the annuitant, holder or subscriber thereunder, including that the Deferred Plan or the annuitant, holder or subscriber thereof may be subject to penalty taxes. The consequences to any particular Deferred Plan resulting from the Unit Shares and Warrants not being qualified investments will differ as between plans and such rules are complex.**

Notwithstanding that the Unit Shares and Warrants may be qualified investments for a Deferred Plan, an annuitant of an RRSP or RRIF, a holder of a TFSA or RDSP, or a subscriber of an RESP, as applicable, will be subject to a penalty tax under the Tax Act with respect to Unit Shares or Warrants if the Unit Shares and Warrants are "prohibited investments" for the TFSA, RRSP, RRIF, RDSP or RESP. A Unit Share or Warrant will not be a prohibited investment for a particular TFSA, RRSP, RRIF, RDSP or RESP provided that the annuitant under the RRSP or RRIF, the holder of the TFSA or RDSP or the subscriber of the RESP, as the case may be, deals at arm's length with the Company for purposes of the Tax Act, and does not have a "significant interest" (as defined in the Tax Act) in the Company. In addition, the Unit Shares and Warrants will not be a prohibited investment if such securities are "excluded property" (as defined in the Tax Act for purposes of these rules) for the particular TFSA, RRSP, RRIF, RDSP or RESP. Prospective investors in, or holders of, Unit Shares and Warrants should consult their own tax advisors with respect to the application of these rules in their particular circumstances.

PROSPECTUS SUMMARY

This summary highlights principal features of the Offering and certain information contained elsewhere in this Prospectus. This summary does not contain all of the information you should consider before investing in the Units. You should read this Prospectus in its entirety carefully, especially the "Risk Factors" section of this Prospectus, the "Management's Discussion and Analysis" section and the financial statements attached as Schedule 'B" to this Prospectus before making an investment decision. Capitalized terms used but not defined in this summary are defined elsewhere in this Prospectus.

Principal Business of the Company:

The Company is developing a vertically integrated Canadian functional mushroom brand that focuses on the health and wellness food markets. The Company also intends to cultivate, extract, process and distribute high quality strains of fungi products at its Facilities located in Princeton, British Columbia.

In addition, the Company received the Research Exemption on January 13, 2021 and applied for a Dealer's License on November 12, 2020 through its wholly owned subsidiary Optimi Labs relating to (respectively) (i) the use and scientific research on psilocybin mushrooms and (ii) the possession, distribution, sale, laboratory analysis of and research and development in respect of psilocybin. To date the Company has not received approval for the Dealer's Licence. The Company will not engage in any business related to psilocybin or related matters other than in accordance with obtained regulatory approvals.

Management, Directors & Officers:

Mike Stier	Director, President and Chief Executive Officer
Bryan Safarik	Director and Chief Operating Officer
Jake Safarik	Chief Financial Officer
Dane Stevens	Director and Chief Marketing Officer
JJ Wilson	Director and Chairman of the Board
Jon Schintler	Director

See "Directors and Executive Officers".

Summary of Financial Information:

The following selected financial information has been derived from and is qualified in its entirety by the audited financial statements of the Company for the period from incorporation to September 30, 2020, the three months ended December 31, 2020 and the notes thereto included in this Prospectus and should be read in conjunction with those financial statements and related notes thereto, along with the Management's Discussion and Analysis included in this Prospectus. All financial statements are prepared in accordance with IFRS. The Company's financial year end is September 30.

	As at and for the period ended September 30, 2020 ($) (audited)	**As at and for the period ended December 31, 2020 ($) (audited)**
Revenue	$0	$0
Total Expenses	$169,221	$280,009
Net loss and comprehensive loss for the period	$169,221	$280,009
Loss per share (basic and diluted)	$0.01	$0.01
Current Assets	$4,622,289	$3,129,030
Total Assets	$6,170,285	$5,686,564
Current Liabilities	$751,775	$468,769
Long Term Liabilities	$130,890	$123,602
Shareholders' Equity	$5,287,620	$5,094,193

See "Management's Discussion and Analysis".

THE OFFERING

Issuer: Optimi Health Corp.

Offering: A Minimum Offering of 20,000,000 Units for gross proceeds of $15,000,000 and a Maximum Offering of 24,000,000 Units for gross proceeds of $18,000,000.

Offering Price $0.75 per Unit.

Agents Mackie Research Capital Corporation as the lead agent and sole bookrunner, including Canaccord Genuity Corp. and Stifel Nicolaus Canada Inc.

Additional Distributions This Prospectus also qualifies the Agent Options to be issued to the Agents under the Agency Agreement, and the Over-Allotment Units, Over-Allotment Shares and/or Over-Allotment Warrants to be issued on the exercise of the Over-

Allotment Option.

Agents' Consideration

As compensation, the Agents will receive a cash fee equal to 7.0% of the aggregate gross proceeds of the Offering, and such number of Agent Options as is equal to 7.0% of the number of Units sold pursuant to the Offering. Each Agent Option will be exercisable into one Agent Unit at an exercise price of $0.75 until the Expiry Date. Each Agent Unit will consist of one Common Share and one-half of one Agent Unit Warrant. The Agent Unit Warrants will be issued under the Warrant Indenture, and have the same attributes as the Warrants that comprise part of the Units.

Use of Proceeds:

The aggregate net proceeds to be received by us from the Minimum Offering is $13,700,000 and from the Maximum Offering is $16,490,000 ($19,001,000 if the Over-Allotment Option is exercised in full), in each case, after deducting the Agents' Commission relating to the Offering, the $50,000 work fee payable to the Lead Agent and the estimated expenses relating to the Offering in the amount of $200,000. As at December 31, 2020, the Company had a working capital surplus of $2,660,261, resulting in available funds of $16,360,261 in the event of the Minimum Offering and $19,150,261 in the event of the Maximum Offering. We intend to use the available funds as follows:

Principal Purpose	Estimated Amount to be Expended (Minimum Offering)	Estimated Amount to be Expended (Maximum Offering)
Capital expenditures for Facilities	$6,190,513	$6,190,513
Submission and pursuit of application for Research Exemption, Dealer's License and research and development initiatives related to same	$650,000	$650,000
Investment in e-commerce business and launch of online platform	$1,750,000	$1,750,000
Strategic Acquisitions	-	$3,000,000
General and administrative	$1,993,934	$1,993,934
Unallocated working capital	$5,775,814	$5,565,814
Total	**$16,360,261**	**$19,150,261**

Description of Share Capital:

The Company's authorized capital consists of an unlimited number of Common Shares, of which 41,113,006 are issued and outstanding as at the date of this Prospectus as fully paid and non-assessable. Holders of the Common Shares are entitled to vote at all meetings of the holders of the Common Shares and, subject to the rights of holders of any shares ranking in priority to or on a parity with the Common Shares, to participate rateably in any distribution of the Company's property or assets upon liquidation or wind-up. The Board is authorized to issue additional Common Shares on such terms and conditions and for such consideration as the Board may deem appropriate without further security holder action.

Dividend Policy:	We have never declared or paid cash dividends on our Common Shares. We currently intend to retain our future earnings, if any, for use in our business and therefore do not anticipate paying cash dividends on our Common Shares in the foreseeable future. Payment of future dividends, if any, will be at the discretion of our Board after taking into account various factors, including our financial condition, operating results, and current and anticipated cash needs. See "Dividend Policy".
Exchange Trading Symbol:	"OPTI".
Eligibility for Investment:	In the opinion of Miller Thomson LLP, counsel to the Company, based on the provisions of the Tax Act as of the date hereof, the Unit Shares and Warrants, will at a particular time, be "qualified investments" under the Tax Act for a Deferred Plan provided that at such particular time (i) in the case of the Unit Shares, the Common Shares are listed on a "designated stock exchange" as defined in the Tax Act (which currently includes the Exchange) or the Company otherwise qualifies as a "public corporation" (other than a "mortgage investment corporation") for the purposes of the Tax Act, and (ii) in the case of the Warrants: (a) the Warrants are listed on a "designated stock exchange" as defined in the Tax Act (which currently includes the Exchange); or (b) the Common Shares are listed on a "designated stock exchange" as defined in the Tax Act (which includes the Exchange) or the Company otherwise qualifies as a "public corporation" (other than a "mortgage investment corporation") for the purposes of the Tax Act and neither the Company, nor any person with whom the Company does not deal at arm's length, is an annuitant, a beneficiary, an employer or a subscriber under, or a holder of the particular Deferred Plan. Notwithstanding that the Unit Shares and Warrants may be qualified investments for a Deferred Plan, an annuitant of an RRSP or RRIF, a holder of a TFSA or RDSP, or a subscriber of an RESP, as applicable, will be subject to a penalty tax under the Tax Act with respect to Unit Shares or Warrants if the Unit Shares and Warrants are "prohibited investments" for the TFSA, RRSP, RRIF, RDSP or RESP. A Unit Share or Warrant will not be a prohibited investment for a particular TFSA, RRSP, RRIF, RDSP or RESP provided that the annuitant under the RRSP or RRIF, the holder of the TFSA or RDSP or the subscriber of the RESP, as the case may be, deals at arm's length with the Company for purposes of the Tax Act, and does not have a "significant interest" (as defined in the Tax Act) in the Company. In addition, the Unit Shares and Warrants will not be a prohibited investment if such securities are "excluded property" (as defined in the Tax Act for purposes of these rules) for the particular TFSA, RRSP, RRIF, RDSP or RESP. Prospective investors in, or holders of, Unit Shares and Warrants should consult their own tax advisors with respect to the application of these rules in their particular circumstances. See the section entitled "Eligibility for Investment" for more details regarding the requirements for the Unit Shares and Warrants to be "qualified investments" for Deferred Plans.
Risk Factors:	An investment in the Units should be considered highly speculative and investors may incur a loss on their investment. The risks, uncertainties and other factors, many of which are beyond the control of the Company, that could influence actual results include, but are not limited to: limited operating history; changes in public tastes, availability of materials, consumer perceptions and preferences, brand awareness and dependency on third party suppliers, distributors and retailers; dependency on key personnel, product liability and recall; intellectual property risks; research and development; product obsolescence; anticipated growth may not materialize; dilution; unissued share capital; liquidity and future financing risk; market risk for securities; and increased costs of being a publicly traded

company

See the section entitled "Risk Factors" for details of these and other risks relating to the Company's business.

CORPORATE STRUCTURE

Name and Incorporation

Optimi Health Corp. was incorporated under the *Business Corporations Act* (British Columbia) on May 27, 2020 under the name "1251418 BC Ltd.". The Company changed its name to Optimi Health Corp. on August 17, 2020. The Company's registered office is located at 400 – 725 Granville Street, Vancouver, British Columbia V7Y 1G5. The Company's head office is located at 201 - 1448 Commercial Drive Vancouver, British Columbia, V5L 3X9..

Inter-corporate Relationships

The Company owns all of the issued and outstanding equity securities of Optimi Labs Inc. a company incorporated under the *Business Corporations Act* (British Columbia) ("**Optimi Labs**"). Optimi Labs acts as the Company's operating subsidiary that is in the business of pursuing the Research Exemption, Dealer's License and the Company's research and development initiatives related to same.

DESCRIPTION OF THE BUSINESS

History

Description of the Business

The Company is developing a vertically integrated Canadian functional mushroom brand that focuses on the health and wellness food markets. The Company intends to cultivate, extract, process and distribute high quality strains of fungi products in its Facilities located in Princeton, British Columbia. The Company intends to grow and process functional mushrooms, to develop its own health food products and to sell its mushrooms and related products directly to consumers, to other health food brands and to distributors.

The Company's formation was preceded by an extensive effort led by the Company's founders that produced a comprehensive business plan, as well as a product development and marketing plan. The aim is to establish a business that cultivates, extracts, processes and distributes high quality functional mushroom products. These efforts have allowed the Company to implement the initial phase of its business plan upon incorporation and prepare for the commercial launch of its functional mushroom business.

The Company has assembled a team comprised of its Board and management, who have expertise in various areas of business that are essential to providing the Company with the expertise necessary to successfully develop and market mushroom based products.

In addition, the Company received the Research Exemption on January 13, 2021 and applied for a Dealer's License on November 12, 2020 through its wholly owned subsidiary Optimi Labs relating to (respectively) (i) the use and scientific research on psilocybin mushrooms and (ii) the possession, distribution, sale, laboratory analysis of and research and development in respect of psilocybin. To date the Company has not received approval for the Dealer's Licence. The Company will not engage in any business related to psilocybin or related matters other than in accordance with obtained regulatory approvals.

Activities Since Incorporation

Since incorporation on May 27, 2020, the Company's activities have been focused on: (i) completing the Private Placements, (ii) developing a business plan for its functional mushroom growth and health food brand, (iii) securing a lease for the Facilities in Princeton, B.C., (iv) developing and protecting its brand intellectual property, (v) building out the functional mushroom grow Facilities in Princeton, B.C., and (vi) securing third party suppliers and distribution partners for the production and sale of its products.

Following incorporation, the Company was capitalized by completing the First Private Placement, which raised $1,000,000 and was completed on July 6, 2020.

The Company closed the Special Warrant Private Placement on September 11, 2020 and issued an aggregate of 17,963,005 Special Warrants for gross proceeds of $4,490,751.25. Each Special Warrant entitled the holder to acquire, without further payment, one SW Unit. Each Special Warrant was automatically deemed to be exercised at 4:00 p.m. (Vancouver time) on January 12, 2021. Following the deemed exercise of the Special Warrants into SW Units, holders of the SW Shares underlying the SW Units are entitled to all of the same rights as holders of Common Shares. On January 12, 2021 each Special Warrant converted automatically into SW Units, and accordingly there are no Special Warrants outstanding as of the date hereof.

To date, funds raised from the Private Placements have been used to develop the Company's direct-to-consumer functional mushroom business, lease the Facilities, and commence the construction of the Facilities, which will be suitable for the growth and cultivation of functional mushrooms, and as applicable, for use in connection with the Research Exemption and Dealer's License.

On May 27, 2020, the Company appointed Mike Stier as a director, President and Chief Executive Officer of the Company. On July 6, 2020, the Company appointed Dane Stevens, JJ Wilson and Bryan Safarik to its management team. See "Directors and Officers".

On July 23, 2020, the Company entered into a lease agreement with BC Green for an area of land situated in Princeton, B.C. See "*Buildout of Princeton Facilities*".

On July 23, 2020, the Company entered into the Project Development and Consulting Agreement pursuant to which BC Green has agreed to provide certain project consulting services in relation to the construction of the Facilities in Princeton, B.C., and applicable regulatory approvals, licenses and permits required for the Company to conduct its proposed business at such facilities. See "Employees".

On September 1, 2020, the Company entered into the Stier Consulting Agreement to provide for Mike Stier's services as Chief Executive Officer of the Company. See "Employees".

On September 16, 2020, the Company applied for trademark protection for "Optimi" and "Optimi Health" in Canada and the United States in order to protect the brand being developed by the Company in respect of both its functional mushroom growth business and direct-to-consumer health food business. The Company's trademark application process is ongoing and may be expanded as the Company's business develops.

On October 7, 2020, the Company appointed Jon Schintler as a director. See "Directors and Officers".

On October 7, 2020, the Company entered into a quality agreement with Canadian Premier Supplements ("**CPS**"), pursuant to which CPS will provide certain co-packaging and production services to the Company. See "Pathway to Revenue Generation".

The Company entered into a Laboratory and Services Agreement with Numinus Wellness Inc. ("**Numinus**") dated December 11, 2020 pursuant to which Numinus will provide certain psychedelic research and development services and testing to the Company (See "Research and Development – Optimi Labs").

On December 22, 2020, the Company entered into a supply agreement with North American Reishi Ltd. ("**Nammex**") for the supply of organic mushroom extract of Chaga, Cordyceps, Lion's Mane and Turkey Tail. See "Pathway to Revenue Generation".

On December 22, 2020, the Company entered into an agreement with a business incubator at the University of Calgary relating to consulting services for reviewing, designing, planning and/or conducting clinical trial studies for the Company's products. See "Recent Development – Optimi Labs" below for further details.

On January 13, 2021, the Company obtained the Research Exemption.

On January 25, 2021 the Company issued 3,000,000 Common Shares to BC Green further to the achievement of each of the milestones in the Project Development and Consulting Agreement.

Buildout of the Facilities in Princeton, B.C.

On July 23, 2020, the Company entered into the Lease Agreement BC Green for an area of land situated in Princeton, B.C. The Company has begun construction of Facilities on the land which is expected to be completed in Q2 of 2021. A description of the Lease Agreement can be found under the heading "*Interest Of Management And Others In Material Transactions*". Pursuant to the terms of the Lease Agreement, during the term of the Lease Agreement, as extended and renewed from time to time, the title to and ownership of the Facilities (including all alterations, additions, changes, substitutions or improvements thereto shall be vested in Optimi and shall automatically vest in the name of BC Green at the expiry or earlier termination of the Lease Agreement.

The construction of the Facilities is currently in its first phase with building shells fully erected. The expected costs for phase 1 is $2,300,000, of which the Company has incurred $2,287,907 as at December 31, 2020. The second phase involves the comprehensive interior buildout of the functional mushroom cultivation facility and interior processing facility, including state of the art machinery and processing equipment, which commenced in January of 2021, with the expected completion by the end of Q2 in 2021. The expected costs for phase 2 is $5,103,400. The Company expects the facility to be fully operational by the end of Q2 in 2021. The image below demonstrates construction progress as-at October 9, 2020. The overall Facility budget of $8,226,000 includes a 10% contingency to account for any construction overages.

Description of Principal Products

The Company intends to grow and process functional mushrooms for its own use to develop its own functional mushroom derived products and to sell its mushrooms and related products directly to consumers, and to other natural food brands and distributors. The Company is positioning itself to meet the needs of the rapidly expanding health foods market and consumers looking to prioritize the consumption of natural, plant-based foods.

The Company's expected fungi varieties will include lions mane, reishi, turkey tail, chaga, and cordyceps. These varieties will be used for its own use to develop its own health food products and to sell to other natural food brands and distributors. See below a description of each functional mushroom variety and related health food product.

Mushroom	Proposed Product Offering
Lion's Mane •Commonly used as a nootropic, or "smart drug". •Grown on trees in nature but artificial log substrates provide equal value. •Growth cycle spans approximately three weeks. 	• Limitless Vegan Protein, a proprietary blend of five functional mushroom extracts combined with vegan protein powder • Limitless Mushroom Extract • Mindful Mushroom Extract
Reishi •Known as the "Queen of mushrooms" and "mushroom of immortality", Reishi has been used for over 2,000 years by eastern societies to help promote longevity and wellbeing. •Growth cycle spans approximately five to six weeks. 	• Limitless Vegan Protein, a proprietary blend of five functional mushroom extracts combined with vegan protein powder • Limitless Mushroom Extract • Longevity Mushroom Extract

Mushroom	Proposed Product Offering
Chaga •The mushroom is often called the king of medicinal fungi and has been used as a medicinal fungus in Asia for thousands of years. •Not yet commercially farmed – the Company anticipates purchasing wild-harvested Chaga on an as-needed basis to meet demand. •Grown on birch trees (min 10-year-old) •Harvested every 2 to 3 times over 5 to 8 year period 	• Limitless Vegan Protein, a proprietary blend of five functional mushroom extracts combined with vegan protein powder • Limitless Mushroom Extract • Defense Mushroom Extract
Cordyceps (Militaris) •The anamorph and farmable version of the most expensive fungi in the world Cordyceps Sinensis which typically costs $20/kg due to its scarcity. •Growth cycle spans approximately seven to nine weeks. 	• Limitless Vegan Protein, a proprietary blend of five functional mushroom extracts combined with vegan protein powder • Limitless Mushroom Extract •Perform Mushroom Extract

Mushroom	Proposed Product Offering
Turkey Tail •Commonly used and grown for its health benefits. •Growth cycle spans approximately five weeks. 	• Limitless Vegan Protein, a proprietary blend of five functional mushroom extracts combined with vegan protein powder • Limitless Mushroom Extract • Immunity Mushroom Extract

Operations

The production process involves cultivating and extracting dried mushrooms from the Facilities, which are currently under construction and are expected to be fully completed by Q2 of 2021. Production in the Facilities will focus growth efforts on high demand varieties such as lions mane, reishi, turkey tail and cordyceps. The Facilities will contain high volume grow rooms with leading technology, climate controlled rooms, integrated environmental controls and supervision by established growers. The Facilities will allow for the production of a variety of strains and will include vertically integrated onsite processing and extraction technologies to capture maximum margin.

Until the Facilities are completed and in operation, the production process will involve purchasing raw material from international suppliers and delivering them to the Company's third party contract manufacturing organizations (currently CPS).

Mushrooms are comprised of two primary components, fruiting bodies and mycelium, both of which can be used to make the Company's concentrated health food products. The fruiting body is the spore-producing organ of a fungus, often seen as a mushroom or a toadstool. Mycelium is the vegetative part of the fungus, consisting of a network of fine white filaments. The Company's extraction process will involve a combination of boiling the mushrooms or soaking them in alcohol, after which the desired compounds are extracted into the Company's products.

Upon completion of production, the Company's products will be made ready for shipping and distribution directly to consumers, which is expected to constitute 75% of its sales, as well as to other health food brands and to distributors. The Company intends to distribute its products in Canada through its e-commerce website platform at www.optimiperformance.com, which is expected to launch in Q1 of 2021. The Company's co-packer is responsible for the processing, packaging and bottling of certain products, such as protein powder and supplements. The

Company's co-packer also provides warehousing services and facilitates shipping of all online orders. In addition, the Company will seek to contract with other health food brands, and to distribution partners, farmers markets, retailers and restaurants. The Company expects to commence the sale of its third-party sourced functional mushroom products and generating revenues by the end of Q2 of 2021. The Company expects to begin sale of its internally grown functional mushrooms by the end of Q3 of 2021.

Pathway to Revenue Generation

Sourcing of Products

Until the Company is able to complete the construction of the Facilities in Princeton, B.C. and commence growing its own mushrooms, it will source all of its products from a third party supplier. The Company has entered into a supply agreement with Nammex on December 22, 2020 for the supply of organic mushroom extract of Chaga, Cordyceps, Lion's Mane and Turkey Tail. Nammex specializes in mushroom products and is a premier supplier of organically certified mushroom extracts. The Company anticipates that Nammex will ship its products directly to the Company's co-packer, CPS, for further processing of the Company's raw functional mushrooms into the Company's product formulations. The Company anticipates to commence the sale of its products by the end of Q2 2021.

Warehousing and Distribution

On October 7, 2020, the Company entered into a quality agreement with CPS, pursuant to which CPS will provide the following co-packaging and production services to the Company: (i) formulation of the Company's products for resale using raw materials; (ii) encapsulation of all products and formulations; (iii) bottling; (iv) packaging; (v) shipping, preparation and inventory management; (vi) warehousing of the Company's products; and (vii) order fulfillment and shipping of the Company's products.

In the short-term, the Company expects to commence the sale of its third-party sourced health food concentrates and generating revenues by the end of Q2 of 2021.

Once the Company's products have been launched, it will conduct a phase of market research and use real data and analytics to calculate demand for the Company's products. During this period, the Company will also aim to solidify its strategies for pricing and increasing average order size and conversion rates, optimize its marketing strategy, and develop sales programs.

After the initial release of the Company's products and upon receiving feedback about demand, quality, deficiencies and desired features, the Company will refine its product roadmaps, incorporate improvements into the products and release improved versions of the products, to the extent necessary. At this stage the Company will have a much better understanding of product demand and market segmentation and as such will adjust its manufacturing orders accordingly. The focus will be to decrease the cost of raw material, manufacturing and packaging.

Product Targeting and Distribution

The following are the Company's key strategies for the targeting and distribution of its products:

- the Company will launch an ecommerce website, www.optimiperformance.com, which is expected to launch in Q1, 2021, and where the Company's products will be offered for sale to customers;
- the Company is developing further online distribution through marketplaces such as Amazon and Google;
- the Company is working on establishing retail distribution networks in Canada and the U.S.; and
- the Company intends to use digital marketing strategies to promote its products, including social media, influencer marketing and ad networks.

The Company's product marketing program includes plans to engage in targeted advertising, influencer marketing and social media marketing. The Company expects the product marketing efforts to be ongoing during the twelve month period following the date of this Prospectus.

Technology Platform

The Company is developing its initial technology platform which will serve as both the consumer-facing interface as well as an administrative back-end. The technology platform will include eCommerce infrastructure, basic customer service relationship (CRM) software, analytics, multiple payment gateways, checkout conversion optimization, shipping cost calculator, automated tax calculator, social media integration and product reviews. It will also include marketing assets such as email marketing, a LinkedIn business page, a Facebook business page and a Twitter account.

The Company's e-commerce website platform at www.optimiperformance.com is expected to launch in Q1, 2021.

Specialized Skill and Knowledge

The Company has hired contractors that have specialized skill and knowledge in:

- production of functional mushrooms and mushroom derived health foods;
- quality control;
- the formulation and packaging of fungi products; and
- market research, distribution and sales of finalized products to end consumers.

The Company does not believe that there is a shortage of labour or service providers that carry this expertise. While none of the members of the management have direct experience in the functional foods or mushroom-derived product industries, they have prior experience and qualifications that will assist them as it relates to the business of the Company.

Mike Stier, the Company's Chief Executive Officer and President, through his position as President and CEO of New Leaf Ventures Inc. (a publicly traded company), has gained experience in raising capital, and building and managing public companies. Through his involvement with New Leaf Ventures Inc., Mr. Stier has an in-depth understanding of the challenges, operation and regulatory nuances affecting development stage companies in emerging industries.

Bryan Safarik, the Company's Chief Operating Officer, has experience in highly regulated industries, such as cannabis, through his position President of BC Green and has an in-depth understanding of the challenges and operational and regulatory nuances that affect these companies. Mr. Safarik also worked as the Director of Marine Operations of Ocean Fisheries Ltd. where he oversaw fishing operations, logistics, packaging and quota management. His experience will be instrumental in assisting the Company in managing and documenting extraction processes, formulation, and packaging of the Company's products, and establishing processes to distribute the products to end consumers.

Jake Safarik, the Company's Chief Financial Officer, is a finance professional with extensive corporate accounting and audit experience, including as the CFO of BC Green. His experience will be instrumental in assisting the Company with its financial reporting obligations.

Dane Stevens is the founder of multiple successful wholesale and direct-to-consumer jewellery businesses, as well as Cavalier Jewellers. He developed an integral understanding of effective sourcing and reliable distribution by vertically integrating all areas of the jewellery supply chain. Mr. Stevens' experience in digitalizing, modernizing, and operating in today's retail landscape will help the Company grow and prosper in its industry.

Foreign Operations

The Company's sale and distribution operations will be conducted in Canada, but some of its raw materials may be sourced from China and other international jurisdictions, and will be manufactured and packaged in Canada. As a result, there is a risk that trade restrictions or tariffs imposed may require the Company to engage a new packaging partner and/or find alternate sources of materials.

Intellectual Property

The Company applied to register the trademark "Optimi Health" and "Optimi" with the Canadian Intellectual Property Office on September 16, 2020.

Seasonality

The Company's results are subject to fluctuations associated with impact on consumer demand. At this time the Company is unable to specifically determine the manner in which consumer demand will fluctuate for its products.

Employees

The Company has no employees, and 16 independent contractors. In the ordinary course of business, the Company outsources many operational aspects of its business to third party contractors including accounting/bookkeeping service providers, customer services providers, web designers, social media marketers, product development and processing as well as logistics, fulfillment, and inventory storage providers. Employees of these service providers provide the services to the Company as needed.

The Company has entered into a Consulting Agreement dated as of September 1, 2020 with AMBE Holdings Ltd. ("**AMBE Holdings**") pursuant to which Mike Stier shall provide services to the Company as its Chief Executive Officer (the "**Stier Consulting Agreement**"). In consideration for the services to be provided, the Company shall pay AMBE Holdings a monthly fee of $4,000 plus any applicable taxes. This monthly fee will increase to $5,000 per month, plus any applicable taxes, on the first business day of the month following the listing of the Company's Common Shares on the Exchange. AMBE Holdings is also eligible for bonus compensation, in the form of cash or incentive stock options on an annual basis, in the sole discretion of the Board..

The Company has entered into a Consulting Agreement dated as of October 7, 2020 with Jon Schintler, pursuant to which Mr. Schintler will provide services to the Company as a Director of the Company (the "**Schintler Consulting Agreement**"). In consideration for these services, the Company will pay Mr. Schintler a monthly fee of $2,500 through the month in which the Common Shares begin trading on the Exchange, which will increase to a monthly fee of $3,000 beginning the following month.

The Company has entered into a Project Development and Consulting Services Agreement with BC Green dated as of July 23, 2020 (the "**Project Development and Consulting Agreement**"). Pursuant to the Project Development and Consulting Agreement, BC Green has agreed to provide certain project consulting services in relation to the construction of the Facilities, and applicable regulatory approvals, licenses and permits required for the Company to conduct its proposed business at such facilities. The Project Development and Consulting Agreement is for a period of five years, unless terminated earlier in accordance with the terms thereof. As remuneration for the services provided, the Company will grant BC Green a total of 3,000,000 Common Shares at a deemed price of $0.05 per share, with half of the Common Shares to be issued upon the receipt of building permits for the Facilities and half of the Common Shares to be issued upon the Company either (i) being legally recognized as a "licensed dealer" under the *Narcotic Control Regulations* (Canada), or (ii) granted an exemption to conduct commercial production, processing, manufacturing, distribution and sales activities with one or more controlled substances under the *Controlled Drugs and Substances Act* (Canada). The Company has met the above milestones and all 3,000,000 Common Shares were issued January 25, 2021.

Advisory Board

In order to aggressively pursue the development of its business, the Company has appointed an Advisory Board including technical experts and global leaders in the health, wellness and consumer goods industries.

Chip Wilson

Chip Wilson is a Canadian businessman and philanthropist, who has founded several retail apparel companies, most notably yoga-inspired athletic apparel company Lululemon Athletica (NASDAQ: LULU). Wilson is widely considered to be the creator of the athleisure trend.

Harley Pasternak

As a fitness and nutrition specialist, Mr. Pasternak's client roster includes Ariana Grande, Lady Gaga, Rihanna, Kim Kardashian, Halle Berry, Katy Perry, Megan Fox, Robert Downey Jr., Robert Pattinson, Adam Levine, Jessica Simpson, Charlie Puth, Gwen Stefani, Ke$ha, Hilary Duff and Jennifer Hudson. He currently stars on the E! channel's Revenge Body with Khloe Kardashian, makes regular appearances as a fitness contributor to good morning America on ABC, and formerly starred on ABC's The Revolution, and as a judge on Top Model. Mr. Pasternak has made worldwide speaking appearances in over 30 countries and is a bestselling fitness and diet author published in 14 languages in over 25 countries. He holds a Master of Science in Exercise Physiology and Nutritional Sciences from the University of Toronto and an Honors Degree in Kinesiology from University of Western Ontario. He is also certified by The American College of Sports Medicine and The Canadian Society of Exercise Physiology, and served as an exercise and nutrition scientist for Canada's Department of National Defense.

Edward Safarik

Edward is a Member in good standing of the Law Society of British Columbia and former Founder, President and CEO of Ocean Fisheries Limited. Edward offers extensive past board experience: six year board member of Genome BC, Chairman of the Fisheries Counsel of Canada, Co chair of the Food Agriculture/Fisheries Initiative on Sustainable Economic Fisheries, Founder and Chairman of the Herring Conservation & Research Society of BC (HCRS), and a member of the Pacific Scientific Advice Review Committee (PSARC) and the Herring Industry Advisory Board (HIAB).

Elfi Daniel-Ivad – Licensing Advisor

Elfi formally served as Head of Submissions, Regulatory at Eurofins Experchem Laboratories Inc. In this role, she led a team of regulatory professionals in the development of regulatory submission strategies for Natural Health Products (NHPs), OTC drugs, cosmetics, medical devices, food products, site licenses, medical establishment licenses and applicants to become licensed producers and dealers of federally controlled substances.

Leigh Grant – Facility Advisor

Over 20 years experience in the HVAC industry and indoor cannabis cultivation, Leigh specializes in the development of advanced indoor horticulture systems, for federally licensed cannabis producers. With significant expertise in indoor horticulture facility design, Leigh consulted for Broken Coast Cannabis, from inception to its latest expansions under the Aphria ownership group, and BC Green.

Regulatory Environment

The Company's functional mushroom products in powder form are expected to be considered "food" and, as such, are expected to be principally regulated under the *Food and Drugs Act* (Canada) and the *Consumer Packaging and Labelling Act* (Canada).

The *Food and Drug Act* (Canada) ("**FDA**") and *Food and Drug Regulations* regulate food and drugs in Canada and provide requirements on composition (including without limitation food additives, fortification, and food standards), packaging, and licensing requirements. Under this regime, the Company is not required to obtain any pre-approvals and/or licenses for its products, but must ensure that the labelling, marketing and selling of any of its products comply with the FDA, including by ensuring that the Company's products are not packaged or marketed in a manner that is misleading or deceptive to a consumer.

The *Consumer Packaging and Labelling Act* provides for a uniform method of labelling and packaging of prepackaged consumer goods in Canada. The relevant provisions include the prevention of fraudulent statements and providing for mandatory label information in which consumers may make informed decisions.

The Company's functional mushroom products in capsule form are expected to be regulated as natural health products ("**NHP**") and, as such, governed by the FDA and its *Natural Health Product Regulations ("***NHPR***")*.

The federal FDA and NHPR set out the product and site licensing requirements for NHPs. The products will need a Product Licence ("**PL**") issued by Health Canada, the federal government regulator responsible for enforcing the FDA and NHPR. To obtain a PL, the Company must attest to the safety and efficacy of the NHP by either relying on information already pre-cleared by Health Canada known as "monographs" or providing additional supporting documentation (e.g. observational studies, full-text articles, clinical trials, etc.). There are three application classes: Class I, II or III. The higher the application class, the higher the product risk and the lengthier the Health Canada assessment (i.e. Class I is the lowest risk and fastest licensing process). The determination of the application class will depend on the ingredients, claims, and monograph compliance.

In addition to the PL, the Company, its affiliates or contractors will need to obtain a Site Licence ("**SL**"). A SL is tied to the physical location in Canada where the NHPs are manufactured, packaged, labelled or imported (each a "**Regulated Activity**"). The Company can apply to obtain an SL or partner with a third-party with a valid SL engaged in such Regulated Activities on behalf of the Company. A valid SL requires providing Health Canada with evidence of Good Manufacturing Practices ("**GMP**") specified in the NHPR. For example, a quality assurance report, a Drug Establishment Licence or a GMP compliance certificate. GMPs set out standards for the state and cleanliness of the facility, the equipment, and the training and qualifications of the personnel working at the facility.

The Company has obtained its PL, and partnered with CPS to meet the SL requirement, in respect of each of its products.

The council of the Town of Princeton has expressed their full support for the Company's development of a large-scale vertically integrated functional mushroom operation, as well as (further to the Company's receipt of the Research Exemption) a controlled substance research facility, providing the Company with the flexibility to grow and scale operations as opportunities develop in the functional mushroom and psilocybin space. The Town of Princeton has also passed certain tax incentives to further support the long-term growth of the Company which will be applied to new building improvements and the building permit value of the new improvements in excess of $500,000, or an alteration of an existing improvement where that alteration has a building permit value in excess of $500,000 and is a permanent structure. The incentive will be applied in the form of a tax exemption which corresponds to the increase in the assessed value of any building.

Market for Products

The Company intends to distribute its products in Canada through its e-commerce website platform at www.optimiperformance.com, which is expected to launch in Q1, 2021. The Company's initial marketing focus will be to online customers in Canada.

The Company's focus on its direct-to-consumer platform will provide it with flexibility and allow for a strong connection with its potential customers. This connection should provide the Company with greater insight into how to market its products and build loyalty with its targeted customer base.

As consumers increasingly look to incorporate "functional foods" in their diets, the mushroom market is poised to grow year over year. The global mushroom market is expected to grow by 6.3% and may reach US$50 billion by 2024, according to a research report published by Grand View Research in January of 2018. The global functional mushroom market is expected to grow to US$34 billion by 2025 according to a report by ASD Reports published in January of 2020 and the global nutraceutical market is to grow to US$15 billion by 2026 according to a report by Market Research Future published in July of 2020.

Market dynamics contributing to the rising demand for mushrooms include societal trends shifting to preventive health care, vegan and vegetarian based diets and increased awareness around the health benefits of functional foods. Accordingly, the Company believes this potential increased demand for mushroom based products will assist it in completing its business objectives over the next twelve months.

Sources:
https://www.marketresearchfuture.com/reports/medicinal-mushroom-extract-market-4737
https://www.bdc.ca/en/documents/analysis_research/Consumer_Trends_Report_EN.pdf

Market prices for Canadian produced speciality mushrooms have been trending steadily upwards since 2012, with Stats Canada recording record sales in 2017 of $527.6 million, based on a Stats Canada study released in May 2019. Source: https://www150.statcan.gc.ca/n1/pub/21-004-x/2019001/article/00001-eng.htm.

Market Impact – COVID-19 Pandemic

The Company does not anticipate the COVID-19 pandemic having a material impact on its business and operations. The Company's business plan was finalized after the onset of the COVID-19 pandemic, and the anticipated effects of the pandemic were included in the Company's internal revenue and expense forecasts. Management believes that the pandemic may increase interest in natural products as a way to reduce stress and increase immune responsiveness, which has the potential to increase the Company's customer base. The Company further expects the majority of the sales of its products to occur online, which may obviate some of the risks that any current or future retail store shutdowns may involve. While the Company has not faced any challenges securing supplies for its products so far, 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 mushrooms or packaging, restrictions on shipping, both within Canada and the U.S. and internationally and restrictions on the ability of the Company to gain financing through the financial markets may increase competition for the mushrooms and packaging used by the Company or the Company's ability to deliver its products to customers. The Company continues to closely monitor the pandemic and continuously assess its potential impact.

Marketing

The Company's marketing strategy is to increase market share and sales in Canada by promoting its mushroom-based food products. Currently, the Company's marketing strategy is expected to involve targeted social media marketing and advertising campaigns. The Company will focus directly on consumers through strategic marketing and influencer initiatives, such as:

- engaging with athletic brand ambassadors and lifestyle influencers;
- sharing emphasis on physical and mental benefits/performance via athletic and lifestyle influencers with a defined presence to enable early stage market penetration; and
- strategic digital marketing campaigns targeting the health and wellness sectors and establishing credibility and legitimacy through curate brand messaging.

Competitive Conditions

There are numerous companies competing in the broader health, wellness, and functional foods markets; mushroom focused nutraceutical product formulations are a growing niche within this market. The Company believes it can successfully compete in this market through its vertically integrated cultivation-to-consumer model. This will include sourcing input materials from its Facilities and selling direct-to-consumer. Directly managing quality and costs across the supply chain through this approach will offer a unique advantage over the competition. The Company has identified the following brands as direct competitors from a product perspective: Mushroom Revival, Organika, Rainbo, Moon Juice, Four Sigmatic and Host Defense. These competitors, as described below, offer a similar category of products as the Company, being mushroom extracts and other wellness products. The direct-to-consumer nature and capabilities of these competitors mean their operations are not materially limited to any specific geographical area.

Name	Product Offering	Distribution
Mushroom Revival	Processes, formulates and sells the following mushroom products (tinctures): • Cordyceps (grown by company) • Reishi • Tremella • Poria Cocos • Lions Mane • Chaga • Meshima • Maitake • Shiitake • Turkey Tail	• Direct to consumer (online)
Organika	Formulates and sells the following mushroom products (capsules and beauty products): • Reishi • Cordyceps • Tremella (for Beauty Product usage only) • Chaga (for Beauty Product usage only) • Lion's Mane (for Beauty Product usage only)	•Direct to consumer (online) •Distributor (Amazon, Vitasave etc.) •Retailers (Whole Foods etc.)
Rainbo	Processes, formulates and sells the following mushroom products (tinctures, and other products such as infused maple syrup): • Lions Mane • Codryceps • Reishi • Chaga	• Online (Direct to Consumer) • Retailers (Online and Brick and mortar)

Name	Product Offering	Distribution
Moon Juice	Formulates and sells the following mushroom products (protein mix, drinks powders): • Cordyceps • Reishi • Lion's Mane • Tremella	• Direct to consumer (online and brick and mortar) • Distributor (Sephora, Beautylish) • Retailers (apothecaries)
Four Sigmatic	Formulates and sells the following mushroom products (coffee, protein mix, drinks powders): • Cordyceps • Agaricus • Meshima • Enokitake • Reishi • Tremella • Lions Mane • Chaga • Maitake • Shiitake	•Direct to consumer (online and brick and mortar) •Distributor (Amazon, Thrive Market etc.) •Retailers (Whole Foods etc.)
Host Defense	Grows, processes, formulates and sells the following mushroom products (capsules, powders, extracts, tinctures): • Cordyceps • Agarikon • Meshima • Royal Sun Blazei • Reishi • Tremella • Lions Mane	•Direct to consumer (online) •Distributor (Amazon, Vitasave etc.) •Retailers (Whole Foods etc.)

Name	Product Offering	Distribution
	• Chaga • Maitake • Turkey Tail	

The Company believes that being in both the functional mushroom growth and health food industry provides it with an advantage over its competitors, which are largely either solely involved with farming mushrooms or producing wellness products. The Company has the potential advantage of growing its own mushrooms for its health food products which, upon completion of the Facilities, will serve to reduce the need for intermediaries. The Company will also be able to control the purity of its products from growth, to extraction and finally to sale.

Research and Development - Optimi Labs

The focus of Optimi Labs is to: optimize the commercial cultivation process of mushrooms, improve quality and yield of various strains, improve extraction efficiencies, continue development of fungi extracts, develop future products, innovate in human delivery mechanisms, develop synthetic and non-synthetic compounds, develop active compounds and pharmaceuticals and test new drug formulation.

Optimi Labs is initially focused on the research and development of functional mushrooms (non-psychedelic) cultivation and extraction, however the Company will begin to research mushroom derived psilocin/psilocybin which is designed to treat mental illness, addiction, and other health conditions if and as permitted by applicable laws, including pursuant to the Research Exemption and/or Dealer's License. Optimi Labs plans to develop an IP strategy specific to mushroom based products. In order to include psychedelic products in the Company's research activities, the Company has obtained the Research Exemption. In order to include the possession, distribution, sale, laboratory analysis of and research and development in respect of psilocybin in the Company's business, the Company has applied for the Dealer's License. To date, neither the Company nor Optimi Labs has received the Dealer's License The Company will only engage in business related to psilocybin and psilocin in accordance with existing regulatory approvals. See "*Future Developments – Psilocybin"* below.

Prior to the Company's receipt of the Dealer's License, the Company intends to commission a number of research and development projects related to psychedelic compounds (each a "**Project**"). As such, the Company has entered into a Laboratory and Services Agreement with Numinus dated December 11, 2020 pursuant to which Numinus will provide certain psychedelic research and development services and testing to the Company. The particular scope, cost and specifics of such services will be governed by the terms and conditions of project agreements to be negotiated reasonably and in good faith between Numinus and the Company (each a "**Project Agreement**") from time to time. The fee for such services and any royalties payable to Numinus will be determined on a project-by-project basis in each applicable Project Agreement. The term of this agreement will commence on January 4, 2021 and continue for a period of one year unless otherwise terminated in accordance with its terms. The Company provided Numinus with a retainer of $100,000, which will be applied against any accounts rendered with respect to the first Project Agreement, and will be replenished as needed. The Company also issued Numinus 150,000 Common Shares on February 2, 2021, and will issue Numinus a further 150,000 Common Shares upon completion of the first Project under a Project Agreement. Numinus holds a valid Dealer's License and all activities proposed under the Company's arrangement with Numinus will be carried out by Numinus personnel at its facility in compliance with its Dealer's License requirements.

The Company has also entered into a Master Consulting Agreement (the "**MCA**") with UTI Limited Partnership ("**Innovate Calgary**"), the innovation transfer and business incubator centre for the University of Calgary. Innovate Calgary is an incubator designed to provide consulting services that assists ventures in the life sciences or biomedical industries with: (a) reviewing, designing, planning and/or conducting clinical trial studies, (b) presenting data generated from clinical trial studies, and/or (c) seeking clinical trial-related services from third parties. Under

the MCA and first Statement of Work, Innovate Calgary will design and carry out a clinical trial in respect of the potential health and wellness applications of the Company's products and proposed products, expected to be completed within one year.

Future Developments - Psilocybin

Psilocybin is a naturally occurring psychedelic prodrug compound produced by more than 200 species of mushrooms, collectively known as "magic mushrooms". The most potent are members of the genus Psilocybe, such as P. azurescens, P. semilanceata, and P. cyanescens, but psilocybin has also been isolated from about a dozen other genera. Psilocybin is quickly converted by the body to psilocin, which has mind-altering effects similar, in some respects, to those of LSD.

Scientific interest in classic psychedelics, such as psilocybin, has returned and grown because of several promising studies, validating earlier research. For mood and anxiety disorders, three controlled trials have suggested that psilocybin may decrease symptoms of depression and anxiety in the context of cancer-related psychiatric distress for at least 6 months following a single acute administration. A small, open-label study in patients with treatment resistant depression showed reductions in depression and anxiety symptoms three months after two acute doses. For addiction, small, open-label pilot studies have shown promising success rates for both tobacco and alcohol addiction. Safety data from these various trials, which involve careful screening, preparation, monitoring, and follow-up, indicate the absence of severe drug-related adverse reactions (Source: Johnson & Griffiths, 2017). Based on a recent report by Data Bridge Market Research, Market Analysis Study, 2020, the psychedelic drug market is growing with a compound annual growth rate of 16.3% and expected to reach USD 6,859.95 million by 2027.

It is the Company's goal to become strategically positioned to become a producer and distributor of medical psilocybin and other psychedelic/nutraceutical products, if and as permitted by applicable laws. To date, neither the Company or Optimi Labs has received the Dealer's License. Optimi Labs received the Research Exemption on January 13, 2021.

Future Developments – Strategic Acquisitions

The Company intends to allocate certain of the proceed of the Maximum Offering to pursuing asset acquisition targets which enable the Company to accelerate its functional mushroom business and psychedelic research and development initiatives.

USE OF PROCEEDS

The Company expects to receive net proceeds of $13,700,000 from the Minimum Offering and $16,490,000 from the Maximum Offering ($19,001,000 if the Over-Allotment Option is exercised in full) after deducting the portion of Agents' Commission in cash, the work fee payable the Lead Agent and the other expenses of the Offering. As at December 31, 2020, the Company had a working capital surplus of $2,660,261, resulting in available funds of $16,360,261 in the event of the Minimum Offering and $19,150,261 in the event of the Maximum Offering.

We intend to use the existing working capital and net proceeds from this Offering as follows:

Use of Available Funds	Estimated Amount to be Expended (Minimum Offering)	Estimated Amount to be Expended (Maximum Offering)
Capital expenditures for Facilities	$6,190,513	$6,190,513
Submission and pursuit of application for Research Exemption, Dealer's License and research and development initiatives related to same	$650,000	$650,000
Investment in e-commerce business and launch of online platform	$1,750,000	$1,750,000
Strategic Acquisitions	-	$3,000,000

General and Administrative	$1,993,934	$1,993,934
Unallocated working capital	$5,775,814	$5,565,814
TOTAL:	**$16,360,261**	**$19,150,261**

While we currently anticipate that we will use the net proceeds of the Offering as set forth above, we may reallocate the net proceeds, having consideration to our strategy relative to market and other conditions, as well as other factors described under "Risk Factors".

Upon the Listing Date, the Company estimates that its working capital will be sufficient to meet its administrative costs for the 12-month period following the Listing Date. Administrative costs for the 12 month period following the Listing Date are comprised of the following:

General and Administrative Costs for 12-Month Period Following the Listing Date	**Estimated Amount to be Expended (Maximum Offering)**	**Estimated Amount to be Expended (Minimum Offering)**
Audit Fees	$54,975	$54,975
Marketing Fees	$455,000	$455,000
Legal Fees	$259,795	$259,795
Consulting and Staff Fees	$863,529	$863,529
Offices, Rent and Other	$160,885	$160,885
Regulatory and Filing Fees	$144,750	$144,750
Travel Expenses	$55,000	$55,000
TOTAL:	$1,993,934	$1,993,934

Business Objectives and Milestones

In the forthcoming twelve (12) month period, the Company expects to accomplish the following business objectives:

Business Objectives	**Time Period**	**Estimated Expenditure – Minimum Offering**	**Estimated Expenditure – Maximum Offering**
Product Marketing			
• Launch of online platform under www.optimiperformance.com.	Q1 2021	$40,000	$40,000
• Fulfill the advertising and marketing campaign as described in "*Description of the Business – Marketing*	Q1 2021	$1,240,000	$1,240,000
Product Development			
• Complete product launch of functional mushroom	Q1 2021	$100,000	$100,000

and related health food products. • Conduct market research on initial products. • Launch of research and development program under Optimi Labs as described in "Description of the Business - Research and Development - Optimi Labs".	Q1 2021 Q1 2021	$50,000 $650,000	$50,000 $650,000
Operational Expansion • Completion of the Facilities. • Purchase of raw materials. • Contract packaging and fulfilment.	Q2 2021 Q1 2021 Q1 2021	$6,190,513 $100,000 $220,000	$6,190,513 $100,000 $220,000
Strategic Acquisitions • Evaluation of possible vertical or horizontal integration targets, competitive analysis, and potential acquisition of accretive or competitive business unit.	Q1, 2022		$3,000,000
Total		**$8,590,513**	**$11,590,513**

DIVIDENDS OR DISTRIBUTIONS

Dividends

The Company has neither declared nor paid any dividends on its Common Shares. The Company intends to retain its cash to finance growth and expand its operations and does not anticipate paying any dividends on its Common Shares in the foreseeable future. Any determination to pay dividends in the future will be at the discretion of the Board and will depend on many factors, including, among others, the Company's financial condition, current and anticipated cash requirements, contractual restrictions and financing agreement covenants, solvency tests imposed by applicable corporate law and other factors that the Board may deem relevant.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Overview

The Company's management discussion and analysis ("**MD&A**") in respect of the operations and financial condition of the Company is dated as of February 12, 2021 and describes the operating and financial results of the Company for the period from incorporation on May 27, 2020 to September 30, 2020 and for the three months ended December 31, 2020. The MD&A supplements, but does not form part of, the audited financial statements of the Company, and should be read in conjunction with the Company's audited financial statements and related notes for the period from incorporation on May 27, 2020 to September 30, 2020 and for the three months ended December 31, 2020, included in this Prospectus. The Company prepares and files its financial statements in accordance with IFRS. The currency referred to in this MD&A is in Canadian Dollars.

Certain information included in the MD&A is forward-looking and based upon assumptions and anticipated results that are subject to uncertainties. Should one or more of these uncertainties materialize or should the underlying assumptions prove incorrect, actual results may vary significantly from those expected. See "*Cautionary Statement Regarding Forward-Looking Statements*" for further detail.

Overall Performance

The Company is developing a vertically integrated Canadian functional mushroom brand that focuses on the health and wellness food markets. The Company intends to cultivate, extract, process and distribute high quality strains of fungi products in its Facilities located in Princeton, British Columbia. The Company intends to grow and process functional mushrooms, to develop its own health food products and to sell its mushrooms and related products directly to consumers, to other health food brands and to distributors.

During the period from incorporation on May 27, 2020 to September 30, 2020, the Company's activities have been focused on: (i) completing the Private Placements, (ii) developing a business plan for its functional mushroom growth and health food brand, (iii) securing a lease for the Facilities in Princeton, B.C., (iv) developing and protecting its brand intellectual property, (v) building out the functional mushroom grow Facilities in Princeton, B.C., and (vi) identifying third party suppliers and distribution partners for the production and sale of its products.

During the three months ended December 31, 2020 the Company's activities have been focused on: (i) pursing the Research Exemption and Dealer's License, (ii) developing its functional mushroom growth and health food business, (iii) building out the functional mushroom grow Facilities in Princeton, B.C., (iv) developing and protecting its brand intellectual property, (v) developing agreements with strategic partners related to the Company's psilocybin research and development initiatives and (vi) securing third party suppliers and distribution partners for the production and sale of its products.

Results of Operation

Period Ended September 30, 2020

During the period from the date of incorporation on May 27, 2020 to September 30, 2020, the Company had no revenues and a net loss of $169,221. The main factors that contributed to the loss in the fiscal period were consulting expenses of $28,825, licensing expenses of $14,442, marketing expenses of $82,019, and professional fees of $35,129. Consulting expenses relate to services provided by management relating to the initial organization of the Company and the procurement of land for its anticipated Facilities. Licensing expenses relate to building permits and licenses required for Princeton construction of the Facilities. Marketing expenses relate to the design of the website and logo, the e-commerce store logos and brandings, as well as social media marketing services. Professional fees consist of legal fees in connection with the Company's incorporation, financings and lease of its property required for the Facilities.

Period Ended December 31, 2020

During the three months ended December 31, 2020, the Company had no revenues and a net loss of $280,009. The main factors that contributed to the loss in the fiscal period were consulting expenses of $57,121, share based compensation expenses of $103,209, transfer agent and filing fees of $21,787, and professional fees of $58,805.

Consulting expenses relate to services provided by management relating to the development and administration of the Company and the management of construction at the Facilities. Share based compensation expenses relate to the vesting of incentive stock options and RSRs granted during the period. Transfer agent and filing fees relate principally to prospectus filing fees. Professional fees consist of legal fees in connection with the Company's go-public process and general corporate development.

Selected Financial Information

The following table sets forth selected financial information with respect to the Company's audited financial statements for the period from incorporation on May 27, 2020 to September 30, 2020, and for the three months ended December 31, 2020.

	Period from incorporation on May 27, 2020 to September 30, 2020 (Audited) ($)	Three months ended December 31, 2020 (Audited) ($)
Continuing Operations		
Revenue	–	-
Expenses	169,221	280,009
Net loss	(169,221)	(280,009)
Loss per share (basic and diluted)	(0.01)	(0.01)

Statement of Financial Position		
Assets		
Current Assets	4,622,289	3,129,030
Non-Current Assets	1,547,996	2,557,534
Total Assets	6,170,285	5,686,564
Liabilities		
Current Liabilities	751,775	468,769
Non-Current Liabilities	130,890	123,602
Total Liabilities	882,665	592,371
Shareholders' Equity	5,287,620	5,094,193
Total Liabilities and Shareholders' Equity	6,170,285	5,686,564

Additional Disclosure for Venture Issuers Without Significant Revenues

The following table sets out a breakdown of all material components of expenses of the Company for the period from incorporation on May 27, 2020 to September 30, 2020 and for the three months ended December 31, 2020.

	Period from Incorporation on May 27, 2020 to September 30, 2020 (Audited)	Three months ended December 31, 2020 (Audited
Expenses		
Amortization	$5,425	$7,716
Bank charges and interest	$2,655	$3,919

Consulting	$28,825	$57,121
Licensing	$14,442	$4,052
Marketing	$82,019	$17,300
Office, rent and administration	$726	$6,120
Professional fees	$35,129	$58,805
Share-based compensation	-	$103,219
Transfer agent and filing fees	-	$21,787
Total	**$169,221**	**$280,009**

Liquidity and Capital Resources

Period Ended September 30, 2020

As at September 30, 2020 the Company had a working capital surplus of $3,870,514 and the Company had negative cash flow from operating activities during the period ended September 30, 2020.

Period Ended December 31, 2020

As at December 31, 2020 the Company had a working capital surplus of $2,660,261.

The Company had negative cash flow from operating activities during the period ended December 31, 2020. Assuming completion of the minimum Offering, the Company estimates that it will incur $6,190,513 in capital expenditures on the Facilities during the twelve months after December 31, 2020. In addition, the Company also anticipates that it will be required to incur approximately $650,000 for its application for the Research Exemption and Dealer's License, $1,750,000 towards its e-commerce platform and $1,993,934 in general and administrative expenses. After giving effect to these allocations, the Company anticipates it will have $5,775,814 in unallocated working capital. The Company does not anticipate incurring any other material capital expenditures.

The Company's future capital requirements will depend upon many factors including, without limitation, the completion of its grow facility, its ability to produce, market and sell its products, consumer demand for its products, the Company's ability to secure required financing, and in the event consumer demand is strong for its products, the Company's ability to expand its business to facilitate this demand. The Company has limited capital resources and has historically relied upon the sale of equity securities for cash required for research and development purposes, for acquisitions and to fund the administration of the Company. Since the Company does not expect to generate substantial revenues from operations in the near future, it must continue to rely upon the sales of its equity and debt securities to raise capital, which would result in further dilution to the shareholders. There is no assurance that financing, whether debt or equity, will be available to the Company in the amount required by the Company at any particular time or for any period and that such financing can be obtained on terms satisfactory to the Company or at all.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Financial Instruments

The Company's financial instruments consist of cash, cash held in trust, accounts payable and accrued liabilities, and lease liability. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values unless otherwise stated.

Changes in Accounting Policies

There have been no changes to accounting policies during the period ended September 30, 2020 or December 31, 2020.

Disclosure of Outstanding Security Data

The Company has one class of shares outstanding, being Common Shares. As of the date of this MD&A, 41,113,006 Common Shares were issued and outstanding. The Company also has 27,963,005 share purchase warrants outstanding. The Company has granted 500,000 RSRs and 540,000 Options.

DESCRIPTION OF SHARE CAPITAL

Common Shares

The Company's authorized capital consists of an unlimited number of Common Shares, of which 41,113,006 are issued and outstanding as at the date of this Prospectus as fully paid and non-assessable. Holders of the Common Shares are entitled to vote at all meetings of the holders of the Common Shares and, subject to the rights of holders of any shares ranking in priority to or on a parity with the Common Shares, to participate rateably in any distribution of the Company's property or assets upon liquidation or wind-up.

The Board is authorized to issue additional Common Shares on such terms and conditions and for such consideration as the Board may deem appropriate without further security holder action.

Description of Securities to be Distributed

Units

A minimum of 20,000,000 Units and a maximum of 24,000,000 Units, and up to 3,600,000 Units pursuant to the Over-Allotment Option are hereby offered at the Offering Price. Each Unit is comprised of one Common Share and one-half of one Warrant. The Warrants will be governed by the Warrant Indenture to be entered into on or before the Closing Date between the Company and Endeavor Trust Corporation (the "**Warrant Agent**"). Each whole Warrant will entitle the holder thereof to acquire one Warrant Share at an exercise price of $1.25 for a period of two years from the Closing. The Warrant Indenture will also provide for the customary adjustment in the number of Warrant Shares issuable on exercise of the Warrants and/or the exercise price per Warrant Share upon the occurrence of certain events. The Warrants are transferable. The Unit Shares and Warrants to be distributed pursuant to the Offering hereunder are qualified by this Prospectus and are more particularly described under the heading "Plan of Distribution".

Warrants

The Warrants will be governed by the terms of the Warrant Indenture. See "Material Contracts". The following summary of certain anticipated provisions of the Warrant Indenture does not purport to be complete and is subject in its entirety to the detailed provisions of the Warrant Indenture. Reference is made to the Warrant Indenture for the full text of the attributes of the Warrants which will be filed by the Company under its corporate profile on SEDAR following the closing of the Offering. It is anticipated that pursuant to the Warrant Indenture a register of holders will be maintained at the principal offices of the Warrant Agent in Vancouver, British Columbia.

The Unit Shares and the Warrants comprising the Units will separate upon the closing of the Offering. Each Warrant will entitle the holder to acquire, subject to adjustment in certain circumstances, one Warrant Share at an exercise price of $1.25 until 4:00 p.m. (Pacific time) on the date that is 24 months following the Closing Date after which time the Warrants will be void and of no value"), provided that if the 10-day volume weighted average closing price of the Common Shares on the Exchange or such other stock exchange on which the Common Shares are then trading is equal to or greater than $2.50 for a period of 20 consecutive trading days, the Company may at its option elect to accelerate the expiry of the Warrants by providing notice to the holders thereof (by news release) within 10 calendar days following the end of such 20 consecutive trading day period, in which case the Warrants will expire on the date specified in such notice, which shall be not less than 30 calendar days following delivery of such notice.

The Warrant Indenture will provide for adjustment in the number of Warrant Shares issuable upon the exercise of the Warrants and/or the exercise price per Warrant Share upon the occurrence of certain events, including:

I. the issuance of Common Shares or securities exchangeable for or convertible into Common Shares to all or substantially all of the holders of the Common Shares as a stock dividend or other distribution (other than a distribution of Common Shares upon the exercise of Warrants);

II. the subdivision, redivision or change of the Common Shares into a greater number of shares;

III. the reduction, combination or consolidation of the Common Shares into a lesser number of shares;

IV. the issuance to all or substantially all of the holders of the Common Shares of rights, options or warrants under which such holders are entitled, during a period expiring not more than 45 days after the record date for such issuance, to subscribe for or purchase Common Shares, or securities exchangeable for or convertible into Common Shares, at a price per share to the holder (or at an exchange or conversion price per share) of less than 95% of the "current market price", as defined in the Warrant Indenture, for the Common Shares on such record date; and

V. the issuance or distribution to all or substantially all of the holders of the Common Shares of shares of any class other than the Common Shares, rights, options or warrants to acquire Common Shares or securities exchangeable or convertible into Common Shares, of evidences of indebtedness, or any property or other assets.

The Warrant Indenture will also provide for adjustments in the class and/or number of securities issuable upon exercise of the Warrants and/or exercise price per security in the event of the following additional events: (a) reclassifications of the Common Shares or a capital reorganization of the Company (other than as described in clauses (i) or (ii) above), (b) consolidations, amalgamations, arrangements, mergers or other business combination of the Company with or into another entity, or (c) any sale, lease, exchange or transfer of the undertaking or assets of the Company as an entirety or substantially as an entirety to another entity, in which case each holder of a Warrant which is thereafter exercised will receive, in lieu of Common Shares, the kind and number or amount of other securities or property which such holder would have been entitled to receive as a result of such event if such holder had exercised the Warrants prior to the event.

The Company will also covenant in the Warrant Indenture that, during the period in which the Warrants are exercisable, it will give notice to holders of Warrants of certain stated events, including events that would result in an adjustment to the exercise price for the Warrants or the number of Warrant Shares issuable upon exercise of the Warrants, at least 14 days prior to the record date or effective date, as the case may be, of such events.

No fractional Common Shares will be issuable to any holder of Warrants upon the exercise thereof, and no cash or other consideration will be paid in lieu of fractional shares. The holding of Warrants will not make the holder thereof a shareholder of the Company or entitle such holder to any right or interest in respect of the Warrants except as expressly provided in the Warrant Indenture. Holders of Warrants will not have any voting or pre-emptive rights or any other rights of a holder of Common Shares.

The Warrant Indenture will provide that, from time to time, the Warrant Agent and the Company, without the consent of the holders of Warrants, may be able to amend or supplement the Warrant Indenture for certain purposes, including rectifying any ambiguities, defective provisions, clerical omissions or mistakes, or other errors contained in the Warrant Indenture or in any deed or indenture supplemental or ancillary to the Warrant Indenture, provided that, in the opinion of the Warrant Agent, relying on counsel, the rights of the holders of Warrants are not prejudiced, as a group. Any amendment or supplement to the Warrant Indenture that is prejudicial to the interests of the holders of Warrants, as a group, will be subject to approval by an "Extraordinary Resolution", which will be defined in the Warrant Indenture as a resolution either: (i) passed at a meeting of the holders of Warrants at which there are holders of Warrants present in person or represented by proxy representing at least 25% of the aggregate number of the then outstanding Warrants and passed by the affirmative vote of holders of Warrants representing not less than 66⅔% of the aggregate number of all the then outstanding Warrants represented at the meeting and voted on the poll upon such resolution; or (ii) adopted by an instrument in writing signed by the holders of Warrants representing not less than 66⅔% of the number of all of the then outstanding Warrants.

The principal transfer office of the Warrant Agent in Vancouver, British Columbia is the location at which Warrants may be surrendered for exercise or transfer.

Agent Options

Under this Offering, the Company will issue the Agent Options to the Agents, entitling the Agents to subscribe for that number of Agent Units equal to 7% of the Units sold by the Company pursuant to the Offering (being 1,400,000 Agent Units in the event of the Minimum Offering and 1,680,000 Agent Units in the event of the Maximum Offering) and 7% of the number of Units issued under the Over-Allotment Option (should the Agents exercise the Agents' Over-Allotment Option in full), being an additional 252,000 Agent Options for an aggregate total of 1,932,000 Agent Units, at an exercise price of $0.75 per Agent Option at any prior to the Expiry Date. This Prospectus qualifies the distribution of the Agent Options.

Over-Allotment Option

The Company has granted the Agents the Over-Allotment Option, exercisable in whole or in part, at the sole discretion of the Agents, at any time up to 30 days following the Closing, to purchase from the Company up to such additional number of Over-Allotment Units as is equal to 15% of the number of Units sold under the Offering at the Offering Price. The Over-Allotment Option may be exercised by the Agents, in whole or in part, to acquire, as necessary, a combination of (i) Over-Allotment Units; (ii) additional Over-Allotment Shares at a price of $0.7379 per Over-Allotment Share; or (iii) additional Over-Allotment Warrants at a price of $0.0242 per Over-Allotment Warrant. The Over-Allotment Option has been granted solely to cover over-allotments, if any, and for market stabilization purposes. This Prospectus also qualifies the grant of the Over-Allotment Option and distribution of the Over-Allotment Units, Over-Allotment Shares and Over-Allotment Warrants to be issued and sold upon exercise of the Over-Allotment Option.

CONSOLIDATED CAPITALIZATION

The following table sets out the share capitalization of the Company as at the dates specified below.

Description	Authorized	Outstanding as at December 31, 2020	Outstanding as at the date of this Prospectus[(1)(2)]	After giving effect to the Minimum Offering[(2)]	After giving effect to the Maximum Offering and giving effect to exercise in full of Over-Allotment Option[(2)]
Common Shares	Unlimited	20,000,001	41,113,006	61,113,006	68,713,006
Special Warrants	Unlimited	17,963,005	Nil	Nil	Nil

Notes:
(1) See "Prior Sales".
(2) On an undiluted basis.

Fully Diluted Share Capitalization after giving effect to the Minimum Offering

Common Shares	Number	Percentage of Total
Issued and outstanding after giving effect to the Minimum Offering	61,113,006	66.16%
Common Shares reserved for issuance upon exercise of all PP Warrants	10,000,000	10.83%
Common Shares reserved for issuance upon exercise of all SW Warrants	17,963,005	19.45%
Common Shares reserved for issuance upon exercise of all Agent Options	1,400,000	1.52%
Common Shares reserved for issuance upon exercise of all Agent Unit Warrants	700,000	0.76%
Common Shares reserved for issuance upon exercise of Options	540,000	0.58%
Common Shares reserved for issuance pursuant to the Company's agreement with Numinus	150,000	0.16%
Common Shares subject to RSRs	500,000	0.54%
Total Fully Diluted Share Capitalization after the Listing Date	**92,366,011**	**100%**

Fully Diluted Share Capitalization after giving effect to the Maximum Offering and giving effect to exercise in full of Over-Allotment Option

Common Shares	Number	Percentage of Total
Issued and outstanding after giving effect to the Maximum Offering and giving effect to exercise in full of Over-Allotment Option	68,713,006	68.19%
Common Shares reserved for issuance upon exercise of all PP Warrants	10,000,000	9.92%
Common Shares reserved for issuance upon exercise of all SW Warrants	17,963,005	17.83%
Common Shares reserved for issuance upon exercise of all Agent Options	1,932,000	1.92%
Common Shares reserved for issuance upon exercise of all Agent Unit Warrants	966,000	0.96%
Common Shares reserved for issuance upon exercise of Options	540,000	0.54%
Common Shares reserved for issuance pursuant to the Company's agreement with Numinus	150,000	0.15%
Common Shares subject to RSRs	500,000	0.50%
Total Fully Diluted Share Capitalization after the Listing Date	**100,764,011**	**100%**

OPTIONS TO PURCHASE SECURITIES

Outstanding Options

The Company granted 500,000 Options to certain directors and officers on October 9, 2020 with an exercise price of $0.50 per share expiring on October 9, 2025, and 40,000 Options to consultants of the Company on January 25, 2021 which 40,000 Options vest as to 1/5 on each of the date of grant, and the first, second, third and fourth annual anniversary of the date of grant, at an exercise price of $0.50 per share expiring on January 25, 2026.

Outstanding RSRs

The Company granted 500,000 RSRs to a director and officer on October 9, 2020 These RSRs will vest 10% on the date the Company's shares are listed on a Canadian stock exchange and 15% on every 6-month anniversary of the listing date.

Equity Incentive Plan

Overview

The following summary of certain provisions of the Equity Incentive Plan does not purport to be complete and is subject in its entirety to the detailed provisions of the Equity Incentive Plan, a copy of which has been filed on SEDAR and will be available without charge from the Corporation after such time.

The Equity Incentive Plan provides for the grant to eligible directors and employees (including officers) of Options and RSRs. The Equity Incentive Plan also provides for the grant to eligible directors of DSUs which the directors are entitled to redeem for 90 days following retirement or termination from the Board.

Stock Options

Option Grants

The Equity Incentive Plan authorizes the Board to grant Options. The number of Common Shares, the exercise price per Common Share, the vesting period and any other terms and conditions of Options granted from time to time pursuant to the Equity Incentive Plan, are determined by the Board at the time of the grant, subject to the defined parameters of the Equity Incentive Plan. The date of grant for the Options shall be the date such grant was approved by the Board.

Exercise Price

The exercise price of any Option cannot be less than the closing market price of the Common Shares on (a) the trading day prior to the date of grant of the Award; and (b) the date of grant of the Award (the "**Fair Market Value**").

Exercise Period, Blackout Periods and Vesting

Options are exercisable for a period of five years from the date the Option is granted or such greater or lesser period as determined by the Board. Options may be earlier terminated in the event of death or termination of employment or appointment. Vesting of Options is determined by the Board. Failing a specific vesting determination by the Board, Options automatically become exercisable incrementally over a period of eighteen months from the date of grant, as to: (i) 25% of the total number of shares under Option immediately upon the date of grant; and (ii) at each six-month interval thereafter, an additional 25% of the total number of shares under Option such that after the 18th month of the Option period, 100% of the Options will be exercisable. The right to exercise an Option may be accelerated in the event a takeover bid in respect of the Common Shares is made.

When the expiry date of an Option occurs during, or within ten (10) days following, a "blackout period", the expiry date of such Option is deemed to be the date that is ten (10) days following the expiry of such blackout period. Blackout periods are imposed by the Company to restrict trading of the Company's securities by directors, officers, and certain others who hold Options to purchase Common Shares, in accordance with any similar policies in effect from time to time, in circumstances where material nonpublic information exists, including where financial statements are being prepared but results have not yet been publicly disclosed.

Cashless Exercise Rights

Provided the Common Shares are listed on an Exchange (as defined in the Equity Incentive Plan), an optionee has the right to exercise an Option on a "cashless" basis by electing to relinquish, in whole or in part, the right to exercise such Option and receive, in lieu thereof, a number of fully paid Common Shares. The number of Common Shares issuable on the cashless exercise right is equal to the quotient obtained by dividing the difference between the

aggregate Fair Market Value and the aggregate Option price of all Common Shares subject to such Option by the Fair Market Value of one (1) Common Share.

Termination or Death

If an optionee dies while employed by the Company, any Option held by him or her will be exercisable for a period of 12 months or prior to the expiration of the Options (whichever is sooner) by the person to whom the rights of the optionee shall pass by will or applicable laws of descent and distribution. If an optionee is terminated for cause, no Option will be exercisable unless the Board determines otherwise. If an optionee ceases to be employed or engaged by the Company for any reason other than cause, then the Options will be exercisable for a period of 12 months or prior to the expiration of the Option (whichever is sooner).

RSRs

RSR Grant

The Equity Incentive Plan authorizes the Board to grant RSRs, in its sole and absolute discretion, to any eligible employee or director. Each RSR provides the recipient with the right to receive Common Shares as a discretionary payment in consideration of past services or as an incentive for future services, subject to the Equity Incentive Plan and with such additional provisions and restrictions as the Board may determine. Each RSR grant shall be evidenced by a restricted share right grant letter which shall be subject to the terms of the Equity Incentive Plan and any other terms and conditions which the Board deems appropriate.

Vesting of RSRs

Concurrent with the granting of the RSR, the Board shall determine the period of time during which the RSR is not vested and the holder of such RSR remains ineligible to receive Common Shares. Such period of time may be reduced or eliminated from time to time for any reason as determined by the Board. Once the RSR vests, the RSR is automatically settled through the issuance of an equivalent number of underlying Common Shares as RSRs held. Participants who are resident in Canada for the purposes of the *Income Tax Act* (Canada) may elect to defer some or all of any part of the Common Share grant until one or more later dates.

Retirement or Termination

In the event the participant retires or is terminated during the vesting period, any RSR held by the participant shall be terminated immediately provided however that the Board shall have the absolute discretion to accelerate the vesting date. In the event of death or total disability, the vesting period shall accelerate and the Common Shares underlying the RSRs shall be issued.

DSUs

DSU Grant

The Equity Incentive Plan authorizes the Board to grant DSUs, in its sole and absolute discretion in a lump sum amount or on regular intervals to eligible directors. Each DSU grant shall be evidenced by a DSU grant letter which shall be subject to the terms of the Equity Incentive Plan and any other terms and conditions which the Board deems appropriate.

Vesting of DSUs

The DSUs held by each eligible director who is not a U.S. taxpayer will be redeemed automatically and with no further action by the eligible director on the 20th business day following the date such director ceases to hold any directorship. The DSUs held by any eligible directors who are U.S. taxpayers will be automatically redeemed with no further action by such director on the date that is six months following the date such director ceases to hold any directorship, or if earlier, upon such director's death. Upon redemption, the director shall be entitled to receive (subject to any share issuance limits in the Equity Incentive Plan), the number of Common Shares equal to the number of DSUs in the director's account. If the director ceases to hold office during a year where DSUs have been granted in advanced of being earned and they have not held office for the entire year, the director will only be entitled to a pro-rated issuance of shares.

Provisions applicable to all grants of Awards

Transferability

Pursuant to the Equity Incentive Plan, any Awards granted to a participant shall not be transferable except by will or by the laws of descent and distribution. During the lifetime of a participant, Awards may only be exercised by the Participant.

Amendments to the Plan

The Board may amend, suspend or terminate the Equity Incentive Plan or any Award granted under the Equity Incentive Plan without shareholder approval, including, without limiting the generality of the foregoing: (i) changes of a clerical or grammatical nature; (ii) changes regarding the persons eligible to participate in the Plan; (iii) changes to the exercise price; (iv) vesting, term and termination provisions of Awards; (v) changes to the cashless exercise right provisions; (vi) changes to the authority and role of the Board under the Plan; and (vii) any other matter relating to the Equity Incentive Plan and the Awards granted thereunder, provided however that:

(a) such amendment, suspension or termination is in accordance with applicable laws and the rules of any stock exchange on which the Company's shares are listed;

(b) no amendment to the Equity Incentive Plan or to an Award granted thereunder will have the effect of impairing, derogating from or otherwise adversely affecting the terms of an Award which is outstanding at the time of such amendment without the written consent of the holder of such Award;

(c) the terms of an Option will not be amended once issued; and

(d) the expiry date of an Option shall not be more than ten (10) years from the date of grant of such Option, provided, however, that at any time the expiry date should be determined to occur either during a blackout period or within ten business days following the expiry of a blackout period, the expiry date of such Option shall be deemed to be the date that is the tenth business day following the expiry of the blackout period.

If the Equity Incentive Plan is terminated, the provisions of the Equity Incentive Plan and any administrative guidelines and other rules and regulations adopted by the Board and in force on the date of termination will continue in effect as long as any Award pursuant thereto remain outstanding.

Share Issuance Limits

The aggregate number of Common Shares that may be subject to issuance under the Equity Incentive Plan, together with any other securities-based compensation arrangements of the Corporation, shall not exceed 15% of the Corporation's issued and outstanding share capital from time to time.

PRIOR SALES

The following table summarizes all sales of securities of the Company since the date of incorporation:

Date of Issue	Price per Security(1)	Number of Securities
May 27, 2020	$0.01	1 Incorporator's Common Share
July 6, 2020	$0.05(2)	20,000,000 Common Shares
July 6, 2020	-(2)	10,000,000 PP Warrants
September 11, 2020	$0.25	17,963,005 Special Warrants
January 12, 2021	-	17,963,005 Common Shares issued on conversion of Special Warrants
January 25, 2021	$0.05(3)	3,000,000 Milestone Common Shares issued to BC Green
February 2, 2021	$0.25(3)	150,000 Common Shares issued to Numinus in anticipation of the first Project Agreement

Notes:
1) All prior sales have been for cash.
2) Included in units issued under First Private Placement.
3) Deemed.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

Pursuant to the Escrow Agreements, the Common Shares subject to contractual restriction and escrow are as shown in the following table:

Designation of class	Number of securities held in escrow or that are subject to a contractual restriction on transfer	Percentage of class
Common Shares	6,400,000[(1)]	15.57%[(3)]
Common Shares	13,920,000[(2)]	33.86%[(3)]
Options and Warrants	7,320,000[(4)]	10.44%[(5)]
Warrants	3,280,000[(6)]	4.68%[(5)]

Notes:
1) These Common Shares are held by directors and are subject to the Escrow Agreements in accordance with NP 46-201. The Escrow Agent is Endeavor Trust Company.
2) These Common Shares are held by founding shareholders, and are subject to the same escrow terms as those imposed by the Escrow Agreement in accordance with NP 46-201.
3) Based on 41,113,006 Common Shares issued and outstanding prior to completion of the Offering.
4) These Options and Warrants are held by directors and officers and are subject to the Escrow Agreements in accordance with NP 46-201. The Escrow Agent is Endeavor Trust Company.
5) Based on 70,116,011 Common Shares issued and outstanding prior to completion of the Offering on a fully diluted basis.
6) These warrants are held by founding shareholders, and are subject to the same escrow terms as those imposed by the Escrow Agreement in accordance with NP 46-201.

Escrow Agreement

NP 46-201 provides that all shares of an issuer owned or controlled by its Principals will be escrowed at the time of the issuer's initial public offering. Additionally, the Company has obtained the consent of certain founding shareholders so submit their securities to escrow on the same basis.

At the time of its initial public offering, an issuer will be classified for the purposes of escrow as either an "exempt issuer", an "established issuer" or an "emerging issuer" as those terms are defined in NP 46-201.

Uniform terms of automatic timed release escrow apply to Principals of exchange listed issuers, differing only according to the classification of the issuer. As the Company anticipates that its Common Shares will be listed on the Exchange, it will be classified as an "emerging issuer". As such, the following automatic timed releases will apply to the securities held by its Principals:

Date of Automatic Timed Release	Amount of Escrowed Securities Released
On the Listing Date	1/10 of the escrowed securities
6 months after the Listing Date	1/6 of the remaining escrowed securities
12 months after the Listing Date	1/5 of the remaining escrowed securities
18 months after the Listing Date	1/4 of the remaining escrowed securities
24 months after the Listing Date	1/3 of the remaining escrowed securities
30 months after the Listing Date	1/2 of the remaining escrowed securities
36 months after the Listing Date	The remaining escrowed securities

Assuming there are no changes to the escrowed securities initially deposited and no additional escrowed securities are deposited, automatic timed release escrow applicable to the Company will result in a 10% release on the Listing Date, with the remaining escrowed securities being released in 15% tranches every six months thereafter.

The automatic timed release provisions under NP 46-201 pertaining to "established issuers" provide that 25% of each Principal's and shareholder's escrowed securities are released on the Listing Date, with an additional 25% being released in equal tranches at six month intervals over eighteen months. If, within eighteen months of the Listing Date, the Company meets the "established issuer" criteria as set out in NP 46-201, the escrowed securities will be eligible for accelerated release available for established issuers. In such a scenario, that number of escrowed securities that would have been eligible for release from escrow if the Company had been an "established issuer" on the Listing Date will be immediately released from escrow. The remaining escrowed securities would be released in accordance with the timed release provisions for established issuers, with all escrowed securities being released eighteen months from the Listing Date.

20,400,001 Common Shares will be held in escrow on the Listing Date.

PRINCIPAL SECURITYHOLDERS

To the knowledge of the directors and officers of the Company, as of the date of this Prospectus no person beneficially owns or exercises control or direction over Common Shares carrying more than 10% of the votes attached to the Common Shares.

DIRECTORS AND EXECUTIVE OFFICERS

Name, Occupation and Security Holdings

The following table provides the names, municipalities of residence, position, principal occupations and the number of voting securities of the Company that each of the directors and executive officers beneficially owns, directly or indirectly, or exercises control over, as of the date hereof:

Name and Municipality of Residence and Position with the Company	Director/ Officer Since	Principal Occupation	Number and Percentage of Common Shares Beneficially Owned or Controlled, Directly or Indirectly	
			As at the Date of this Prospectus[1]	Following the Closing of the Minimum Offering (assuming no exercise of the Over-Allotment Option)/following the Closing of the Maximum Offering (assuming no exercise of the Over-Allotment Option /assuming exercise in full of the Over-Allotment Option)[2]
Mike Stier[3] President, CEO, Director Delta, BC	May 27, 2020	See detailed biography below	1 (undiluted) 0% (undiluted 500,000 (fully diluted) 0.71% (fully diluted)	1 (undiluted) 0% (undiluted) 500,000 (fully diluted) 0.54%/0.50%/0.47% (fully diluted)
Bryan Safarik COO and Director Vancouver, BC	July 6, 2020	See detailed biography below	80,000 (undiluted) 0.19% (undiluted) 260,000 (fully diluted) 0.37% (fully diluted)	80,000 (undiluted) 0.13%/0.12%/0.12% (undiluted) 260,000 (fully diluted) 0.28%/0.26%/0.24% (fully diluted)

Name and Municipality of Residence and Position with the Company	Director/ Officer Since	Principal Occupation	Number and Percentage of Common Shares Beneficially Owned or Controlled, Directly or Indirectly	
			As at the Date of this Prospectus[1]	Following the Closing of the Minimum Offering (assuming no exercise of the Over-Allotment Option)/following the Closing of the Maximum Offering (assuming no exercise of the Over-Allotment Option /assuming exercise in full of the Over-Allotment Option)[2]
Jacob Safarik CFO Vancouver, BC	July 6, 2020	See detailed biography below	0 (undiluted) 0% (undiluted 100,000 (fully diluted) 0.14% (fully diluted)	0 (undiluted) 0% (undiluted) 100,000 (fully diluted) 0.11%/0.10%/0.09 (fully diluted)
Dane Stevens Chief Marketing Officer and Director Vancouver, BC	July 6, 2020	See detailed biography below	3,400,000 (undiluted) 8.27% (undiluted) 7,260,000 (fully diluted) 10.35% (fully diluted)	3,400,000 (undiluted) 5.56%/5.22%/4.95% (undiluted) 7,260,000 (fully diluted) 7.86%/7.20%/6.84% (fully diluted)
JJ Wilson[3,4] Director and Chairman Vancouver, BC	July 6, 2020	See detailed biography below	3,000,000 (undiluted) 7.30% (undiluted) 6,460,000 (fully diluted) 9.21% (fully diluted)	3,000,000 (undiluted) 4.91%/4.61%/4.37% (undiluted) 6,460,000 (fully diluted) 6.99%/6.41%/6.08% (fully diluted)
Jon Schintler[3,4] Director Vancouver, BC	October 7, 2020	See detailed biography below	0 (undiluted) 0% (undiluted 100,000 (fully diluted) 0.14% (fully diluted)	0 (undiluted) 0% (undiluted) 100,000 (fully diluted) 0.11%/0.10%/0.09% (fully diluted)

Notes:

(1) Percentage is based on 41,113,006 Common Shares issued and outstanding as of the date of this Prospectus.

(2) Percentages are based on 61,113,006 Common Shares issued and outstanding as of the Closing of the Minimum Offering (assuming no exercise of the Over-Allotment Option)/ 65,113,006 Common Shares issued and outstanding as of the Closing of the Maximum Offering (assuming no exercise of the Over-Allotment Option) / 68,713,000 Common Shares issued and outstanding as of the Closing of the Maximum Offering (assuming exercise in full of the Over-Allotment Option).

(3) Denotes a member of the Audit Committee of the Company.

(4) Denotes an independent director.

The term of office of the directors expires annually at the time of the Company's annual general meeting. The term of office of the executive officers expires at the discretion of the Company's directors. Pursuant to the Stier Consulting Agreement, Mike Stier has provided the Company with non-disclosure, non-competition and non-solicitation covenants. Pursuant to the Schintler Consulting Agreement, Jon Schintler has provided the Company with non-disclosure, non-competition and non-solicitation covenants. None of the Company's other directors or executive officers have entered into non-competition or non-disclosure agreements with the Company.

As at the date of this Prospectus, the directors and executive officers of the Company as a group beneficially own, directly or indirectly, or exercised control or discretion over an aggregate of 6,480,001 Common Shares, which is equal to 15.76% of the Common Shares issued and outstanding as at the date hereof. In addition, Mike Stier holds 500,000 RSRs. See "Disclosure of Outstanding Security Data – Restricted Share Rights" for more information.

The directors and executive officers of the Company as a group beneficially own, directly or indirectly, or exercise control or discretion over an aggregate of 6,480,001 Common Shares of the Company, which is equal to 15.76% of the Common Shares issued and outstanding.

Following the Closing of the Minimum Offering, as a group, our directors and executive officers will beneficially own, or control or direct, directly or indirectly, a total of 6,480,001 Common Shares, representing 10.60% of the Common Shares (on a non-diluted basis), assuming no exercise of the Over-Allotment Option.

Following the Closing of the Maximum Offering, as a group, our directors and executive officers will beneficially own, or control or direct, directly or indirectly, a total of 6,480,001 Common Shares, representing 9.95% of the Common Shares (on a non-diluted basis), assuming no exercise of the Over-Allotment Option, and representing 9.43% of the Common Shares (on a non-diluted basis), assuming the Maximum Offering and exercise in full of the Over-Allotment Option.

Background

The following is a brief description of each of the directors and executive officers of the Company, including their names, ages, positions and responsibilities with the Company, relevant educational background, principal occupations or employment during the five years preceding the date hereof, experience in the Company's industry and the amount of time intended to be devoted to the affairs of the Company:

Mike Stier – President, CEO, Director – Age 33

Michael Stier studied business management at Kwantlen Polytechnic University and Okanagan College, specializing in finance. While in University, he worked for Skyline Investor Relations managing several campaigns on companies in industries such as oil & gas, precious metals and technology. Following his graduation from University, Mr. Stier joined CIBC's Imperial Service Division, where he worked as an IIROC licensed Senior Financial Advisor for six years. Leaving CIBC gave Mr. Stier the opportunity to join a private equity firm as a head trader. Mr. Stier has also obtained experience and expertise of corporate finance and structure, M&A and operational business development through his years with LinkPoint Consulting. Currently, Mr. Stier is President & CEO of New Leaf Ventures Inc. a company dedicated to evaluating and accelerating advanced stage operations in the North American Cannabis sector and which recently completed an IPO on the Canadian Securities Exchange. Mr. Stier expects to provide services on a part time (50%) basis to the Company, or such greater or lesser amount of time as may be required.

Bryan Safarik – Chief Operating Officer – Age 36

Over fifteen years of experience in Senior Management roles as well as Founder and President of a number of profitable private companies. Bryan's experience highlights includes developing operational efficiencies in Ocean Fisheries Ltd.'s ("**Ocean's**") fresh packing and canning facilities before most notably serving as Director of Marine Operations prior to the company's sale to the Jim Pattison group where he oversaw fishing operations, logistics and quota management. After assisting with the successful sale of Ocean's, Bryan co-founded a private federally licensed cannabis production company in 2016, BC Green, where he currently serves as President. Bryan received a Bachelors of Science degree from Wingate University. Mr. Safarik expects to provide services on a part time (50%) basis to the Company, or such greater or lesser amount of time as may be required.

Jacob Safarik - Chief Financial Officer – Age 33

Over twelve years of experience in accounting, project finance, business development and quality assurance. Jacob graduated from McGill University with a Bachelor of Commerce degree and is a Chartered Professional Accountant. Jacob is also a co-founder of BC Green and currently serves as their Chief Financial Officer. Mr. Safarik expects to provide services on a part time (50%) basis to the Company, or such greater or lesser amount of time as may be required.

Dane Stevens - Chief Marketing Officer and Director – Age 31

An entrepreneur with 12 years of experience in product sourcing, development, management, manufacturing, and quality control, Dane is the founder of multiple successful wholesale and DTC jewellery businesses, as well as Cavalier Jewellers. He developed an integral understanding of effective sourcing and reliable distribution by vertically integrating all areas of the jewellery supply chain. To ensure product quality and viability, Dane guided the growth of operations internationally throughout South America and Asia, setting up partnership offices to source gemstones and diamonds directly. Dane's experience in digitalizing, modernizing, and operating in today's retail landscape allowed Cavalier to achieve year-over-year growth, both online and in-person, in a highly competitive business arena. Mr. Stevens expects to provide services on a part time (50%) basis to the Company, or such greater or lesser amount of time as may be required.

JJ Wilson – Chairman of the Board of Directors – Age 31

Mr. Wilson is the current Chief Executive Officer and Co-Founder of Ride Cycle Club, an indoor cycling studio with locations in Toronto and Vancouver, and a Partner at Very Polite Agency, an international integrated communications and creative agency, headquartered in Vancouver, BC. Mr. Wilson's previous experience includes leading the international expansion of the apparel brand Kit and Ace, in addition to developing the businesses' brand, and e-commerce and retail platforms. A recent graduate from Harvard Business School, Mr. Wilson now focuses on strategic growth initiatives and development for his operating companies, in addition to independent strategic investments and philanthropy. Mr. Wilson expects to provide services on a part time (50%) basis to the Company, or such greater or lesser amount of time as may be required.

Jon Schintler – Director – Age 42

Mr. Schintler began working in clean energy at the Chicago-based headquarters of Invenergy in 2007. In 2013, he joined Alterra Power Corp as VP of Project Finance & Development in Vancouver, BC. At Alterra he participated in the project financing and origination of new wind, solar and hydro assets. Mr. Schintler is currently the Director of Finance at Elemental Energy Inc., a developer, investor and operator of renewable energy projects, with interests in operating and development stage wind, solar, and hydro projects throughout North America. Mr. Schintler has a business degree from the University of Iowa and was awarded the CFA designation in 2007. Mr. Schintler expects to provide services on a part time (15%) basis to the Company, or such greater or lesser amount of time as may be required.

Corporate Cease Trade Orders or Bankruptcies

No director or executive officer of the Company is, as at the date of this Prospectus, or was within ten years before the date hereof, a director, Chief Executive Officer or Chief Financial Officer of any company, including the Company, that:

(i) was subject to a cease trade order, an order similar to cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period for more than 30 consecutive days, that was issued while the director or executive officer was acting in the capacity as director, Chief Executive Officer or Chief Financial Officer; or

(ii) was subject to an a cease trade order, an order similar to cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period for more than 30 consecutive days, that was issued after the director or executive officer ceased to be a director, Chief Executive Officer or Chief Financial Officer and which resulted from an event that occurred while that person was acting in the capacity as director, Chief Executive Officer or Chief Financial Officer.

Penalties or Sanctions

No director or executive officer of the Company or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, has been subject to:

(i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement with a regulatory authority; or

(ii) any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor in making an investment decision.

Bankruptcies

No director or executive officer of the Company or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company:

(i) is, as at the date of this Prospectus, or has been within the ten years before the date hereof, a director or executive officer of any company, including the Company, that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted

any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(ii) has, within the ten years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Conflicts of Interest

The directors of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interests, which they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the Board, any director in a conflict will disclose his interest and abstain from voting on such matter.

Pursuant to the Lease Agreement, the Company is leasing from BC Green the Princeton, B.C. Facilities on a triple net basis. Each of Jacob and Bryan Safarik, who are directors and/or officers of the Company, are also directors, officers and/or principals of BC Green, and accordingly have a material interest in the Lease Agreement. The Lease Agreement is for a term of five (5) years, less 22 days, and commenced on July 23, 2020. Pursuant to the Lease Agreement, the Company shall pay annual basic rent of $2,500 per month until the building to be erected by the Company on the leased premises is completed. Following such completion date, the annual basic rent shall increase to $3,500 per month until the term of the lease has expired. In addition to annual basic rent, the Company shall pay BC Green additional rent in monthly instalments, which is comprised of operating costs, insurance, utilities security, repairs and maintenance, cleaning and taxes relating to the leased premises.

The Company has entered into the Project Development and Consulting Agreement. Each of Jacob and Bryan Safarik, who are directors and/or officers of the Company, are also directors, officers and/or principals of BC Green, and accordingly have a material interest in the Project Development and Consulting Agreement. Pursuant to the Project Development and Consulting Agreement, BC Green has agreed to provide certain project consulting services in relation to the construction of the Company's mushroom growth facilities at its Princeton, BC leased premises, and applicable regulatory approvals, licenses and permits required for the Company to conduct its proposed business at such facilities. The Project Development and Consulting Agreement is for a period of five years, unless terminated earlier in accordance with the terms thereof. As remuneration for the services provided, the Company will grant BC Green a total of 3,000,000 Common Shares at a deemed price of $0.05 per share, with half of the

Common Shares to be issued upon the receipt of building permits for new building construction on the Company's Princeton, BC facility and half of the Common Shares to be issued upon the Company either (i) being legally recognized as a "licensed dealer" under the *Narcotic Control Regulations* (Canada), or (ii) granted an exemption to conduct commercial production, processing, manufacturing, distribution and sales activities with one or more controlled substances under the *Controlled Drugs and Substances Act* (Canada). The Company has met the above milestones and all 3,000,000 Common Shares were issued January 25, 2021.

Other than as otherwise disclosed herein, to the best of the Company's knowledge there are no known existing or potential conflicts of interest among the Company, its promoters, directors and officers or other members of management of the Company or of any proposed promoter, director, officer or other member of management as a result of their outside business interests except that certain of the directors and officers serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to the Company and their duties as a director or officer of such other companies.

EXECUTIVE COMPENSATION

The Company is not a reporting issuer in any jurisdiction. Accordingly, and in accordance with Form 51-102F6 *Statement of Executive Compensation* ("**Form 51-102F6**"), the following is a discussion of all significant elements of compensation to be awarded to, earned by, paid to or payable to Named Executive Officers of the Company, once the Company becomes a reporting issuer, to the extent this compensation has been determined.

For the purposes hereof, the term Named Executive Officer, or NEO, means each Chief Executive Officer, each Chief Financial Officer and the Company's most highly compensated executive officer, other than the Chief Executive Officer and the Chief Financial Officer, who was serving as an executive officer as at the end of the Corporation's most recently completed financial year and whose total compensation exceeds $150,000 and any additional individuals for whom disclosure would have been provided except that the individual was not serving as an officer of the Company at the end of the Company's most recently completed financial year. The Company expects that for the fiscal year ended September 30, 2021, its NEOs will be Mike Stier and Jacob Safarik.

Compensation Discussion and Analysis

At its present stage of development, the Company does not have any formal objectives, criteria and analysis for determining the compensation of its Named Executive Officers and primarily relies on the discussions and determinations of the board of directors.

The Company expects to grant Awards to the Named Executive Officers and its non-executive directors, under the Equity Incentive Plan in the type, amounts and on terms to be determined by the Board at that time.

Equity Based Awards

The Board believes that encouraging its executives and employees to become shareholders is the best way of aligning their interests with those of its shareholders. Equity participation is accomplished through the Equity Incentive Plan. Awards under the Equity Incentive Plan may be granted to executives and employees taking into account a number of factors, including the amount and term of Awards previously granted, base salary, bonus and competition factors. The type, amount and terms of the Awards granted will be determined by the Board.

Defined Benefit Plans

The Company does not have any defined benefit or actuarial plan.

Termination and Change of Control Benefits

Other than as set out below, the Company does not have any contracts, agreements, plans or arrangements in place with any NEOs that provides for payment following or in connection with any termination (whether voluntary, involuntary or constructive) resignation, retirement, a change of control of the Company or a change in an NEOs responsibilities.

Under the terms of the Stier Consulting Agreement, in the event the Company or Mr. Stier terminates the agreement within 6 months following a change of control of the Company, Mr. Stier shall be entitled to receive remuneration

representing six (6) months of the monthly fees under the Stier Consulting Agreement, with one additional (1) month's fee payable for every completed year of service with the Company starting after the date of the agreement and prior to the change of control. Mr. Stier shall not be entitled to the foregoing benefits in the event the Stier Consulting Agreement is terminated by the Company for just cause, as defined in the Stier Consulting Agreement.

Director Compensation

Other than as set out below, the Company does not have any arrangements, standard or otherwise, pursuant to which directors are compensated by the Company for their services in their capacity as directors, or for committee participation, involvement in special assignments or for services as consultants or experts. As with the Named Executive Officers, the Board intends to compensate directors primarily through the grant of Awards under the Equity Incentive Plan, and reimbursement of expenses incurred by such persons acting as directors of the Company.

Jon Schintler is entitled to compensation for his services as a Director of the Company pursuant to the Schintler Consulting Agreement. Please see "Description of the Business – Employees" for additional information regarding the compensation payable to Jon Schintler under the Schintler Consulting Agreement.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Aggregate Indebtedness

Other than routine indebtedness, as that term is defined in paragraph 10.3(c) of Form 51-102F5 *Information Circular* ("Form 51-102F5"), no directors, executive officers and employees and no former directors, executive officers and employees of the Company are or were indebted to the Company in connection with a purchase of securities and all other indebtedness as at the date of this Prospectus.

Indebtedness of Directors and Executive Officers under Securities Purchase and Other Programs

Other than routine indebtedness, as that term is defined in paragraph 10.3(c) of Form 51-102F5, no directors or executive officers of the Company, and associates of such directors or executive officers are or were indebted to the Company as at the date of this Prospectus.

AUDIT COMMITTEE AND CORPORATE GOVERNANCE

Audit Committee

The Audit Committee's role is to act in an objective, independent capacity as a liaison between the auditors, management and the Board and to ensure the auditors have a facility to consider and discuss governance and audit issues with parties not directly responsible for operations. NI 52-110, NI 41-101 and Form 52-110F2 require the Company, as an IPO venture issuer, to disclose certain information relating to the Company's audit committee and its relationship with the Company's independent auditors.

Audit Committee Charter

The text of the Audit Committee's charter is attached as Schedule "A" to this Prospectus.

Composition of Audit Committee

The members of the Company's Audit Committee are:

JJ Wilson	Independent[(1)]	Financially literate[(2)]
Mike Stier	Not Independent[(1)]	Financially literate[(2)]
Jon Schintler	Independent[(1)]	Financially literate[(2)]

Notes:

(1) A member of an audit committee is independent if the member has no direct or indirect material relationship with the Company, which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment.

(2) An individual is financially literate if he has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

Relevant Education and Experience

Each member of the Company's present Audit Committee has adequate education and experience that is relevant to his performance as an Audit Committee member and, in particular, the requisite education and experience that have provided the member with:

(e) an understanding of the accounting principles used by the Company to prepare its financial statements and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;

(f) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements or experience actively supervising individuals engaged in such activities; and

(g) an understanding of internal controls and procedures for financial reporting.

See "Directors and Executive Officers" for further details of each audit committee member's relevant education and experience.

Audit Committee Oversight

At no time was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

Reliance on Certain Exemptions

At no time has the Company relied on the exemption in Section 2.4, 6.1(4), (5), or (6) of NI 52-110, or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee is authorized by the Board to review the performance of the Company's external auditors and approve in advance provision of services other than auditing and to consider the independence of the external auditors, including a review of the range of services provided in the context of all consulting services bought by the Company. The Audit Committee is authorized to approve in writing any non-audit services or additional work which the Chairman of the Audit Committee deems is necessary, and the Chairman will notify the other members of the Audit Committee of such non-audit or additional work and the reasons for such non-audit work for the Committee's consideration, and if thought fit, approval in writing.

External Auditor Service Fees

The fees billed by the Company's external auditors in each of the last two fiscal years for audit and non-audit related services provided to the Company and its subsidiaries are as follows:

Financial Year End	Audit Fees[4]	Audit Related Fees[1]	Tax Fees[2]	All other Fees[3]
2020	$10,000	-	-	-
2021	$8,000			

Notes:

(1) Fees charged for assurance and related services that are reasonably related to the performance of an audit, and not included under Audit Fees.
(2) Fees charged for tax compliance, tax advice and tax planning services.
(3) Fees for services other than disclosed in any other column.
(4) Fees for audit services for the period ended September 30, 2020 and the period ended December 31, 2020.

Exemption

The Company has relied upon the exemption provided by section 6.1 of NI 52-110, which states that the Company, as an IPO Venture Issuer, is not required to comply with Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations).

CORPORATE GOVERNANCE

General

The Board believes that good corporate governance improves corporate performance and benefits all shareholders. NP 58-201 provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as the Company. In addition, NI 58-101 prescribes certain disclosure by the Company of its corporate governance practices. This disclosure is presented below.

Board of Directors

The Board facilitates its exercise of independent supervision over the Company's management through frequent meetings of the Board. The Board is comprised of five directors. As the size of the Board is small, the Board has no formal procedures designed to facilitate the exercise of independent supervision over management, relying instead on the integrity of the individual members of its management team to act in the best interests of the Company.

Mike Stier, Bryan Safarik and Dane Stevens are not independent, as they are senior officers of the Company. JJ Wilson and Jon Schintler are independent.

Directorships

Currently, none of the directors of the Company are directors of other reporting issuers.

Orientation and Continuing Education

New Board members receive an orientation package which includes reports on operations and results, and any public disclosure filings by the Company, as may be applicable. Board meetings are sometimes held at the Company's offices and, from time to time, are combined with presentations by the Company's management to give the directors additional insight into the Company's business. In addition, management of the Company makes itself available for discussion with all Board members.

Ethical Business Conduct

The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

Nomination of Directors

The Board considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of view and experience.

The Board does not have a nominating committee, and these functions are currently performed by the Board as a whole. However, if there is a change in the number of directors required by the Company, this policy will be reviewed.

Compensation

The Board is responsible for determining compensation for the directors and the chief executive officer of the Company to ensure it reflects the responsibilities and risks of being a director and chief executive officer of a public company. The Board will determine compensation for the directors and the chief executive officer taking into account the Company's business ventures and the Company's financial position.

Other Board Committees

The Board has no committees, other than the Audit Committee.

Assessments

Due to the minimal size of the Board, no formal policy has been established to monitor the effectiveness of the directors, the Board and its committees.

Investor Rights Agreements

The Company intends to enter into three Investor Rights Agreements: (i) between the Company and a Company controlled by the Company's Director and CMO Dane Stevens, (ii) between the Company and a Company controlled by the Company's Chairman JJ Wilson and (iii) between the Company and BC Green (collectively the "**Investor Rights Agreements**").

Pursuant to the investor rights agreements, the non-Company signatories (the "**Investors**") will each be given an anti-dilution right pursuant to which they may subscribe in future equity financings of the Company at market prices in order to maintain their pro rata ownership of securities of the Company. Furthermore, the Investors will each be entitled to nominate for election one member of the Company's board of directors (for a cumulative total three nominations) for so long as such Investor(s) then-own 5% or more of the Company's then-outstanding common shares.

Current Common Share holdings of the Investors is set out below:

Name	Number of Common Shares held by each Investor	Percentage of class (assuming completion of the Minimum Offering and no exercise of the Over-Allotment Option)
Dane Stevens	3,400,000	5.56%
JJ Wilson	3,000,000	4.91%
BC Green	3,000,000	4.91%

PLAN OF DISTRIBUTION

The Offering

This Prospectus qualifies the distribution of the Unit Shares and Warrants comprising the Units issued to purchasers upon completion of the Offering. Pursuant to the Agency Agreement the Company has appointed the Agents to act as its agents to conduct the Offering on a best efforts agency basis of a Minimum Offering of 20,000,000 Units at the Offering Price per Unit for gross proceeds of $15,000,000, and a Maximum Offering of 24,000,000 Units at the Offering Price per Unit for gross proceeds of up to $18,000,000. Each Unit consists of one Unit Share and one-half of one Warrant. Each whole Warrant entitles the holder thereof to acquire one Warrant Share at a price of $1.25 per Warrant Share until the Expiry Date. The Warrants will be created and issued pursuant to the terms of the Warrant Indenture. See "*Description of Securities to be Distributed*". This Prospectus qualifies the distribution of the Unit Shares and Warrants comprising the Units.

The Company has also granted the Agents the Over-Allotment Option, exercisable in whole or in part, at the sole discretion of the Agents, at any time up to 30 days following the Closing, to purchase from the Company up to such additional number of Over-Allotment Units as is equal to 15% of the number of Units sold under the Offering at the Offering Price. The Over-Allotment Option may be exercised by the Agents, in whole or in part, to acquire, as necessary, a combination of (i) Over-Allotment Units; (ii) additional Over-Allotment Shares at a price of $0.7379 per Over-Allotment Share; or (iii) additional Over-Allotment Warrants at a price of $0.0242 per Over-Allotment Warrant.. The Over-Allotment Option has been granted solely to cover over-allotments, if any, and for market stabilization purposes. If the Over-Allotment Option is exercised in full, the total price to the public, Agents' Commission and proceeds to the Company will be $20,700,000, $1,449,000 and $19,251,000, respectively. This Prospectus also qualifies the grant of the Over-Allotment Option and distribution of the Over-Allotment Units, Over-Allotment Shares and Over-Allotment Warrants to be issued and sold upon exercise of the Over-Allotment

Option. A purchaser who acquires the Units forming part of the Agents' over-allocation position acquires such Units under this Prospectus, regardless of whether the Agents' over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

The Agents have agreed to assist with the Offering on an best efforts agency basis but are not obligated to purchase any of the Units for their own account. The Offering Price will be determined by negotiation between the Company and the Agents. Subscriptions will be received for the Units offered hereby, subject to rejection or acceptance by the Company in whole or in part, and the Agents reserve the right to close the subscription books at any time provided the Agents have received subscriptions in aggregate equal to the Minimum Offering. Upon rejection of a subscription, or in the event that the Offering does not complete within the term of the Agency Agreement or the time required by the applicable securities commissions, the subscription price and the subscription will be returned to the subscriber forthwith without interest or deduction. If subscriptions representing the Minimum Offering are not received within 90 days of the issuance of a receipt for the final prospectus, or if a receipt has been issued for an amendment to the final prospectus, within 90 days of the issuance of such receipt and in any event not later than 180 days from the date of receipt for the final prospectus, the Offering will cease. The Agents, pending closing of the Offering, will hold in trust all subscription funds received pursuant to the provisions of the Agency Agreement. If the Offering is not completed, the subscription proceeds received by the Agents in connection with the Offering will be returned to the subscribers without interest or deduction, unless the subscribers have otherwise instructed the Agents.

The obligations of the Agents under the Agency Agreement may be terminated at the Agents' discretion upon the occurrence of certain stated events.

The Company has agreed with the Agents that it will not, from the date hereof and continuing for a period of 120 days from the Closing Date, without the prior written consent of the Lead Agent, on behalf of the Agents, such consent not to be unreasonably withheld or delayed, directly or indirectly, issue, sell, offer, grant an option or right in respect of, or otherwise dispose of, or agree to or announce any intention to issue, sell, offer, grant an option or right in respect of, or otherwise dispose of, any additional debt securities, equity securities (including Common Shares) or any securities convertible into or exchangeable for debt or equity securities (including Common Shares), other than issuances: (i) as agreed to in employee and consultant compensation agreement (ii) pursuant to the exercise of the Over-Allotment Option; or (iii) pursuant to existing contractual obligations.

The Company has also agreed to use its best efforts to cause certain directors, officers, insiders and shareholders of the Company to enter into lock up agreements in favour of the Agents evidencing their agreement, not to directly or indirectly,sell, contract to sell, lend, swap, or enter into any other agreement to transfer the economic consequences of, or otherwise dispose of or deal with, or publicly announce any intention to offer, sell, contract to sell, grant or sell any option to purchase, hypothecate, pledge, transfer, assign, purchase any option or contract to sell, lend, swap or enter into any agreement to transfer the economic consequences of, or otherwise dispose of or deal with, whether through the facilities of a stock exchange, by private placement or otherwise, securities of the Company held by them, directly or indirectly for a period of 120 days from Closing without the prior written consent of the Lead Agent, on behalf of the Agents, such consent not to be unreasonably withheld or delayed, subject to customary exceptions.

In addition, subject to completion of the Offering, the Lead Agent has been granted a right of first refusal for an 18 month period to act as lead agent or underwriter for any subsequent equity or equity-linked debt financing undertaken by the Company, as well as with respect to the provision of certain advisory services the Company may require.

It is expected that the Unit Shares and Warrants sold under the Offering will be issued in electronic book entry form through CDS or its nominee. Consequently, purchasers of Units will receive a customer confirmation from the registered dealer that is a CDS participant from or through which the Units were purchased and no certificates evidencing the Unit Shares or Warrants will be issued. Registration will be made through the depository services of CDS. A purchaser of Units will receive only a customer confirmation from the registered dealer from or through which the Units were purchased as to the number of Unit Shares and Warrants subscribed.

The Company's directors, officers and other insiders may purchase Units pursuant to the Offering.

Agent's Compensation

The Company agreed to pay the Agents a commission equal to 7% of the gross proceeds of the Offering ($1,050,000 in the event of the Minimum Offering, $1,260,000 in the event of the Maximum Offering, and $1,449,000 in the event the Agents exercise the entirety of the Agents' Over-Allotment Option). Except for a deposit, such commission, together with all other expenses of the Offering, will be paid by the Company out of the proceeds of the Offering. The Company has also agreed to pay the expenses related to the Offering, including those of the Agent, reasonable legal fees, taxes and disbursements, anticipated to be approximately $200,000. In addition, the Company has agreed to pay the Lead Agent a work fee of $50,000 on the Closing Date.

As additional compensation, the Agents are entitled to receive, upon successful completion of the Offering, Agent Options entitling the Agents to purchase that number of Agent Units that is equal to 7% of the number of Units sold pursuant to this Offering (1,400,000 Agent Options in the event of the Minimum Offering, 1,680,000 Agent Options in the event of the Maximum Offering and 1,932,000 Agent Options in the event the Agents exercise the entirety of the Agents' Over-Allotment Option). The Agent Options will be exercisable to acquire Agent Units at the Offering Price per Agent Unit until the Expiry Date. Each Agent Unit Warrant will entitle the holder thereof to purchase an additional Common Share on the same terms and conditions as the Warrants. This Prospectus qualifies the distribution of the Agent Options.

Listing Application

The Company has applied to the Exchange for conditional approval to lists its Common Shares, which will be subject to the Company fulfilling all listing requirement of the Exchange. The Company will use its commercially reasonable efforts to list the Warrants on the Exchange, however there can be no guarantee that such listing is obtained contemporaneously with closing or at all.

IPO Venture Issuer

As at the date of the Prospectus, the Company does not have any of its securities listed or quoted, has not applied to list or quote any of its securities, and does not intend to apply to list or quote any of its securities, on the Toronto Stock Exchange, a U.S. marketplace, or a marketplace outside of Canada and the United States of America (other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc). See "Risk Factors".

RISK FACTORS

General

A purchase of any securities of the Company involves a high degree of risk and should be undertaken only by purchasers whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. An investment in securities of the Company should not constitute a significant portion of an individual's investment portfolio and should only be made by persons who can afford a total loss of their investment. Prospective subscribers should evaluate carefully the following risk factors associated with an investment in the Company's securities prior to purchasing securities of the Company.

Limited Operating History

The Company has no history of earnings. If the Company does not generate revenue or is unable to raise further funds, it may be unable to sustain its operations in which case it may become insolvent and investors may lose their investment.

Financing Risks

The Company has no history of earnings and, due to the nature of its business, there can be no assurance that the Company will be profitable. The Company has paid no dividends on its shares since incorporation and does not anticipate doing so in the foreseeable future. The Company had negative cash flow for the period ended December 31, 2020. To the extent that the Company has negative operating cash flow in future periods, it will need to allocate a portion of its cash (including proceeds from the Offering) to fund such negative cash flow. If the Company experiences future negative cash flow, the Company may also be required to raise additional funds through the

issuance of equity or debt securities. There can be no assurance that the Company will be able to generate a positive cash flow from its operations, that additional capital or other types of financing will be available when needed, or that these financings will be on terms favourable to the Company.

While the Company may generate additional working capital through further equity offerings, there is no assurance that any such funds will be available. If available, future equity financing may result in substantial dilution to purchasers under the Offering. At present it is impossible to determine what amounts of additional funds, if any, may be required.

Discretion in the Use of Proceeds

The Company intends to use the net proceeds from the Offering as set forth under "Use of Proceeds"; however, the Company maintains broad discretion concerning the use of the net proceeds of the Offering as well as the timing of their expenditure. The Company may re-allocate the net proceeds of the Offering other than as described under the heading "Use of Proceeds" if management of the Company believes it would be in the Company's best interest to do so and in ways that a purchaser may not consider desirable. Until utilized, the net proceeds of the Offering will be held in cash balances in the Company's bank account or invested at the discretion of the Board. As a result, a purchaser will be relying on the judgment of management of the Company for the application of the net proceeds of the Offering. The results and the effectiveness of the application of the net proceeds are uncertain. If the net proceeds are not applied effectively, the Company's results of operations may suffer, which could adversely affect the price of the Common Shares on the open market.

Management

The success of the Company is currently largely dependent on the performance of its directors and officers. The loss of the services of any of these persons could have a materially adverse effect on the Company's business and prospects. There is no assurance the Company can maintain the services of its directors, officers or other qualified personnel required to operate its business. In addition, the Company's ability to keep on personnel may be challenged as a result of potential COVID-19 outbreaks or quarantines.

Key Person Insurance

The Company does not maintain key person insurance on any of its directors or officers, and as result the Company would bear the full loss and expense of hiring and replacing any director or officer in the event the loss of any such persons by their resignation, retirement, incapacity, or death, as well as any loss of business opportunity or other costs suffered by the Company from such loss of any director or officer.

Retention and Acquisition of Skilled Personnel

An inability to hire, or the increased costs of new personnel, including members of executive management, could have a material adverse effect on the Company's business and operating results. At present and for the near future, the Company will depend upon a relatively small number of employees to develop, market, sell and support its products. The expansion of marketing and sales of its products will require the Company to find, hire and retain additional capable employees who can understand, explain, market and sell its products. There is intense competition for capable personnel in all of these areas and the Company may not be successful in attracting, training, integrating, motivating, or retaining new personnel, vendors, or subcontractors for these required functions. New employees often require significant training and, in many cases, take significant time before they achieve full productivity. As a result, the Company may incur significant costs to attract and retain employees, including significant expenditures related to salaries and benefits and compensation expenses related to equity awards, and may lose new employees to its competitors or other companies before it realizes the benefit of its investment in recruiting and training them. In addition, if and when the Company moves into new jurisdictions, it will need to attract and recruit skilled employees in those areas.

Facilities Construction Risk

Commercial construction involves a number of risks and uncertainties, certain of which are outside the control of management. Any disruption or delay in the construction of the Facilities may impair or impede the ability of the Company to grow its own fungi products for distribution via its e-commerce platform and or affect the ability of the Company to obtain the Dealer's License.

Resale of Common Shares

The continued operation of the Company will be dependent upon its ability to generate operating revenues and to procure additional financing. There can be no assurance that any such revenues can be generated or that other financing can be obtained. If the Company is unable to generate such revenues or obtain such additional financing, any investment in the Company may be lost. In such event, the probability of resale of the Common Shares by any investor of the Company would be diminished.

No Market

The Company has applied to list the Company's Common Shares (including the Unit Shares and the Warrant Shares) with the Exchange, and intends to make a subsequent application to list the Warrants on the Exchange. While completion of the Offering will be subject to the listing approval of the Unit Shares, there is no assurance that the listing of the Warrants will be obtained. There is currently no market through which the Common Shares and Warrants may be sold and no market may develop for the Common Shares and Warrants and purchasers may not be able to resell such Common Shares and Warrants purchased under this Prospectus. This may affect the pricing of the Common Shares and Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of the Common Shares and Warrants, and the extent of issuer regulation.

Price Volatility of Publicly Traded Securities

In recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur. It may be anticipated that any quoted market for the Common Shares will be subject to market trends generally, notwithstanding any potential success of the Company in executing on its business plan, creating revenues, cash flows or earnings. The value of the Common Shares will be affected by such volatility. There is currently no public market for the Common Shares or Warrants. An active public market for the Common Shares might not develop or be sustained after the listing of the Common Shares on the Exchange. If an active public market for the Common Shares does not develop, the liquidity of a shareholder's investment may be limited and the share price may decline below the price at which the Units were issued.

Conflicts of Interest

Some of the directors and officers are engaged and will continue to be engaged in the search for additional business opportunities on behalf of other corporations, and situations may arise where these directors and officers will be in direct competition with the Company. Conflicts, if any, will be dealt with in accordance with the relevant provisions of the British Columbia *Business Corporations Act*. Some of the directors and officers of the Company are or may become directors or officers of other companies engaged in other business ventures.

Pursuant to the Lease Agreement, the Company is leasing from BC Green the Princeton, B.C. Facilities on a triple net basis. Each of Jacob and Bryan Safarik, who are directors and/or officers of the Company, are also directors, officers and/or principals of BC Green, and accordingly have a material interest in the Lease Agreement. The Lease Agreement is for a term of five (5) years, less 22 days, and commenced on July 23, 2020. Pursuant to the Lease Agreement, the Company shall pay annual basic rent of $2,500 per month until the building to be erected by the Company on the leased premises is completed. Following such completion date, the annual basic rent shall increase to $3,500 per month until the term of the lease has expired. In addition to annual basic rent, the Company shall pay BC Green additional rent in monthly instalments, which is comprised of operating costs, insurance, utilities security, repairs and maintenance, cleaning and taxes relating to the leased premises.

The Company has entered into a Project Development and Consulting Services Agreement with BC Green dated as of July 23, 2020 the Project Development and Consulting Agreement. Each of Jacob and Bryan Safarik, who are directors and/or officers of the Company, are also directors, officers and/or principals of BC Green, and accordingly have a material interest in the Project Development and Consulting Agreement. Pursuant to the Project Development and Consulting Agreement, BC Green has agreed to provide certain project consulting services in relation to the construction of the Company's mushroom growth facilities at its Princeton, BC leased premises, and applicable regulatory approvals, licenses and permits required for the Company to conduct its proposed business at such facilities. The Project Development and Consulting Agreement is for a period of five years, unless terminated earlier

in accordance with the terms thereof. As remuneration for the services provided, the Company will grant BC Green a total of 3,000,000 Common Shares at a deemed price of $0.05 per share, with half of the Common Shares to be issued upon the receipt of building permits for new building construction on the Company's Princeton, BC facility and half of the Common Shares to be issued upon the Company either (i) being legally recognized as a "licensed dealer" under the *Narcotic Control Regulations* (Canada), or (ii) granted an exemption to conduct commercial production, processing, manufacturing, distribution and sales activities with one or more controlled substances under the *Controlled Drugs and Substances Act* (Canada). The Company has met the above milestones and all 3,000,000 Common Shares were issued January 25, 2021.

Uncertainty and Adverse Changes in the Global Economy

Adverse changes in the global economy could negatively impact the Company's business. Future economic distress may result in a decrease in demand for the Company's products, which could have a material adverse impact on the Company's operating results and financial condition. Uncertainty and adverse changes in the economy could also increase costs associated with developing and publishing products, increase the cost and decrease the availability of sources of financing, and increase the Company's exposure to material losses from bad debts, any of which could have a material adverse impact on the financial condition and operating results of the Company.

Tax Issues

Income tax consequences in relation to the Common Shares will vary according to circumstances of each investor. Prospective investors should seek independent advice from their own tax and legal advisers prior to investing in Common Shares of the Company.

Dividends

The Company does not anticipate paying any dividends on its Common Shares in the foreseeable future.

Success of Products is Dependent on Public Taste

The Company's anticipated revenues are substantially dependent on the success of its products, which depends upon, among other matters, pronounced and rapidly changing public tastes, factors which are difficult to predict and over which the Company has little, if any, control. A significant shift in consumer demand away from the Company's products or its failure to expand its current market position will harm its business. Consumer trends change based on several possible factors, including nutritional values, a change in consumer preferences or general economic conditions. Additionally, there is a growing movement among some consumers to buy local food products in an attempt to reduce the carbon footprint associated with transporting food products from longer distances, and this could result in a decrease in the demand for food products. These changes could lead to, among other things, reduced demand and price decreases, which could have a material adverse effect on the Company's business.

Raw Materials

The Company's products are derived from mushrooms. Accordingly, the Company and/or its manufacturers must acquire and grow enough mushrooms so that the products can be produced to meet the demand of its customers. A mushroom shortage or a poor harvest could result in loss of sales and damage to the Company. If the Company and/or its manufacturers become unable to acquire commercial quality mushrooms on a timely basis and at commercially reasonable prices, and are unable to find one or more replacement suppliers with the regulatory approvals to produce mushrooms at a substantially equivalent cost, in substantially equivalent volumes and quality, and on a timely basis, the Company will likely be unable to meet customer demand.

Limited Number of Products

The Company will be heavily reliant on the production and distribution of mushroom and related products. If they do not achieve sufficient market acceptance, it will be difficult for the Company to achieve profitability. The Company's revenue is expected to be derived almost exclusively from sales of mushroom based products, and the Company expects that its mushroom based products will account for substantially all of its revenue for the foreseeable future. If the mushroom market declines or mushrooms fail to achieve substantially greater market acceptance than it currently enjoys, the Company will not be able to grow its revenues sufficiently for it to achieve

consistent profitability. Even if products to be distributed by the Company conform to international safety and quality standards, sales could be adversely affected if consumers in target markets lose confidence in the safety, efficacy, and quality of mushrooms. Adverse publicity about mushroom based products that the Company plans to sell may discourage consumers from buying products distributed by the Company.

Consumer Perception of Mushrooms

The Company is highly dependent upon consumer perception of mushrooms and mushroom based products. The public may associate its mushrooms with illegal psychoactive mushrooms, which are prohibited substances. The Company's revenues may be negatively impacted due to the fact the market does not fully accept the mushrooms as a food product.

Brand Awareness

Brand awareness has not been achieved by the Company. There is no assurance that the Company will be able to achieve brand awareness in any of its target regions. In addition, the Company must develop successful marketing, promotional and sales programs in order to sell its products. If the Company is not able to develop successful marketing, promotional and sales programs, then such failure will have a material adverse effect on the business, financial condition and operating results.

Development of New Products

The Company's success will depend, in part, on its ability to develop, introduce and market new and innovative products. If there is a shift in consumer demand, the Company must meet such demand through new and innovative products or else its business will fail. The Company's ability to develop, market and produce new products is subject to it having substantial capital. There is no assurance that the Company will be able to develop new and innovative products or have the capital necessary to develop such products.

Reliance on Third Party Manufacturers

The Company relies on outside sources to manufacture its products. The failure of such third party packagers to deliver either components or finished goods on a timely basis could have a material adverse effect on the business. The Company does not intend to develop its own packaging capacity in the short term. As these are third parties over which the Company will have little or no control, the failure of such third parties to provide components or finished goods on a timely basis could have a material adverse effect on the business, financial condition and operating results.

Reliance on Third Party Suppliers

The Company intends to maintain a full supply chain for the material portions of the production and distribution process of its products. The Company's suppliers, service providers and distributors may elect, at any time, to breach or otherwise cease to participate in supply, service or distribution agreements, or other relationships, on which the Company's operations rely. Loss of its suppliers, service providers or distributors would have a material adverse effect on the Company's business and operational results. The Company currently relies on certain third-party manufacturers. Disruption of operations at any one of these facilities could adversely affect inventory supplies and the Company's ability to meet product delivery deadlines.

Product Liability Insurance

The Company currently does not carry any product liability insurance coverage. Even though the Company is not aware of any product liability claims at this time, its business exposes itself to potential product liability, recalls and other liability risks that are inherent in the sale of food products. The Company can provide no assurance that such potential claims will not be asserted against it. A successful liability claim or series of claims brought against the Company could have a material adverse effect on its business, financial condition and results of operations. Although the Company intends to obtain adequate product liability insurance, it cannot provide any assurances that it will be able to obtain or maintain adequate product liability insurance on acceptable terms, if at all, or that such insurance will provide adequate coverage against potential liabilities. Claims or losses in excess of any product liability cover that may be obtained by the Company could have a material adverse effect on its business, financial conditional and results of operations.

Product Recall

The sale of products for human consumption involves inherent risks. The Company could decide to, or be required to, recall products due to suspected or confirmed contamination or product tampering. A product recall could adversely affect product sales financial condition and results of operation as well as the Company's general reputation in the industry.

Trademark Protection

The Company has applied for trademark protection for "Optimi" and "Optimi Health" in Canada and the United States in order to protect the brand being developed by the Company in respect of both its functional mushroom growth business and direct-to-consumer health food business. The Company currently has not obtained any trademarks, and there is no guarantee that existing trademark applications will be prosecuted successfully. Failure to register trademarks for the Company or its products could require the Company to rebrand its products resulting in a material adverse impact on its business.

Government Regulation

The processing, manufacturing, packaging, labeling, advertising and distribution of the Company's products is subject to regulation by one or more federal agencies, and various agencies of the provinces and localities in which our products are sold. These government regulatory agencies may attempt to regulate any of our products that fall within their jurisdiction. Such regulatory agencies may not accept the evidence of safety for any new ingredients that the Company may want to market, may determine that a particular product or product ingredient presents an unacceptable health risk and may determine that a particular statement of nutritional support that we want to use is an unacceptable claim. Such a determination would prevent the Company from marketing particular products or using certain statements of nutritional support on its products. The Company also may be unable to disseminate third-party literature that supports its products if the third-party literature fails to satisfy certain requirements. In addition, a government regulatory agency could require the Company to remove a particular product from the market. Any future recall or removal would result in additional costs to the Company, including lost revenues from any products that we are required to remove from the market, any of which could be material. Any such product recalls or removals could lead to liability, substantial costs and reduced growth prospects.

Competition

The Company faces competition in the markets in which it operates. Some of the Company's competitors may also be better positioned to develop superior product features and technological innovations and able to better adapt to market trends than the Company. The Company's ability to compete depends on, among other things, high product quality, short lead-time, timely delivery, competitive pricing, range of product offerings and superior customer service and support. Increased competition may require the Company to reduce prices or increase costs and may have a material adverse effect on its financial condition and results of operations. Any decrease in the quality of the Company's products or level of service to customers or any occurrence of a price war among the Company's competitors and the Company may adversely affect the business and results of operations.

Product Liability Claims

The Company may be required to pay for losses or injuries purportedly or actually caused by its products. In the event that the Company's products are found to cause any injury or damage, the Company will be subject to substantial liability. This liability may exceed the funds available by the Company and result in the failure of its business.

Product Pricing Risk

As the market for our products matures, or as new or existing competitors introduce new products or services that compete with ours, we may experience pricing pressure and be unable to renew our agreements with existing customers or attract new customers at prices that are consistent with our pricing model and operating budget. If this were to occur, it is possible that we would have to change our pricing model or reduce our prices, which could harm our revenue, gross margin, and operating results.

Foreign Currency Risk

We are subject to foreign currency risk. The strengthening or weakening of the Canadian or US dollar versus other currencies will impact the translation of our net revenues generated in these foreign currencies into Canadian and US dollars. We import certain ingredients in our products from foreign countries, and so may become forced to pay higher rates for our ingredients as a result of the weakening of the Canadian or US dollar.

Public Health Crises

The Company's business, operations and financial condition could be materially and adversely affected by the outbreak of epidemics or pandemics or other health crises, including the recent outbreak of COVID-19. On January 30, 2020, the World Health Organization declared the outbreak a global health emergency, on March 12, 2020, the World Health Organization declared the outbreak a pandemic and on March 13, 2020 the U.S. declared that the COVID-19 outbreak in the United States constitutes a national emergency. On March 11, 2020, the federal government of Canada announced a $1 billion package to help Canadians through the health crisis.

To date, there have been a large number of temporary business closures, quarantines and a general reduction in consumer activity in Canada, the United States, Europe, China and South America. The outbreak has caused companies and various international jurisdictions to impose travel, gathering and other public health restrictions. While these effects are expected to be temporary, the duration of the various disruptions to businesses locally and internationally and the related financial impact cannot be reasonably estimated at this time. Similarly, the Company cannot estimate whether or to what extent this outbreak and the potential financial impact may extend to countries outside of those currently impacted.

Company will continue to evaluate the situation with respect to the COVID-19 pandemic as it develops and will implement any such changes to its business as may deemed appropriate to mitigate any potential impacts to its business. Such public health crises can result in volatility and disruptions in the supply and demand for minerals, global supply chains and financial markets, as well as declining trade and market sentiment and reduced mobility of people, all of which could affect consumer good prices, interest rates, credit ratings, credit risk and inflation. The risks to the Company of such public health crises also include risks to employee health and safety, a slowdown or temporary suspension of operations impacted by an outbreak, increased labour and fuel costs, regulatory changes, political or economic instabilities or civil unrest. At this point, the extent to which COVID-19 will impact the Company is uncertain and these factors are beyond the Company's control; however, it is possible that COVID-19 may have a material adverse effect on the Company's business, results of operations and financial condition.

You may experience immediate dilution in the net tangible book value per share of the Common Shares you purchase.

The initial offering price of our Common Shares will significantly exceed the net tangible book value per share of our Common Shares. Accordingly, if an investor purchases Common Shares pursuant to the Offering, the investor will incur immediate and substantial dilution of its investment.

You may experience future dilution as a result of future equity offerings and other issuances of our Common Shares or other securities. In addition, the Offering and future equity offerings and other issuances of our Common Shares or other securities may adversely affect our Common Share price.

In order to raise additional capital, we may in the future offer additional Common Shares or other securities convertible into or exchangeable for our Common Shares at prices that may not be the same as the price per share in this Offering. We may not be able to sell shares or other securities in any other offering at a price per share that is equal to or greater than the price per share paid by investors in this Offering, and investors purchasing shares or other securities in the future could have rights superior to existing shareholders. The price per share at which we sell additional Common Shares or securities convertible into Common Shares in future transactions may be higher or lower than the price per share in this Offering. You will incur dilution upon exercise of any outstanding stock options, warrants or upon the issuance of Common Shares under our stock incentive programs. In addition, the sale of shares in this Offering and any future sales of a substantial number of Common Shares in the public market, or the perception that such sales may occur, could adversely affect the price of our Common Shares. We cannot predict the effect, if any, that market sales of those Common Shares or the availability of those Common Shares for sale will have on the market price of our Common Shares.

Psychedelic Regulatory Risk

While the Company's income during its first year of operations will not rely on revenue from psychedelic products and treatments, the Company has used and proposes to use a small amount of its available working capital to (i) pursue the Research Exemption and Dealer's License, and (ii) pursue its research and development initiatives with Numinus and Innovate Calgary. Psychedelic growth and distribution is a new and emerging industry with substantial existing regulations and uncertainty as to future regulations. There is no assurance the Company will be able to derive meaningful revenue from its investment in psychedelic compounds, or to pursue that business to the extent currently proposed or at all. The impact of various legislative regimes on the Company's business plans and operations is uncertain. There is no guarantee that the applicable legislation regulating the research and development of controlled substances will create or allow for the growth opportunities the Company currently anticipates. Company received the Research Exemption on January 13, 2021, and has not received the Dealer's License as of the date hereof.

PROMOTER

Mike Stier may be considered to be the Promoter of the Company in that he took the initiative in organizing the business of the Company. For complete details in respect of Mr. Stier's security holdings of the Company, please refer to "*Directors and Officers - Name, Occupation and Security Holdings*" on Page 42.

Mr. Stier has not received any consideration or value from the Company in consideration of his role as a Promoter. Mr. Stier's compensation for acting in his capacity as Chief Executive Officer is set out under the terms of the Stier Consulting Agreement, and includes the RSRs granted to Mr. Stier as disclosed herein.

LEGAL PROCEEDINGS

Legal Proceedings

The Company is not currently a party to any legal proceedings, nor is the Company currently contemplating any legal proceedings, which are material to its business. Management of the Company is not currently aware of any legal proceedings contemplated against the Company.

Regulatory Actions

From incorporation to the date of this Prospectus, management knows of no:

(i) penalties or sanctions imposed against the Company by a court relating to provincial and territorial securities legislation or by a securities regulatory authority;

(ii) other penalties or sanctions imposed by a court or regulatory body against the Company necessary for the Prospectus to contain full, true and plain disclosure of all material facts relating to the securities being distributed; and

(iii) settlement agreements the Company entered into before a court relating to provincial and territorial securities legislation or with a securities regulatory authority.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Pursuant to the Lease Agreement, the Company is leasing from BC Green the Princeton, B.C. Facilities on a triple net basis. Each of Jacob and Bryan Safarik, who are directors and/or officers of the Company, are also directors, officers and/or principals of BC Green, and accordingly have a material interest in the Lease Agreement. The Lease Agreement is for a term of five (5) years, less 22 days, and commenced on July 23, 2020. Pursuant to the Lease Agreement, the Company shall pay annual basic rent of $2,500 per month until the building to be erected by the Company on the leased premises is completed. Following such completion date, the annual basic rent shall increase to $3,500 per month until the term of the lease has expired. In addition to annual basic rent, the Company shall pay BC Green additional rent in monthly instalments, which is comprised of operating costs, insurance, utilities security, repairs and maintenance, cleaning and taxes relating to the leased premises.

The Company has entered into a Project Development and Consulting Services Agreement with BC Green dated as of July 23, 2020 the Project Development and Consulting Agreement. Each of Jacob and Bryan Safarik, who are directors and/or officers of the Company, are also directors, officers and/or principals of BC Green, and accordingly have a material interest in the Project Development and Consulting Agreement. Pursuant to the Project Development and Consulting Agreement, BC Green has agreed to provide certain project consulting services in relation to the construction of the Company's mushroom growth facilities at its Princeton, BC leased premises, and applicable regulatory approvals, licenses and permits required for the Company to conduct its proposed business at such facilities. The Project Development and Consulting Agreement is for a period of five years, unless terminated earlier in accordance with the terms thereof. As remuneration for the services provided, the Company will grant BC Green a total of 3,000,000 Common Shares at a deemed price of $0.05 per share, with half of the Common Shares to be issued upon the receipt of building permits for new building construction on the Company's Princeton, BC facility and half of the Common Shares to be issued upon the Company either (i) being legally recognized as a "licensed dealer" under the *Narcotic Control Regulations* (Canada), or (ii) granted an exemption to conduct commercial production, processing, manufacturing, distribution and sales activities with one or more controlled substances under the *Controlled Drugs and Substances Act* (Canada). The Company has met the above milestones and all 3,000,000 Common Shares were issued January 25, 2021.

Except as noted in this Prospectus, from incorporation to the date of this Prospectus, none of the following persons or companies has had any material interest, direct or indirect, in any transaction which has materially affected or is reasonably expected to materially affect the Company:

(a) any director or executive officer of the Company;

(b) any person or company that is the direct or indirect beneficial owner of, or who exercises control or direction over, more than 10% of any class or series of the Company's outstanding voting securities; and

(c) any associate or affiliate of any of the persons or companies referred to in paragraphs (a) or (b).

AUDITORS

The auditor of the Company is Smythe LLP.

REGISTRAR AND TRANSFER AGENT

The registrar and transfer agent of the Company is Endeavor Trust Corporation.

MATERIAL CONTRACTS

Except for contracts made in the ordinary course of business, the following are the only material contracts entered into by the Company from incorporation to the date of this Prospectus which are currently in effect and considered to be currently material:

1. The Lease Agreement.

2. The Investor Rights Agreements, when executed.

Copies of the material contracts will be available under the Company's profile at www.sedar.com upon the issuance of the final receipt for this Prospectus. Prior to completion of the Offering, the Company will enter into the Warrant Indenture, which will be a material contract of the Company.

EXPERTS

Names of Experts

The following persons or companies whose profession or business gives authority to the report, valuation, statement or opinion made by the person or company are named in this Prospectus as having prepared or certified a report, valuation, statement or opinion in this Prospectus:

Smythe LLP

Miller Thomson LLP

Interests of Experts

None of the persons set out under the heading "Experts – Names of Experts" have held, received or is to receive any registered or beneficial interests, direct or indirect, in any securities or other property of the Company or of its associates or affiliates when such person prepared the report, valuation, statement or opinion aforementioned or thereafter.

OTHER MATERIAL FACTS

There are no other material facts about the securities being distributed pursuant to the Offering that are not disclosed under any other items and are necessary in order for this Prospectus to contain full, true and plain disclosure of all material facts relating to the Common Shares to be distributed.

RIGHTS OF WITHDRAWAL AND RESCISSION

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

In an offering of Warrants, investors are cautioned that the statutory right of action for damages for a misrepresentation contained in the prospectus is limited, in certain provincial and territorial securities legislation, to the price at which the Warrant is offered to the public under the prospectus offering. This means that, under the securities legislation of certain provinces and territories, if the purchaser pays additional amounts upon exercise of the security, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces and territories. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of this right of action for damages or consult with a legal adviser.

FINANCIAL STATEMENTS

Audited financial statements of the Company for (i) the period from incorporation until September 30, 2020 and (ii) the three months ended December 31, 2020 are included in this Prospectus as Schedule "B".

SCHEDULE "A"

Audit Committee Charter

(please see attached)

OPTIMI HEALTH CORP.
(the "Company")

AUDIT COMMITTEE CHARTER

The Audit Committee is governed by the following charter:

1. PURPOSE OF THE COMMITTEE

1.1 The purpose of the Audit Committee is to assist the Board of Directors in its oversight of the integrity of the Company's financial statements and other relevant public disclosures, the Company's compliance with legal and regulatory requirements relating to financial reporting, the external auditors' qualifications and independence and the performance of the internal audit function and the external auditors.

2. MEMBERS OF THE AUDIT COMMITTEE

2.1 At least two members must be "financially literate" as defined under NI 52-110, having sufficient accounting or related financial management expertise to read and understand a set of financial statements, including the related notes, that present a breadth and level of complexity of the accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

2.2 The Audit Committee shall consist of no less than three Directors.

2.3 At least two members of the Audit Committee shall be "independent" as defined under NI 52-110, while the Company is in the developmental stage of its business.

3.0 RELATIONSHIP WITH EXTERNAL AUDITORS

3.1 The external auditors are the independent representatives of the shareholders, but the external auditors are also accountable to the Board of Directors and the Audit Committee.

3.2 The external auditors must be able to complete their audit procedures and reviews with professional independence, free from any undue interference from the management or directors.

3.3 The Audit Committee must direct and ensure that the management fully co-operates with the external auditors in the course of carrying out their professional duties.

3.4 The Audit Committee will have direct communications access at all times with the external auditors.

4.0 NON-AUDIT SERVICES

4.1 The external auditors are prohibited from providing any non-audit services to the Company, without the express written consent of the Audit Committee. In determining whether the external auditors will be granted permission to provide non-audit services to the Company, the Audit Committee must consider that the benefits to the Company from the provision of such services, outweighs the risk of any compromise to or loss of the independence of the external auditors in carrying out their auditing mandate.

4.2 Notwithstanding section 4.1, the external auditors are prohibited at all times from carrying out any of the following services, while they are appointed the external auditors of the Company:

(a) acting as an agent of the Company for the sale of all or substantially all of the undertaking of the Company; and

(b) performing any non-audit consulting work for any director or senior officer of the Company in their personal capacity, but not as a director, officer or insider of any other entity not associated or related to the Company.

5.0 APPOINTMENT OF AUDITORS

5.1 The external auditors will be appointed each year by the shareholders of the Company at the annual general meeting of the shareholders.

5.2 The Audit Committee will nominate the external auditors for appointment, such nomination to be approved by the Board of Directors.

6.0 EVALUATION OF AUDITORS

6.1 The Audit Committee will review the performance of the external auditors on at least an annual basis, and notify the Board and the external auditors in writing of any concerns in regards to the performance of the external auditors, or the accounting or auditing methods, procedures, standards, or principles applied by the external auditors, or any other accounting or auditing issues which come to the attention of the Audit Committee.

7.0 REMUNERATION OF THE AUDITORS

7.1 The remuneration of the external auditors will be determined by the Board of Directors, upon the annual authorization of the shareholders at each general meeting of the shareholders.

7.2 The remuneration of the external auditors will be determined based on the time required to complete the audit and preparation of the audited financial statements, and the difficulty of the audit and performance of the standard auditing procedures under generally accepted auditing standards and generally accepted accounting principles of Canada.

8.0 TERMINATION OF THE AUDITORS

8.1 The Audit Committee has the power to terminate the services of the external auditors, with or without the approval of the Board of Directors, acting reasonably.

9.0 FUNDING OF AUDITING AND CONSULTING SERVICES

9.1 Auditing expenses will be funded by the Company. The auditors must not perform any other consulting services for the Company, which could impair or interfere with their role as the independent auditors of the Company.

10.0 ROLE AND RESPONSIBILITIES OF THE INTERNAL AUDITOR

10.1 At this time, due to the Company's size and limited financial resources, the Chief Financial Officer of the Company shall be responsible for implementing internal controls and performing the role as the internal auditor to ensure that such controls are adequate.

11.0 OVERSIGHT OF INTERNAL CONTROLS

11.1 The Audit Committee will have the oversight responsibility for ensuring that the internal controls are implemented and monitored, and that such internal controls are effective.

12.0 CONTINUOUS DISCLOSURE REQUIREMENTS

12.1 At this time, due to the Company's size and limited financial resources, the Chief Financial Officer of the Company is responsible for ensuring that the Company's continuous reporting requirements are met and in compliance with applicable regulatory requirements.

13.0 OTHER AUDITING MATTERS

13.1 The Audit Committee may meet with the external auditors independently of the management of the Company at any time, acting reasonably.

13.2 The Auditors are authorized and directed to respond to all enquiries from the Audit Committee in a thorough and timely fashion, without reporting these enquiries or actions to the Board of Directors or the management of the Company.

14.0 ANNUAL REVIEW

14.1 The Audit Committee Charter will be reviewed annually by the Board of Directors and the Audit Committee to assess the adequacy of this Charter.

15.0 INDEPENDENT ADVISERS

15.1 The Audit Committee shall have the power to retain legal, accounting or other or other advisors at the expense of the Company without approval of management.

15.2 The external auditor will report directly to the Audit Committee.

SCHEDULE "B"

Financial Statements

Optimi Health Corp.

Consolidated Financial Statements

Period Ended September 30, 2020

(Expressed in Canadian Dollars)

Smythe CPA

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF OPTIMI HEALTH CORP.

Opinion

We have audited the consolidated financial statements Optimi Health Corp. (the "Company"), which comprise:

- the consolidated statement of financial position as at September 30, 2020;
- the consolidated statement of comprehensive loss for the 126-day period ended September 30, 2020;
- the consolidated statement of changes in shareholders' equity for the 126-day period ended September 30, 2020;
- the consolidated statement of cash flows for the 126-day period ended September 30, 2020; and
- the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at September 30, 2020, and its consolidated financial performance and its consolidated cash flows for the 126-day period ended September 30, 2020 in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company incurred a net loss of $169,221 during the 126-day period ended September 30, 2020. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Smythe
CPA

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditors' report is Kevin Yokichi Nishi.

Smythe LLP

Chartered Professional Accountants

Vancouver, British Columbia
October 9, 2020

Optimi Health Corp.

Consolidated Statement of Financial Position
As at September 30, 2020
(Expressed in Canadian Dollars)

		September 30, 2020
ASSETS		
Current		
Cash	$	4,471,113
Cash held in trust		47,953
Accounts receivable (Note 8)		83,223
Prepaids and advances		20,000
Total current assets		4,622,289
Deferred financing costs		29,110
Plants under construction (Note 4, 6)		1,365,627
Right-of-Use assets (Note 5)		153,259
Total Assets	$	6,170,285
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities (Note 6)	$	651,346
Obligation to issue shares (Note 6)		75,000
Lease obligations (Note 5)		25,429
Total current liabilities		751,775
Lease Obligations (Note 5)		130,890
Total Liabilities		882,665
Shareholders' equity		
Share capital (Note 8)		966,090
Reserves (Note 8)		4,490,751
Accumulated deficit		(169,221)
Total shareholders' equity		5,287,620
Total Liabilities and Shareholders' Equity	$	6,170,285

Approved on behalf of the Board:

"Michael Stier"	*"John James Wilson"*
Director	Director

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

Optimi Health Corp.

Consolidated Statement Comprehensive Loss
126-Day Period Ended September 30, 2020
(Expressed in Canadian Dollars)

		September 30, 2020
Expenses		
Marketing	$	82,019
Professional fees		35,129
Consulting		28,825
Licensing		14,442
Bank charges and interest		2,655
Office, rent and administration		726
Amortization		5,425
		169,221
Net loss and comprehensive loss for the period	$	(169,221)
Loss per share		
Basic and diluted	$	(0.01)
Weighted average number of common shares outstanding		
Basic and diluted		13,650,795

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

Optimi Health Corp.

Consolidated Statement of Cash Flows
126-Day Period Ended September 30, 2020
(Expressed in Canadian Dollars)

		September 30, 2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	$	(169,221)
Items not involving cash:		
Amortization		5,425
Changes in non-cash working capital items:		
Accounts receivable		(64,002)
Prepaids and advances		(20,000)
Accounts payable and accrued liabilities		29,352
Obligation to issue shares		75,000
Cash used in operating activities		(143,446)
CASH FLOWS FROM INVESTING ACTIVITIES		
Plants under construction expenditures		(754,827)
Net cash used in investing activities		(754,827)
CASH FLOWS FROM FINANCING ACTIVITIES		
Private placements and special warrants, net of issuance costs		5,437,620
Deferred financing costs		(17,916)
Repayment of lease obligations		(2,365)
Cash held in trust		(47,953)
Net cash provided by financing activities		5,369,386
Change in cash during the period		4,471,113
Cash, beginning of period		-
Cash, end of period	$	4,471,113
SUPPLEMENTAL INFORMATION		
Subscription of special warrants included in accounts receivable	$	19,221
Plants under construction costs included in accounts payable	$	610,800
Obligation to issue shares included in Plants under construction	$	75,000
Deferred financing costs included in accounts payable	$	11,194

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

Optimi Health Corp.

Consolidated Statement of Changes in Shareholders' Equity
126-Day Period Ended September 30, 2020
(Expressed in Canadian Dollars)

	Number of Shares	Share Capital $	Reserves $	Deficit $	Total Equity $
Balance, May 27, 2020 (Date of incorporation)	1	-	-	-	-
Private placements	20,000,000	1,000,000	-	-	1,000,000
Special warrants	-	-	4,490,751	-	4,490,751
Share issuance costs	-	(33,910)	-	-	(33,910)
Net loss for the period	-	-	-	(169,221)	(169,221)
Balance, September 30, 2020	20,000,001	966,090	4,490,751	(169,221)	5,287,620

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

1. Nature of Operations and Going Concern

Optimi Health Corp. ("Optimi" or the "Company") was incorporated under the British Columbia *Business Corporations Act* on May 27, 2020. The Company changed its name from 1251418 B.C. Ltd. to Optimi Health Corp. on August 17, 2020.

The Company's current business plan is to farm and process various agrifood crops for use in nutraceutical formulations that aim to support immunity, cognitive response, muscle recovery, and detoxification.

The head office and registered and records office is located at 201-1448 Commercial Drive, Vancouver, British Columbia, V5L 3X9.

These consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. As at September 30, 2020, the Company had not yet achieved profitable operations and had an accumulated deficit of $169,221 since its inception. Without additional financing, the Company may not be able to fund its ongoing operations and complete plant construction activities. 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. These uncertainties cast significant doubt on the Company's ability to continue as a going concern. The Company will need to raise sufficient working capital to maintain operations.

In addition, in March 2020, the World Health Organization recognized the outbreak of COVID-19 as a global pandemic. Government measures to limit the spread of COVID-19, including the closure of non-essential businesses, did not materially impact the Company's operations during the 126-Day period ended September 30, 2020. Despite the pandemic, development activities relating to the plants under construction remain on schedule. Furthermore, the production, processing and sale of agrifood crops have been recognized as essential services in Canada and across Europe. Due to the rapid developments and uncertainty surrounding COVID-19, it is not possible to predict the impact that COVID-19 will have on the Company's business, financial position and operating results in the future. Additionally, it is possible that estimates in the Company's consolidated financial statements will change in the near term as a result of COVID-19. The Company is closely monitoring the impact of the pandemic on all aspects of its business. These consolidated financial statements do not include any adjustments related to the recoverability of assets and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. Basis of Presentation

a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

The consolidated financial statements were authorized for issue by the Board of Directors on October 9, 2020.

b) Basis of presentation

These consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments, which are measured at fair value . These consolidated financial statements are presented in Canadian dollars, which is the Company's functional currency.

c) Basis of consolidation

These consolidated financial statements include the accounts of the Company and its subsidiary with intercompany balances and transactions eliminated on consolidation. Subsidiaries are those entities over which the Company has the power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to use its power to affect its returns. As of September 30, 2020, the Company has 100% ownership interest in Optimi Labs Inc.

d) Significant accounting judgments and estimates

The preparation of consolidated financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported revenues and expenses during the year. Actual results may differ from these estimates.

Significant estimates and judgments are evaluations and assumptions about the future and other sources of estimation uncertainty that management has made, which could result in a material adjustment to the carrying amounts of assets and liabilities. Significant estimates and judgments used in the preparation of these consolidated financial statements include, but are not limited to, the following:

Going concern

The assessment of whether the concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. The Company is aware that material uncertainties exist related to events or conditions that may cause significant doubt upon the Company's ability to continue as a going concern.

Provisions and contingencies

The amount recognized as a provision, including legal, contractual, constructive and other exposures or obligations, is the best estimate of the consideration required to settle the related liability, including any related interest charges, taking into account the risks and uncertainties surrounding the obligation. In addition, contingencies will only be resolved when one or more future events occur or fail to occur. Therefore, assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events. The Company assesses its liabilities and contingencies based upon the best information available.

Impairment of plant under construction

Management considers both external and internal sources of information in determining if there are any indications that the Company's plant under construction are impaired. Management considers the market, economic and legal environment in which the Company operates that are not within its control and affect the recoverable amount of its plant under construction. Management considers the manner in which the plant under construction are being used or are expected to be used an indication of economic performance of the assets.

3. Significant Accounting Policies

a) Plant under construction

Expenditures for plant under construction are capitalized to the consolidated statement of financial position and will be amortized over the life of the asset commencing at the time the asset is ready for its intended use.

b) Share-based payments

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The amount recognized as an expense is adjusted to reflect the number of awards expected to vest. The offset to the recorded cost is to option reserve. Consideration received on the exercise of stock options is recorded as share capital and the related amount originally recorded in option reserve is transferred to share capital. For those unexercised options that expire, the recorded value is transferred to deficit. For those unexercised options that are cancelled or forfeited, the recorded value remains in option reserve.

c) Unit issuance

Proceeds from the issuance of units are allocated between common shares and common share purchase warrants based on the residual value method. Under this method, the proceeds are allocated to common shares based on the fair value of a common share at the announcement date of the unit offering and any residual remaining is allocated to common share purchase warrants.

d) Loss per share

Loss per share is calculated using the weighted average number of common shares outstanding. The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. The calculation of diluted earnings per share assumes that outstanding options and warrants are exercised and the proceeds are used to repurchase shares of the Company at the average market price of the shares for the period. Diluted loss per share is not presented if the effects are anti-dilutive.

e) Income taxes

Income tax expense consisting of current and deferred tax expense is recognized in the consolidated statement of comprehensive loss. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period-end, adjusted for amendments to tax payable with regard to previous years.

Deferred tax is calculated using the financial position method on all temporary differences at the consolidated statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the reporting date.

Deferred income tax assets and deferred income tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

f) Impairment of non-financial assets

The carrying amount of the Company's assets is reviewed for an indication of impairment at the end of each reporting period. If an indication of impairment exists, the Company makes an estimate of the asset's recoverable amount. Individual assets are grouped for impairment assessment purposes at the lowest level at which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets. The recoverable amount of an asset group is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are adjusted for the risks specific to the asset group and are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money.

Where the carrying amount of an asset group exceeds its recoverable amount, the asset group is considered impaired and is written down to its recoverable amount. Impairment losses are recognized in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of amortization, if no impairment loss had been recognized.

g) Financial instruments

Financial assets

(a) Recognition and measurement of financial assets

The Company recognizes a financial asset when it becomes a party to the contractual provisions of the instrument.

(b) Classification of financial assets

The Company classifies financial assets at initial recognition as financial assets: measured at amortized cost, measured at fair value through other comprehensive income or measured at fair value through profit or loss.

Financial assets measured at amortized cost

A financial asset that meets both of the following conditions is classified as a financial asset measured at amortized cost.

- The Company's business model for the such financial assets, is to hold the assets in order to collect contractual cash flows.
- The contractual terms of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the amount outstanding.

A financial asset measured at amortized cost is initially recognized at fair value plus transaction costs directly attributable to the asset. After initial recognition, the carrying amount of the financial asset measured at amortized cost is determined using the effective interest method, net of impairment loss, if necessary. The Company's accounts receivable excluding goods and services taxes are classified as amortized cost.

Financial assets measured at fair value through other comprehensive income ("FVTOCI")

A financial asset measured at fair value through other comprehensive income is recognized initially at fair value plus transaction costs directly attributable to the asset. After initial recognition, the asset is measured at fair value with changes in fair value in other comprehensive income.

Financial assets measured at fair value through profit or loss ("FVTPL")

A financial asset measured at fair value through profit or loss is recognized initially at fair value with any associated transaction costs being recognized in profit or loss when incurred. Subsequently, the financial asset is re-measured at fair value, and a gain or loss is recognized in profit or loss in the reporting period in which it arises.

(c) Derecognition of financial assets

The Company derecognizes a financial asset if the contractual rights to the cash flows from the asset expire, or the Company transfers substantially all the risks and rewards of ownership of the financial asset. Any interest in transferred financial assets that are created or retained by the Company are recognized as a separate asset or liability. Gains and losses on derecognition are generally recognized in profit or loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income.

Financial liabilities

(a) Recognition and measurement of financial liabilities

The Company recognizes financial liabilities when it becomes a party to the contractual provisions of the instruments.

(b) Classification of financial liabilities

The Company classifies financial liabilities at initial recognition as financial liabilities: measured at amortized cost or measured at fair value through profit or loss.

Financial liabilities measured at amortized cost

A financial liability at amortized cost is initially measured at fair value less transaction costs directly attributable to the issuance of the financial liability. Subsequently, the financial liability is measured at amortized cost based on the effective interest rate method.

Financial liabilities measured at fair value through profit or loss

A financial liability measured at fair value through profit or loss is initially measured at fair value with any associated transaction costs being recognized in profit or loss when incurred. Subsequently, the financial liability is re-measured at fair value, and a gain or loss is recognized in profit or loss in the reporting period in which it arises.

(c) Derecognition of financial liabilities

The Company derecognizes a financial liability when the financial liability is discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the consolidated statement of loss.

Offsetting financial assets and liabilities

Financial assets and liabilities are offset and the net amount is presented in the consolidated statement of financial position only when the Company has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in profit or loss an impairment gain or loss equal to the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Fair value hierarchy

Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The levels of the fair value hierarchy are defined as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3 – Inputs for assets or liabilities that are not based on observable market data.

h) IFRS 16 Leases

At inception, the Company assesses whether a contract contains an embedded lease. A contract contains a lease when the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

The Company, as lessee, is required to recognize a right-of-use asset ("ROU asset"), representing its right to use the underlying asset, and a lease liability, representing its obligation to make lease payments.

The Company may elect to not apply IFRS 16 to leases with a term of less than 12 months or to low value assets, which is made on an asset by asset basis.

The Company recognizes a ROU asset and a lease liability at the commencement of the lease. The ROU asset is initially measured based on the present value of lease payments, plus initial direct cost, less any incentives received. It is subsequently measured at cost less accumulated amortization, impairment losses and adjusted for certain remeasurements of the lease liability. The ROU asset is amortized from the commencement date over the shorter of the lease term or the useful life of the underlying as set. The ROU asset is subject to testing for impairment if there is an indicator of impairment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by the interest rate implicit in the lease, or if that rate cannot be readily determined, the incremental borrowing rate. The incremental borrowing rate is the rate which the operation would have to pay to borrow over a similar term and with similar security, the funds necessary to obtain an asset of similar value to the ROU asset in a similar economic environment.

Lease payments included in the measurement of the lease liability are comprised of:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Company is reasonably certain to exercise;
- lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option; and
- penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or a rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

Variable lease payments that do not depend on an index or a rate not included in the initial measurement of the ROU asset and lease liability are recognized as an expense in profit or loss the in the period in which they are incurred.

The ROU assets are presented within "Right-of-use assets" and the lease liabilities are presented in "Lease liability" on the consolidated statements of financial position.

4. Plant under construction

During the period ended September 30, 2020, construction began on the Company's new self-constructed cultivation and processing facilities located in Princeton, British Columbia ("Princeton Facilities"). As at September 30, 2020, $1,365,627 of expenditures were capitalized. Construction of the growing facility is expected to continue throughout calendar 2020. At the time the asset is ready for its intended use, amortization will commence.

5. Right-of-Use Asset and Lease liability

The Company has a lease agreement for its facility in Princeton, British Columbia. Upon signing of the agreement, the Company recognized $158,683 for a ROU asset and $158,683 for a lease liability.

The continuity of the ROU asset and Lease liability for the period ended September 30, 2020 is as follows:

Right-of-use asset		
Value of right-of-use asset as at July 23, 2020	$	158,683
Depreciation		(5,424)
Value of right-of-use asset as at September 30, 2020	**$**	**153,259**

Lease liability		
Lease liability recognized as at July 23, 2020	$	158,683
Lease payments		(5,000)
Lease interest		2,636
Lease liability recognized as of September 30, 2020	**$**	**156,319**
Current portion	$	25,429
Long-term portion		130,890
	$	**156,319**

6. Key Management Compensation and Related Party Transactions

During the period ended September 30, 2020, the Company signed a consulting agreement with a related party controlled by common directors for 1,500,000 shares at a deemed price of $0.05 for consulting services related to the Princeton Facilities under development. The consulting services were fulfilled by the period end and as such Optimi is obligated to issue 1,500,000 shares for a total of $75,000 which was capitalized to plant under construction.

As at September 30, 2020, there was $4,000 owing to key management which is included in accounts payable and accrued liabilities. The amounts are unsecured, without interest and due on demand.

7. Financial Instruments

a) Categories of financial instruments

The classification of the financial instruments as well as their carrying values is shown below:

b) Fair value

The fair value recorded on initial recognition of financial assets and financial liabilities at amortized cost is determined in accordance with generally accepted pricing models based on discounted cash flow analysis or using prices from observable current market transactions. The Company considers the carrying amounts of all its financial assets and financial liabilities recognized at amortized cost in these consolidated financial statements to approximate their fair values due to the short-term maturity of these instruments.

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 Company's financial instruments consist of cash, cash held in trust, accounts payable and accrued liabilities and lease obligations. The fair value of these financial instruments approximates their carrying values due to the short-term nature of these instruments.

c) Management of financial risks

The Company examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of these risks. These risks arise from the normal course of operations and all transactions undertaken are to support the Company's ability to continue as a going concern. Management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below.

Interest rate risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. Interest rate risk is limited to potential decreases on the interest rate offered on cash held with chartered Canadian financial institutions. The Company considers this risk to be limited as it holds no assets or liabilities subject to variable rates of interest.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The financial instruments that potentially subjects the Company to credit risk consists of cash, and cash held in trust. The Company limits exposure by maintaining its cash with major Canadian commercial banks.

Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its financial obligations as they become due. The Company is reliant upon equity issuances and loans as its main sources of cash. The Company manages liquidity risk by maintaining an adequate level of cash to meet its ongoing obligations. The Company continuously reviews its actual expenditures, forecasts cash flows, and matches the maturity dates of its cash to capital and operating needs. All of the Company's existing commitments are budgeted and funded as at the date of the financial statements. All financial liabilities have contractual maturities of less than one year and are subject to normal trade terms with the exception of the Company's lease liability which matures based on the lease agreement.

Currency risk

The Company is not exposed to financial risk related to the fluctuation of foreign exchange rates.

Other risk

Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest or other risk. The Company does not hold or issue financial instruments for trading purposes, nor does it utilize derivative instruments in the management of foreign currency, commodity price or interest rate market risks.

8. Share Capital

a) Authorized

Unlimited number of common shares without par value.

b) Issued and outstanding

The total issued and outstanding share capital consists of 20,000,001 common shares without par value.
During the period ended September 30, 2020, the Company completed the following transaction:

- 1 founders' common share at $0.01 each for $0.01
- In July 2020, 20,000,000 units were issued at $0.05 each for gross proceeds of $1,000,000 through private placements. Each unit consists of one common share and one half of one share purchase warrant. Each warrant is exercisable into one additional common share at a price of $0.10 per share for a period of 2 years. The Company incurred $33,910 in share issuance costs for this placement.

c) Special warrants

- During the period ended September 30, 2020, the Company issued 17,963,005 special warrants at a price of $0.25 per special warrant for gross proceeds of $4,490,751 ("Special Warrants"). Each Special Warrant entitles the holder to automatically receive, without additional payment, one unit in the capital of the Company upon the earlier of (i) January 12, 2020, and (ii) the second business day after the Company receives a receipt for a final long form prospectus qualifying the distribution of the units. Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to acquire one common share at a price of $0.40 for a period of two years from the date the special warrants are converted to units. $19,221 subscription receivable was included in accounts receivable and was collected subsequent to September 30, 2020.

d) Warrants

The following is a summary of warrants as at September 30, 2020.

Expiry Date	Exercise Price	Number of Warrants	Weighted Average Remaining Contractual Life (Years)	Weighted Average Fair Value of Agents' Warrants
July 6, 2022	$0.10	10,000,000	1.75	$0.10

9. Capital Disclosure

The capital structure of the Company consists of equity attributable to common shareholders comprising issued share capital, subscriptions received, reserves and deficit. The Company's objectives when managing capital are to: (i) preserve capital; (ii) obtain the best available net return; and (iii) maintain liquidity. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue new debt, or acquire or dispose of assets. The Company is not subject to externally imposed capital restrictions.

10. Segment Reporting

For the period ended September 30, 2020, the Company has one reportable operating segment being that of the farming, processing and distribution of agrifoods. The Company's non-current assets at September 30, 2020 are all in Canada.

11. Income taxes

The following table reconciles the amount of income tax expense on application of the combined statutory Canadian federal and provincial income tax rates:

	2020
Net loss for the period	$ (169,221)
Statutory rate	27.00%
Income tax recovery at statutory rate	(45,690)
Benefit of tax losses not recognized	56,827
Other	(11,137)
Income tax expense	$ -

The Company recognizes tax benefits on losses or other deductible amounts generated where it is probable the Company will generate future taxable income to be able to utilize those tax assets. The Company's unused tax losses for which no deferred tax asset is recognized is $56,827.

The Company has non-capital losses for Canadian tax purposes of approximately $180,859 available for carry-forward to reduce future years' taxable income and will expire in 2040.

12. Commitments

The Company has an operating lease commitment for the industrial land where the Princeton Facilities are being constructed expiring in June 2025. Cash commitments for minimum lease payments in relation to the facility leases as at September 30, 2020, are payable as follows:

Not later than 1 year	$	40,000
Later than 1 year and not later than 5 years		157,500
	$	197,500

Optimi Health Corp.

Consolidated Financial Statements

Period Ended December 31 and September 30, 2020

(Expressed in Canadian Dollars)

Smythe CPA

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF OPTIMI HEALTH CORP.

Opinion

We have audited the consolidated financial statements Optimi Health Corp. (the "Company"), which comprise:

- the consolidated statements of financial position as at December 31, 2020 and September 30, 2020;
- the consolidated statement of comprehensive loss for the 92-day period ended December 31, 2020 and 126-day period ended September 30, 2020;
- the consolidated statements of changes in shareholders' equity for the 92-day period ended December 31, 2020 and 126-day period ended September 30, 2020;
- the consolidated statement of cash flows for the 92-day period ended December 31, 2020 and 126-day period ended September 30, 2020; and
- the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2020 and September 30, 2020, and its consolidated financial performance and its consolidated cash flows for the 92-day period ended December 31, 2020 and 126-day period ended September 30, 2020 in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company incurred a net loss of $280,009 during the 92-day period ended December 31, 2020. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Management's Discussion & Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, and remain alert for indications that the other information appears to be materially misstated.

Vancouver
1700 – 475 Howe St
Vancouver, BC V6C 2B3
T: 604 687 1231
F: 604 688 4675

Langley
305 – 9440 202 St
Langley, BC V1M 4A6
T: 604 282 3600
F: 604 357 1376

Nanaimo
201 – 1825 Bowen Rd
Nanaimo, BC V9S 1H1
T: 250 755 2111
F: 250 984 0886

Smythe CPA

We obtained the Management's Discussion & Analysis prior to the date of this auditors' report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditors' report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Smythe
CPA

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditors' report is Kevin Yokichi Nishi.

Smythe LLP

Chartered Professional Accountants

Vancouver, British Columbia
February 12, 2021

Vancouver
1700 – 475 Howe St
Vancouver, BC V6C 2B3
T: 604 687 1231
F: 604 688 4675

Langley
305 – 9440 202 St
Langley, BC V1M 4A6
T: 604 282 3600
F: 604 357 1376

Nanaimo
201 – 1825 Bowen Rd
Nanaimo, BC V9S 1H1
T: 250 755 2111
F: 250 984 0886

Optimi Health Corp.

Consolidated Statement of Financial Position
(Expressed in Canadian Dollars)

	December 31, 2020	September 30, 2020
ASSETS		
Current		
Cash	$ 2,970,521	$ 4,471,113
Cash held in trust	-	47,953
Accounts receivable (Note 6)	121,358	83,223
Prepaids and advances	37,151	20,000
Total current assets	3,129,030	4,622,289
Deposits	5,366	-
Deferred financing costs (Note 14)	125,379	29,110
Plants under construction (Note 4, 7)	2,287,907	1,365,627
Right-of-Use assets (Note 5)	138,882	153,259
Total Assets	$ 5,686,564	$ 6,170,285
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities (Note 7)	$ 371,503	$ 651,346
Obligation to issue shares (Note 7)	75,000	75,000
Lease liability (Note 5, 7)	22,266	25,429
Total current liabilities	468,769	751,775
Lease Liability (Note 5, 7)	123,602	130,890
Total Liabilities	592,371	882,665
Shareholders' equity		
Share capital (Note 6)	949,453	966,090
Reserves (Note 6)	4,593,970	4,490,751
Deficit	(449,230)	(169,221)
Total shareholders' equity	5,094,193	5,287,620
Total Liabilities and Shareholders' Equity	$ 5,686,564	$ 6,170,285

Nature of operations and going concern (Note 1)
Proposed financing (Note 14)
Subsequent events (Note 15)

Approved on behalf of the Board:

"Jon Schintler"	*"John James Wilson"*
Director	Director

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

Optimi Health Corp.

Consolidated Statement Comprehensive Loss
(Expressed in Canadian Dollars)

		92-day period ended December 31, 2020		126-day period ended September 30, 2020
Expenses				
Amortization (Note 5)	$	7,716	$	5,425
Bank, charges and interest (Note 5)		3,919		2,655
Consulting (Note 7)		57,121		28,825
Licensing		4,052		14,442
Marketing		17,300		82,019
Office, rent and admin		6,120		726
Professional fees		58,805		35,129
Share-based compensation (Note 6, 7)		103,219		-
Transfer agent and filing fees		21,757		-
Loss and comprehensive loss for the period	$	280,009	$	169,221
Loss per share				
Basic and diluted	$	(0.01)	$	(0.01)
Weighted average number of common shares outstanding				
Basic and diluted		20,000,001		13,650,795

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

Optimi Health Corp.

Consolidated Statement of Cash Flows
(Expressed in Canadian Dollars)

	92-day period ended December 31, 2020	126-day period ended September 30, 2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss for the period	$ (280,009)	$ (169,221)
Items not involving cash:		
Amortization	7,716	5,425
Share-based compensation	103,219	-
Lease interest	3,710	2,635
Changes in non-cash working capital items:		
Accounts receivable	(38,135)	(64,002)
Prepaids and advances	(17,151)	(20,000)
Accounts payable and accrued liabilities	78,424	29,352
Obligation to issue shares	-	75,000
Cash used in operating activities	(142,226)	(140,811)
CASH FLOWS FROM INVESTING ACTIVITIES		
Deposits	(5,366)	-
Plant under construction expenditures	(1,280,660)	(754,827)
Net cash used in investing activities	(1,286,026)	(754,827)
CASH FLOWS FROM FINANCING ACTIVITIES		
Private placement and special warrants, net of share issue costs	(16,637)	5,437,620
Deferred financing costs	(96,156)	(17,916)
Repayment of lease obligations	(7,500)	(5,000)
Cash held in trust	47,953	(47,953)
Net cash provided by financing activities	(72,340)	5,366,751
Change in cash during the period	(1,500,592)	4,471,113
Cash, beginning of period	4,471,113	-
Cash, end of period	$ 2,970,521	$ 4,471,113
SUPPLEMENTAL INFORMATION		
Plant under construction costs included in accounts payable (prior year)	610,800	-
Plant under construction costs included in accounts payable	252,420	610,800
Deferred financing costs included in accounts payable (prior year)	11,194	-
Deferred financing costs included in accounts payable	11,307	11,194
Subscription of special warrants included in accounts receivable	-	19,221
Modification of lease liability	6,661	-
Recognition of ROU asset and lease liability	-	158,683

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

Optimi Health Corp.

Consolidated Statement of Changes in Shareholders' Equity
Periods Ended December 31, 2020 and September 30, 2020
(Expressed in Canadian Dollars)

	Numbers of Shares	Share Capital $	Reserves $	Deficit $	Total Equity $
Balance, May 27, 2020 (Date of incorporation)	1	-	-	-	-
Private placements	20,000,000	1,000,000	-	-	1,000,000
Special warrants	-	-	4,490,751	-	4,490,751
Share issuance costs	-	(33,910)	-	-	(33,910)
Loss for the period	-	-	$	(169,221)	(169,221)
Balance, September 30, 2020	20,000,001	966,090	4,490,751	(169,221)	5,287,620

	Numbers of Shares	Share Capital $	Reserves $	Deficit $	Total Equity $
Balance, September 30, 2020	20,000,001	966,090	4,490,751	(169,221)	5,287,620
Share issuance costs	-	(16,637)	-	-	(16,637)
Share-based compensation	-	-	103,219	-	103,219
Loss for the period	-	-	-	(280,009)	(280,009)
Balance, December 31, 2020	20,000,001	949,453	4,593,970	(449,230)	5,094,193

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

1. Nature of Operations and Going Concern

Optimi Health Corp. ("Optimi" or the "Company") was incorporated under the British Columbia *Business Corporations Act* on May 27, 2020. The Company changed its name from 1251417 B.C. Ltd. to Optimi Health Corp. on August 17, 2020.

The Company is developing a vertically integrated Canadian functional mushroom brand that focuses on the health and wellness food markets. The Company also intends to cultivate, extract, process and distribute high quality strains of fungi products at its facilities located in Princeton, British Columbia. The Company intends to grow and process functional mushrooms, to develop its own health food products and to sell its mushrooms and related products directly to consumers, to other health food brands and to distributors.

The head office and registered and records office is located at 201-1448 Commercial Drive, Vancouver, British Columbia, V5L 3X9.

These consolidated financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. As at December 31, 2020, the Company has not yet achieved profitable operations, has incurred a net loss of $280,009 for the 92-day period ended December 31, 2020 and had an accumulated deficit of $449,230 as at December 31, 2020. Without additional financing, the Company may not be able to fund ongoing operations and complete construction of its Princeton Facilities. The Company intends to finance its future operations through a combination of debt and/or equity issuances. The Company is in the process of a financing (Note 14); however, there is no assurance that the Company will be able to complete this financing. These uncertainties cast significant doubt on the Company's ability to continue as a going concern.

In March 2020, the World Health Organization recognized the outbreak of COVID-19 as a global pandemic. Government measures to limit the spread of COVID-19, including the closure of non-essential businesses, did not materially impact the Company's operations during the period ended December 31, 2020. Despite the pandemic, development activities relating to the plants under construction remain on schedule. Furthermore, the production, processing and sale of agrifood crops have been recognized as essential services in Canada and across Europe. Due to the rapid developments and uncertainty surrounding COVID-19, it is not possible to predict the impact that COVID-19 will have on the Company's business, financial position and operating results in the future. Additionally, it is possible that estimates in the Company's consolidated financial statements will change in the near term as a result of COVID-19. The Company is closely monitoring the impact of the pandemic on all aspects of its business. These consolidated financial statements do not include any adjustments related to the recoverability of assets and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. Basis of Presentation

a) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

The consolidated financial statements were authorized for issue by the Board of Directors on February 12, 2021.

b) Basis of presentation

These consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments, which are measured at fair value. These consolidated financial statements are presented in Canadian dollars, which is the Company and its subsidiary's functional currency.

The consolidated financial statements are for the Company's initial period ended September 30, 2020, which is the Company's fiscal year end, and for the quarter ended December 31, 2021.

c) Basis of consolidation

These consolidated financial statements include the accounts of the Company and its subsidiary with intercompany balances and transactions eliminated on consolidation. Subsidiaries are those entities over which the Company has the power over the investee, is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to use its power to affect its returns. As of December 31, 2020, the Company has 100% ownership interest in Optimi Labs Inc.

Basis of Presentation (cont'd…)

d) Significant accounting judgments and estimates

The preparation of consolidated financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported revenues and expenses during the year. Actual results may differ from these estimates.

Significant estimates and judgments are evaluations and assumptions about the future and other sources of estimation uncertainty that management has made, which could result in a material adjustment to the carrying amounts of assets and liabilities. Significant estimates and judgments used in the preparation of these consolidated financial statements include, but are not limited to, the following:

Going concern

The assessment of whether the concern assumption is appropriate requires management to take into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period.

Provisions and contingencies

The amount recognized as a provision, including legal, contractual, constructive and other exposures or obligations, is the best estimate of the consideration required to settle the related liability, including any related interest charges, taking into account the risks and uncertainties surrounding the obligation. In addition, contingencies will only be resolved when one or more future events occur or fail to occur. Therefore, assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events. The Company assesses its liabilities and contingencies based upon the best information available.

Impairment of plant under construction

Management considers both external and internal sources of information in determining if there are any indications that the Company's plant under construction are impaired. Management considers the market, economic and legal environment in which the Company operates that are not within its control and affect the recoverable amount of its plant under construction. Management considers the manner in which the plant under construction are being used or are expected to be used an indication of economic performance of the assets.

Valuation of share-based payments

The Company uses the Black-Scholes option pricing model for valuation of share-based payments. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

3. Significant Accounting Policies

a) Plant under construction

Expenditures for plant under construction are capitalized to the consolidated statement of financial position and will be amortized over the life of the asset commencing at the time the asset is ready for its intended use.

b) Share-based compensation

Stock options

Share-based compensation to employees is measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based compensation to non-employees is measured at the fair value of the goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The amount recognized as an expense is adjusted to reflect the number of awards expected to vest. The offset to the recorded cost is to reserves. Consideration received on the exercise of stock options is recorded as share capital and the related amount originally recorded in reserves is transferred to share capital. For those unexercised options that expire, are cancelled or forfeited, the recorded value is transferred from reserves to deficit.

Significant Accounting Policies (cont'd…)

Restricted share rights

The Company grants restricted share rights (the "RSRs") to certain directors, officers, employees and consultants to receive shares of the Company. The Company classifies RSRs as equity instruments since the Company has the ability and intent to settle the awards in common shares. The fair value of RSRs granted is recognized as an expense over the vesting period with a corresponding increase in equity. The fair value is measured at grant date and recognized over the period during which the RSRs vest. The vesting of RSRs and issuance of common shares in the Company is recorded as issued capital and the related value in reserves is transferred to issued capital.

c) Unit issuance

Proceeds from the issuance of units are allocated between common shares and common share purchase warrants based on the residual value method. Under this method, the proceeds are allocated to common shares based on the fair value of a common share at the announcement date of the unit offering and any residual remaining is allocated to common share purchase warrants.

d) Loss per share

Loss per share is calculated using the weighted average number of common shares outstanding. The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. The calculation of diluted earnings per share assumes that outstanding options and warrants are exercised and the proceeds are used to repurchase shares of the Company at the average market price of the shares for the period. Diluted loss per share is not presented if the effects are anti-dilutive.

e) Income taxes

Income tax expense consisting of current and deferred tax expense is recognized in the consolidated statement of comprehensive loss. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period-end, adjusted for amendments to tax payable with regard to previous years.

Deferred tax is calculated using the financial position method on all temporary differences at the consolidated statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the reporting date.

Deferred income tax assets and deferred income tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

f) Impairment of non-financial assets

The carrying amount of the Company's assets is reviewed for an indication of impairment at the end of each reporting period. If an indication of impairment exists, the Company makes an estimate of the asset's recoverable amount. Individual assets are grouped for impairment assessment purposes at the lowest level at which there are identifiable cash flows that

Significant Accounting Policies (cont'd…)

Impairment of non-financial assets (cont'd…)

are largely independent of the cash flows of other groups of assets. The recoverable amount of an asset group is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are adjusted for the risks specific to the asset group and are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money.

Where the carrying amount of an asset group exceeds its recoverable amount, the asset group is considered impaired and is written down to its recoverable amount. Impairment losses are recognized in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not

exceed the carrying amount that would have been determined, net of amortization, if no impairment loss had been recognized.

g) Financial instruments

Financial assets

(a) Recognition and measurement of financial assets

The Company recognizes a financial asset when it becomes a party to the contractual provisions of the instrument.

(b) Classification of financial assets

The Company classifies financial assets at initial recognition as financial assets: measured at amortized cost, measured at fair value through other comprehensive income or measured at fair value through profit or loss.

Financial assets measured at amortized cost

A financial asset that meets both of the following conditions is classified as a financial asset measured at amortized cost.

- The Company's business model for the such financial assets, is to hold the assets in order to collect contractual cash flows.
- The contractual terms of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the amount outstanding.

A financial asset measured at amortized cost is initially recognized at fair value plus transaction costs directly attributable to the asset. After initial recognition, the carrying amount of the financial asset measured at amortized cost is determined using the effective interest method, net of impairment loss, if necessary. The Company's accounts receivable excluding goods and services taxes are classified as amortized cost.

Financial assets measured at fair value through other comprehensive income ("FVTOCI")

A financial asset measured at fair value through other comprehensive income is recognized initially at fair value plus transaction costs directly attributable to the asset. After initial recognition, the asset is measured at fair value with changes in fair value in other comprehensive income.

Financial assets measured at fair value through profit or loss ("FVTPL")

A financial asset measured at fair value through profit or loss is recognized initially at fair value with any associated transaction costs being recognized in profit or loss when incurred. Subsequently, the financial asset is re-measured at fair value, and a gain or loss is recognized in profit or loss in the reporting period in which it arises.

Significant Accounting Policies (cont'd…)

Financial assets (cont'd…)

(c) Derecognition of financial assets

The Company derecognizes a financial asset if the contractual rights to the cash flows from the asset expire, or the Company transfers substantially all the risks and rewards of ownership of the financial asset. Any interest in transferred financial assets that are created or retained by the Company are recognized as a separate asset or liability. Gains and losses on derecognition are generally recognized in profit or loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income.

Financial liabilities

(a) Recognition and measurement of financial liabilities

The Company recognizes financial liabilities when it becomes a party to the contractual provisions of the instruments.

(b) Classification of financial liabilities

The Company classifies financial liabilities at initial recognition as financial liabilities: measured at amortized cost or measured at fair value through profit or loss.

Financial liabilities measured at amortized cost

A financial liability at amortized cost is initially measured at fair value less transaction costs directly attributable to the issuance of the financial liability. Subsequently, the financial liability is measured at amortized cost based on the effective interest rate method. Accounts payable and accrued liabilities and lease liability are measured at amortized cost.

Financial liabilities measured at fair value through profit or loss

A financial liability measured at fair value through profit or loss is initially measured at fair value with any associated transaction costs being recognized in profit or loss when incurred. Subsequently, the financial liability is re-measured at fair value, and a gain or loss is recognized in profit or loss in the reporting period in which it arises.

(c) Derecognition of financial liabilities

The Company derecognizes a financial liability when the financial liability is discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the consolidated statement of loss.

Offsetting financial assets and liabilities

Financial assets and liabilities are offset and the net amount is presented in the consolidated statement of financial position only when the Company has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in profit or loss an impairment gain or loss equal to the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

Significant Accounting Policies (cont'd…)

Fair value hierarchy

Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The levels of the fair value hierarchy are defined as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3 – Inputs for assets or liabilities that are not based on observable market data.

h) IFRS 16 Leases

At inception, the Company assesses whether a contract contains an embedded lease. A contract contains a lease when the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

The Company, as lessee, is required to recognize a right-of-use asset ("ROU asset"), representing its right to use the underlying asset, and a lease liability, representing its obligation to make lease payments.

The Company may elect to not apply IFRS 16 to leases with a term of less than 12 months or to low value assets, which is made on an asset by asset basis.

The Company recognizes a ROU asset and a lease liability at the commencement of the lease. The ROU asset is initially measured based on the present value of lease payments, plus initial direct cost, less any incentives received. It is subsequently measured at cost less accumulated amortization, impairment losses and adjusted for certain remeasurements of the lease liability. The ROU asset is amortized from the commencement date over the shorter of the lease term or the useful life of the underlying as set. The ROU asset is subject to testing for impairment if there is an indicator of impairment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by the interest rate implicit in the lease, or if that rate cannot be readily determined, the incremental borrowing rate. The incremental borrowing rate is the rate which the operation would have to pay to borrow over a similar term and with similar security, the funds necessary to obtain an asset of similar value to the ROU asset in a similar economic environment.

Lease payments included in the measurement of the lease liability are comprised of:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Company is reasonably certain to exercise;
- lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option; and
- penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or a rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

Variable lease payments that do not depend on an index or a rate not included in the initial measurement of the ROU asset and lease liability are recognized as an expense in profit or loss the in the period in which they are incurred.

4. Plants under construction

During the period ended September 30, 2020, construction began on the Company's new self-constructed cultivation and processing facilities located in Princeton, British Columbia ("Princeton Facilities"). As at December 31, 2020, $2,287,907 (September 30, 2020 - $1,365,627) of expenditures were capitalized. Construction of the Princeton Facilities is estimated to be completed by June 30, 2021. At the time that the Princeton Facilities are ready for their intended use, amortization will commence.

5. Right-of-use asset and Lease liability

The Company has a lease agreement with BC Green Pharmaceuticals ("BC Green"), a company related by common directors and officers, whereby, the Company has leased land from BC Green on which to build its Princeton Facilities. Upon signing of the agreement, the Company recognized $158,683 for a ROU asset and $158,683 for a lease liability. The lease payments are $2,500 per month, increasing to $3,500 per month once the Princeton Facilities are completed. During the period ended December 31, 2020, the estimated completion date of the Princeton Facilities was extended to June 30, 2021 which resulted in a modification of the Company's ROU asset and lease liability of $6,661.

The continuity of the ROU asset and Lease liability is as follows:

Right-of-use asset		
Right-of-use asset recognized as at July 23, 2020	$	158,683
Amortization		(5,424)
Right-of-use asset as at September 30, 2020	**$**	**153,259**
Modification of ROU asset		(6,661)
Amortization		(7,716)
Right-of-use asset as at December 31, 2020	**$**	**138,882**

Lease liability		
Lease liability recognized as at July 23, 2020	$	158,683
Lease payments		(5,000)
Lease interest		2,636
Lease liability as at September 30, 2020	**$**	**156,319**
Modification of lease liability		(6,661)
Lease payments		(7,500)
Lease interest		3,710
Lease liability as at December 31, 2020	**$**	**145,868**

	December 31, 2020	**September 30, 2020**
Current portion	$ 22,266	$ 25,429
Long-term portion	123,602	130,890
	$ 145,868	**$156,319**

6. Share Capital

a) Authorized

Unlimited number of common shares without par value.

b) Issued and outstanding

The total issued and outstanding share capital consists of 20,000,001 common shares without par value.

Share Capital (cont'd…)

During the period ended September 30, 2020, the Company issued:

- 1 founders' common share for proceeds of $0.01
- 20,000,000 units at $0.05 each for gross proceeds of $1,000,000 through private placements. Each unit consists of one common share and one half of one share purchase warrant. Each warrant is exercisable into one additional common share at a price of $0.10 per share for a period of 2 years. During the period ended December 31, 2020, the Company incurred $16,637 (September 30, 2020 - $33,910) in share issuance costs for this placement.

The Company did not issue any common shares during the period ended December 31, 2020.

c) Special warrants

During the period ended September 30, 2020, the Company issued:

- 17,963,005 Special Warrants at a price of $0.25 per Special Warrant for gross proceeds of $4,490,751 ("Special Warrants"). Each Special Warrant entitles the holder to automatically receive, without additional payment, one unit in the capital of the Company upon the earlier of (i) January 12, 2021, and (ii) the second business day after the Company receives a receipt for a final long form prospectus qualifying the distribution of the units (issued – Note 15). Each unit consists of one common share and one common share purchase warrant. Each warrant entitles the holder to acquire one common share at a price of $0.40 for a period of two years from the date the Special Warrants are converted to units. $2,000 (September 30, 2020 - $19,211) in subscriptions receivable was included in accounts receivable and was collected subsequent to December 31, 2020.

The Company did not issue any Special Warrants during the period ended December 31, 2020.

d) Warrants

The following is a summary of warrants as at December 31, 2020.

Expiry Date	Exercise Price	Number of Warrants	Weighted Average Remaining Contractual Life (Years)
July 6, 2022	$0.10	10,000,000	1.51

e) Equity incentive plan

The Company has an Equity Incentive Plan ("EIP") under which the Board of Directors ("Board") may, from time to time in its discretion, grant stock options, RSRs or deferred share units ("DSUs") of the Company to its directors, officers, employees, consultants, and advisors. The aggregate number of Common Shares that may be subject to issuance under the Equity Incentive Plan, together with any other securities-based compensation arrangements of the Corporation, shall not exceed 15% of the Corporation's issued and outstanding share capital.

Stock options

The EIP authorizes the Board to grant options to eligible directors and employees (including officers). The number of options, the exercise price per option, the vesting period and any other terms and conditions of options granted from time to time pursuant to the EIP, are determined by the Board at the time of the grant, subject to the defined parameters of the EIP. Unless otherwise determined by the Board, stock options will have a term of five years and 25% of the options granted will vest immediately, and 25% will vest each six-month period thereafter.

Share Capital (cont'd…)

During the period ended December 31, 2020, the Company granted 500,000 stock options with a fair value of $80,110 (September 30, 2020 - $nil) to directors and officers. These options vested on grant and have an exercise price of $0.50 per option and expire on October 9, 2025.

During the period ended December 31, 2020, the Company recorded $80,110 (September 30, 2020 - $nil) in share-based compensation expense due to the vesting of options. The Company measured the fair value of the options granted using the Black-Scholes option pricing model with the following assumptions: expected life of the options - 5 years, stock price volatility – 100%, no dividend yield, and a risk-free interest rate yield of 0.38%.

The following is a summary of stock options as at December 31, 2020.

Expiry Date	Exercise Price	Number of Options	Options Exercisable	Weighted Average Remaining Contractual Life (Years)
October 9, 2025	$0.50	500,000	500,000	4.78

Restricted share rights

The EIP authorizes the Board to grant RSRs, in its sole and absolute discretion, to any eligible employee or director. Each RSR provides the recipient with the right to receive common shares of the Company for no additional consideration as compensation for past services or as an incentive for future services. The terms including the vesting period of the RSRs are determined at the sole discretion of the Board.

During the period ended December 31, 2020, the Company granted 500,000 restricted share rights ("RSR") to a director and officer valued at $125,000. These RSRs will vest 10% on the date the Company's shares are listed on a Canadian stock exchange (estimated to be February 15, 2021) and 15% on every 6-month anniversary of the listing date. During the period ended December 31, 2020, the Company recorded $23,109 (September 30, 2020 - $nil) in share-based compensation related to the vesting of these RSRs.

7. Key Management Compensation and Related Party Transactions

During the period ended December 31, 2020, the Company incurred the following amounts charged by officers and directors (being key management personnel) and companies controlled and/or owned by officers and directors of the Company in addition to the related party transactions disclosed elsewhere in these financial statements:

	December 31, 2020	September 30, 2020
Consulting fees	$ 19,016	$ -
Share-based compensation	103,219	-
	$ 122,235	$ -

Key Management Compensation and Related Party Transactions (Cont'd…)

During the period ended September 30, 2020, the Company signed a Project Development Consulting agreement with BC Green. The Company will grant BC Green 3,000,000 common shares as consideration for consulting services related to the construction of the Princeton Facilities. 1,500,000 common shares will be issuable when the Company receives building permits for the Princeton Facilities (met) and an additional 1,500,000 common shares will be issuable upon the Company either (i) being legally recognized as a "licensed dealer" under the Narcotic Control Regulations (Canada), or (ii) granted an exemption to conduct commercial production, processing, manufacturing, distribution and sales activities with one or more controlled substances under the Controlled Drugs and Substances Act (Canada) (met – Note 15). During the period ended September 30, 2020, the Company received its building permits and has an obligation to issue 1,500,000 shares valued at $75,000 to BC Green.

The Company has entered into a lease agreement with BC Green described in Note 5.

As at December 31, 2020, there was $16,800 (September 30, 2020 - $4,000) owing to key management which is included in accounts payable and accrued liabilities. The amounts are unsecured, without interest and due on demand.

8. Financial Instruments

a) Categories of financial instruments

The classification of the financial instruments as well as their carrying values is shown below:

Fair value

The fair value recorded on initial recognition of financial assets and financial liabilities at amortized cost is determined in accordance with generally accepted pricing models based on discounted cash flow analysis or using prices from observable current market transactions. The Company considers the carrying amounts of all its financial assets and financial liabilities recognized at amortized cost in these consolidated financial statements to approximate their fair values due to the short-term maturity of these instruments.

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 Company's financial instruments consist of cash, cash held in trust, accounts payable and accrued liabilities and lease liability. The fair value of these financial instruments approximates their carrying values due to the short-term nature of these instruments.

b) Management of financial risks

The Company examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of these risks. These risks arise from the normal course of operations and all transactions undertaken are to support the Company's ability to continue as a going concern. Management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below.

Interest rate risk

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. Interest rate risk is limited to potential decreases on the interest rate offered on cash held with chartered Canadian financial institutions. The Company considers this risk to be limited as it holds no assets or liabilities subject to variable rates of interest.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The financial instruments that potentially subjects the Company to credit risk consists of cash, and cash held in trust. The Company limits exposure by maintaining its cash with major Canadian commercial banks.

Financial Instruments (cont'd…)

Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its financial obligations as they become due. The Company is reliant upon equity issuances and loans as its main sources of cash. The Company manages liquidity risk by maintaining an adequate level of cash to meet its ongoing obligations. The Company continuously reviews its actual expenditures, forecasts cash flows, and matches the maturity dates of its cash to capital and operating needs. All of the Company's existing commitments are budgeted and funded as at the date of the financial statements. All financial liabilities have contractual maturities of less than one year and are subject to normal trade terms with the exception of the Company's lease liability which matures based on the lease agreement.

Currency risk

The Company is not exposed to financial risk related to the fluctuation of foreign exchange rates.

9. Capital Disclosure

The capital structure of the Company consists of equity attributable to common shareholders comprising issued share capital, subscriptions received, reserves and deficit. The Company's objectives when managing capital are to: (i) preserve capital; (ii) obtain the best available net return; and (iii) maintain liquidity. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue new debt, or acquire or dispose of assets. The Company is not subject to externally imposed capital restrictions.

10. Segment Reporting

For the period ended December 31, 2020, the Company has one reportable operating segment being that of the farming, processing and distribution of agrifoods. The Company's non-current assets at December 31, 2020 are all in Canada.

11. Income taxes

The following table reconciles the amount of income tax expense on application of the combined statutory Canadian federal and provincial income tax rates for the periods ended December 31, 2020 and September 30, 2020:

	December 31, 2020	September 30, 2020
Net loss for the period	$ (280,009)	$ (169,221)
Statutory rate	27.00%	27.00%
Income tax recovery at statutory rate	(76,000)	(46,000)
Benefit of tax losses not recognized	52,000	57,000
Other	24,000	11,000
Income tax expense	$ -	$ -

The Company recognizes tax benefits on losses or other deductible amounts generated where it is probable the Company will generate future taxable income to be able to utilize those tax assets. The Company has unused tax losses for which no deferred tax asset is recognized amounted to $105,000.

The Company has non-capital losses for Canadian tax purposes of approximately $352,377 available for carry-forward to reduce future years' taxable income and will expire in 2040.

12. Commitments

The Company has a lease commitment for the industrial land where the Princeton Facilities are being constructed expiring in June 2025. Cash commitments for minimum lease payments in relation to the facility leases as at December 31, 2020, are payable as follows:

Within 1 year	$	36,000
Between 1 year and 5 years		147,000
	$	183,000

13. Laboratory and Services Agreement

During the period ended December 31, 2020, the Company entered into a Laboratory and Services Agreement with Numinus Wellness Inc. ("Numinus") pursuant to which Numinus will provide certain psychedelic materials, testing, and research and development services to the Company. The Company will pay Numinus a retainer of $100,000 (paid – Note 15) and will issue to Numinus 150,000 common shares on the earlier of entering into a Project Agreement or January 25, 2021 (issued – Note 15). In addition, the Company will issue to Numinus a further 150,000 common shares upon completion of the first Project under a Project Agreement.

14. Proposed financing

The Company is in the process of completing an initial public offering ("IPO") to list its shares for trading on the Canadian Securities Exchange. Concurrent with IPO, the Company plans to issue up to 24,000,000 units at a price of $0.75 per unit for gross proceeds of $18,000,000. Each Unit will consist of one common share and one half warrant. Each warrant is exercisable into one additional common share at a price of $1.25 per share for a period of 2 years. The Company has incurred $125,379 (September 30, 2020 - $29,110) in legal and financing fees in relation to the IPO recorded as deferred financing costs.

15. Subsequent events

Subsequent to December 31, 2020, the Company:

- Issued 17,963,005 units for no additional consideration upon the automatic conversion of its 17,963,005 Special Warrants. (Note 6).
- Paid $100,000 and issued 150,000 common shares pursuant to the Laboratory and Services Agreement (Note 13).
- Received an exemption to conduct commercial production, processing, manufacturing, distribution and sales activities with one or more controlled substances under the Controlled Drugs and Substances Act (Canada) resulting in the Company having an obligation to issue 1,500,000 common shares to BC Green under the Project Development Consulting Agreement (Note 7).
- Issued 3,000,000 common shares to BC Green pursuant to the Project Development Consulting Agreement (Note 7).
- Granted 40,000 stock options to consultants with an exercise price of $0.60 per option for a period of five years. The options will vest 20% on the grant date and an additional 20% per year on the first to fourth annual anniversary of the grant date.

CERTIFICATE OF THE COMPANY

Dated: February 12 , 2021

This Prospectus, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by the securities legislation of each of the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Prince Edward Island, Newfoundland and Labrador, Nova Scotia and New Brunswick

"*Mike Stier*"
Mike Stier
President, Chief Executive Officer, Director

"*Jacob Safarik*"
Jacob Safarik
Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS OF THE COMPANY

"*Dane Stevens*"
Dane Stevens
Director

"*Bryan Safarik*"
Bryan Safarik
Director

CERTIFICATE OF THE AGENTS

Dated: February 12, 2021

To the best of our knowledge, information and belief, this Prospectus, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by the securities legislation of each of the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Prince Edward Island, Newfoundland and Labrador, Nova Scotia and New Brunswick.

MACKIE RESEARCH CAPITAL CORP.

"*Jovan Stupar*"

Jovan Stupar
Managing Director

CANACCORD GENUITY CORP.

"*Graham Saunders*"

Graham Saunders
Vice Chairman
Capital Markets Origination

STIFEL NICOLAUS CANADA INC.

"*Harris Fricker*"

Harris Fricker
President

CERTIFICATE OF PROMOTER

Dated: February 12, 2021

This Prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by the securities legislation of each of the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Prince Edward Island, Newfoundland and Labrador, Nova Scotia and New Brunswick.

"*Mike Stier*"
Mike Stier
Promoter

14. Capitalization

14.1 Issued Capital

As of the date hereof, and prior to giving effect to the Offering, the capital of Optimi consists of the following:

	Number of Securities (non-diluted)	Number of Securities (fully-diluted)	% of Issued (non-diluted)	% of Issued (fully diluted)
Public Float				
Total outstanding (A)	41,113,006	70,116,011	100%	100%
Held by Related Persons or employees of the Issuer or Related Person of the Issuer, or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer upon exercise or conversion of other securities held) (B)	15,960,001	24,160,000	38.82%	34.46%
Total Public Float (A-B)	**25,153,005**	**45,956,011**	**61.18%**	**65.54%**
Freely-Tradeable Float				
Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders (C)	23,470,000	34,070,000	57.09%	48.59%
Total Tradeable Float (A-C)	**17,643,006**	**36,046,011**	**42.91%**	**51.41%**

Public Securityholders (Registered)

For the purposes of this table, “public securityholders” does not include persons enumerated in section (B) of the *Issued Capital* table above:

Class of Security

Size of Holding	**Number of holders**	**Total number of securities**
1 – 99 securities	-	-
100 – 499 securities	-	-
500 – 999 securities	-	-
1,000 – 1,999 securities	26	26,000
2,000 – 2,999 securities	4	8,000
3,000 – 3,999 securities	-	-
4,000 – 4,999 securities	1	4,000
5,000 or more securities	145	25,115,005
	176	**25,153,005**

Public Securityholders (Beneficial)

For the purposes of this table, “public securityholders” does not include persons enumerated in section (B) of the *Issued Capital* table above:

Class of Security

Size of Holding	**Number of holders**	**Total number of securities**
1 – 99 securities	-	-
100 – 499 securities	-	-
500 – 999 securities	-	-
1,000 – 1,999 securities	26	26,000
2,000 – 2,999 securities	4	8,000
3,000 – 3,999 securities	-	-
4,000 – 4,999 securities	1	4,000
5,000 or more securities	145	25,115,005
Unable to confirm	**176**	**25,153,005**

Non-Public Securityholders (Registered)

For the purposes of this report, "non-public securityholders" are persons enumerated in section (B) of the issued capital chart.

Class of Security

Size of Holding	Number of holders	Total number of securities
1 – 99 securities	1	1
100 – 499 securities	-	-
500 – 999 securities	-	-
1,000 – 1,999 securities	-	-
2,000 – 2,999 securities	-	-
3,000 – 3,999 securities	-	-
4,000 – 4,999 securities	-	-
5,000 or more securities	8	15,960,000
	8	**15,960,001**

14.2 Convertible / Exchangeable Securities

Description of Security (include conversion / exercise terms, including conversion / exercise price)	Number of convertible / exchangeable securities outstanding	Number of listed securities issuable upon conversion / exercise
Stock Options 500,000 options are exercisable at a price of $0.50 per share expiring on Oct 9, 2025, and 40,000 options vest as to 1/5 on each of the date of grant, and the first, second, third and fourth annual anniversary of the date of grant, at an exercise price of $0.50 per share expiring on Jan 25, 2026.	540,000	540,000
RSRs The RSRs vest 10% on the date the Company's shares are listed on the CSE and 15% on every 6-month anniversary of the listing date.	500,000	500,000
Warrants The warrants are exercisable at $0.10 per share for a period of 24 months from the date of issuance on July 6, 2020	10,000,000	10,000,000
SW Warrants	17,963,005	17,963,005

The SW warrants are exercisable at a price of $0.40 per share for a period of two years from the date of issuance on Jan 12, 2021.		
IPO Warrants The warrants are exercisable at $1.25 per share for a period of 24 months from the date of closing of the IPO, subject to accelerated expiry.	13,800,000	13,800,000
IPO Broker Warrants The warrants are exercisable at $1.25 per share for a period of 24 months from the date of closing of the IPO, subject to accelerated expiry.	966,000	966,000

(1) Subject to closing of the Offering and assuming closing of the Maximum Offering and exercise of the Over-Allotment Option in full.

14.3 Other Listed Securities

Optimi has no other listed securities reserved for issuance that are not included in Section 14.2 other than the 150,000 Common Shares reserved for issuance to Numinus in accordance with the Laboratory and Services Agreement.

CERTIFICATE OF THE ISSUER

Pursuant to a resolution duly passed by its Board of Directors, Optimi Health Corp., hereby applies for the listing of the above mentioned securities on the Exchange. The foregoing contains full, true and plain disclosure of all material information relating to Optimi Health Corp. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Vancouver, British Columbia, this 22nd day of February, 2021.

"*Mike Stier*"

Mike Stier
President and Chief Executive Officer

"*Jacob Safarik*"

Jacob Safarik
Chief Financial Officer

"*Mike Stier*"

Mike Stier
Promoter

"*Dane Stevens*"

Dane Stevens
Director

"*Bryan Safarik*"

Bryan Safarik
Director