

Numinus

NUMINUS WELLNESS INC.

Management's Discussion and Analysis

For the Three and Nine Months Ended May 31, 2021 and 2020

NUMINUS WELLNESS INC.

MANAGEMENT DISCUSSION AND ANALYSIS

For the three and nine months ended May 31, 2021 and 2020
(Unaudited and expressed in Canadian Dollars)

This Management's Discussion and Analysis ("MD&A") is intended to supplement the unaudited condensed consolidated interim financial statements of Numinus Wellness Inc. (the "Company" or "Numinus") for the three and nine months ended May 31, 2021, and the related notes thereto, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board. All figures are in Canadian dollars, unless otherwise noted. This MD&A has been prepared as of July 29, 2021 and should be read in conjunction with the unaudited condensed consolidated interim financial statements for the three and nine months ended May 31, 2021.

Additional information related to Numinus, including its annual information form, is available on SEDAR at www.sedar.com and on the Company's website at www.numinus.ca.

Certain statements in this report that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results vary considerably from these statements. Readers are cautioned not to put undue reliance on forward-looking statements. For more information on forward-looking information, please refer to page 19 of this MD&A.

THIRD QUARTER BUSINESS 2021 HIGHLIGHTS

- Strong cash position, cash and cash equivalents balance was \$63,230,415 as at May 31, 2021.
- Completed a \$40.3 million bought deal financing and exercised \$1.6 million in warrants and options.
- Generated revenues of \$562,076 and \$1,022,771 for the three months and nine months respectively ended May 31, 2021 compared to \$216,244 and \$610,148 for the same periods respectively ended May 31, 2020.
- Numinus Biosciences received amendments to its federal Health Canada licence to allow the possession, production, assembly, sale, export, and delivery for a wide variety of psychedelics including Ketamine and Lysergic acid diethylamide (LSD). The amendment also supports Numinus Bioscience's role in these activities related to Mescaline, N,N-Dimethyltryptamine (DMT), N-Methyl-3,4, methylenedioxyamphetamine (MDMA), Psilocin and Psilocybin. With these amendments, Numinus can now develop and implement standardized psychedelics testing on top of existing high throughput capabilities, and formulate and produce psychedelic compounds in finished packaged products for clinical trials, clinical use under exemption, and export.
- Numinus entered into a partnership with KGK Science on a Phase 1 clinical trial to assess the safety and efficacy of a proprietary psilocybin extraction.

HIGHLIGHTS SUBSEQUENT TO THE THIRD QUARTER 2021

- The Company entered into a definite agreement to acquire 100% of Toronto-based Neurology Center of Toronto (the "NCT Transaction") for a total of \$1,000,000. Numinus and NCT plans to expand NCT into a comprehensive clinical neurology treatment centre with a unique specialization in the application of psychedelics in the field of neurology.
- Numinus Bioscience filed a provisional patent application with the United States Patent and Trademark Office ("USPTO") for a process that dramatically increases the production of therapeutics for use in psychedelic-assisted psychotherapy. The sustainable, reproducible, and easily scalable process will be used to rapidly generate therapeutic products from psychoactive fungi species that contain psilocybin, other psychoactive compounds and a range of additional beneficial compounds, some of which Numinus researchers characterized for the first time in psychedelic fungi.

CORPORATE OVERVIEW

Numinus Wellness Inc. (the "Company") was incorporated on October 26, 1964 under the Laws of British Columbia. The Company is traded on the TSX Venture Exchange ("TSXV") under the symbol NUMI. The Company's registered and records office is located at Suite 400 – 725 Granville Street, Pacific Centre, Vancouver, British Columbia, Canada V7Y 1G5.

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The Company is creating solutions centered around developing and supporting the safe, evidence-based accessible use of psychedelic-assisted psychotherapies. The Company is involved in the integrative health industries and operates through three key divisions:

- Numinus Biosciences (formerly Salvation Botanicals Ltd.);
- Numinus Health; and
- Mindspace Psychology Services (Note 4)

Numinus Bioscience provides services including cultivation, analytical testing, product research and development, and ancillary services under its Health Canada licenses.

The Company currently holds the following Health Canada licenses:

- Analytical Testing License under the Cannabis Act and Cannabis Regulations allowing for the analytic testing of cannabis for quality assurance purposes.
- Controlled Drugs and Substances Dealer's Licence enabling the Company to possession, production, assembly, sale, export, and delivery of psychedelics such as Trimethoxyphenethylamine ("mescaline"), methylenedioxyamphetamine ("MDMA"), Dimethyltryptamine ("DMT"), and Psilocybin, ketamine, LSD and Psilocin.
- Industrial Hemp License issued in accordance with the Cannabis Act and the Industrial Hemp Regulations allowing for:
 - (i) the possession of grain for the purpose of processing,
 - (ii) the sale and distribution of seed and grain, and,
 - (iii) the exportation of seed and grain.

Numinus Health and Mindspace Psychology Services operate centers located in Vancouver, British Columbia, where professional therapists and integrative health professionals guide clients in the use of supportive therapies and sophisticated technologies to heal, connect and grow with a focus on treating mental health and substance abuse.

On February 8, 2021, the Company completed the acquisition of a 100% interest in Mindspace Psychology Services Inc. ("Mindspace"), a Montreal-based full-service psychology clinic with a focus evidence-based approaches to mental health. The acquisition of Mindspace accomplishes our strategic goal in expanding ability to deliver additional health and wellness solutions to the Quebec market.

As a result of the Mindspace acquisition, the Company paid \$500,000 in cash, a time-based pay-out of 441,176 common shares to be issued over the course of 24 months, and \$200,000 in common shares, issued at market price, per year on each year of the first three anniversaries of the Closing Date, subject to certain milestones being met. The Company has determined that this transaction represents a business combination with Numinus Wellness identified as the acquirer. Total consideration of the acquisition is \$1,646,176. Acquisition costs, in the form of advisory, legal and other professional fees, associated with the transaction to acquire Mindspace of \$152,741 were expensed as incurred during the nine months ended May 31, 2021. The Company began consolidating the operating results, cash flows and net assets of Mindspace from February 8, 2021 onwards.

COVID-19 PANDEMIC IMPACT

Operational impact

The Company's lab and testing facility continued operations during COVID-19 as its facilities had existing health and safety protocols and standards to ensure our customers' samples are free of contaminants. In addition to the Company's health and safety protocols at the lab and testing facility, the Company implemented COVID-19 related protocols as provided by the federal and provincial governments to ensure the health & safety of our staff.

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The Company closed its Wellness Center in mid-March 2020 as a result of federal and provincial governments and health professionals' colleges recommendations in response to the COVID-19 global pandemic. During the closure, the Company closely monitored the guidance and response from the federal and provincial governments as to when the Wellness Center could safely resume business. In the beginning of July 2020, the Wellness Center in Vancouver reopened for business after the federal and provincial governments provided guidelines and protocols for businesses to resume operations. Detailed protocols have been introduced at our Wellness Center to protect the health and safety of our employees, practitioners and customers. The financial impact of the closure of the Wellness Center resulted in a 100% decrease in revenues for the Wellness Center. While Mindspace's clinics remained closed, its practitioners converted their services to virtual/ remote therapies. This has resulted in minimal impact on its business. While the Wellness Center and Mindspace continues to operate, the Company cannot determine at this time when revenues will reach levels before COVID-19.

As a measure to manage ongoing costs at the lab and testing facility, the Company uses a just-in-time inventory system for its lab & testing services. By doing so, it reduces the risk of the Company holding a large amount of inventory in the event that COVID-19 negatively impacts lab & testing business. The Company currently employs a number of hourly staff for its Lab and Wellness facility to better manage business fluctuations and the unknown impacts of COVID-19.

The Company is currently looking at different opportunities to augment its current revenue streams to mitigate the risk of impact of COVID-19, including:

- Virtual therapy services at its Wellness Center
- Lab testing services for non-cannabis products

The Company has been remobilizing its workforce in order to provide greater physical distancing and allow the time to adopt as well as progressively assess and refine pandemic related operating protocols consistent with those recommended by the local and provincial health authorities, best management practices and the World Health Organization. The Company understands the physical and emotional impact of COVID-19 has had on our team. We continue to create an environment where our people are safe to work and to continue to support a work/life balance for the other areas of their lives that have been affected by this global pandemic.

Capital and liquidity resources

COVID-19 is a global pandemic that impacts all areas of the business including our customers. Potential negative impacts on our customers business could impact the Company's ability to collect on its accounts receivables, thus negatively impacting the Company's cashflow. The Company is actively monitoring its receivables and customer relationships to decrease the negative impacts in this area.

The Company has managed to raise investment to fund its near-term business milestones and operations. While the Company will continue to look for additional revenue opportunities the Company might need to raise additional capital to meet its business milestones.

The Company continues to assess government programs available to ensure ongoing operations, including Canadian Emergency Wage Subsidies, Sales Tax Deferral, Canada Emergency Business Account interest-free loan and Canadian Emergency Rent Assistance.

Risk Factors

The Company has assessed that there are certain risk factors associated with COVID-19 that would include:

- Volatility in the global capital markets that could negatively impact the Company's ability to access capital.
- Government and other regulatory bodies issue health and safety measures that would cause disruption or closure of operations in the Company's Wellness Center and Lab & Testing facility.
- Interruption to the Lab & Testing facilities supply chain that could cause delays in providing services to our customers.
- Business interruptions to our customers which can negatively impact their ability in making timely payments.

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For the three and nine months ended May 31, 2021 and 2020
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RESULTS OF OPERATIONS**Three months ended May 31, 2021, compared to the three months ended May 31, 2020**

The Company reported net losses and comprehensive losses for the three months ended May 31, 2021 was \$4,824,424 (loss \$0.02 per share), compare to net loss of \$3,328,735 (loss \$0.04 per share) for the three months ended May 31, 2020. The following is a summary and discussion of the significant components of income and expenses recognized during the three months ended May 31, 2021 compare to the same period in the prior year.

		For the three months ended	
		May 31, 2021	May 31, 2020
Revenue	\$	562,076	\$ 216,244
Cost of revenue		(577,573)	(140,650)
Gross (loss) profit		(15,497)	75,594
Expenses			
General and administration		(2,485,805)	(628,410)
Share-based compensation		(610,386)	(173,846)
Sales and marketing		(967,670)	(307,875)
Depreciation		(76,226)	(234,933)
Research and development		(631,124)	(39,641)
Scientific research and experimental tax credit		-	154,646
Business acquisition costs		(8,369)	-
Inventory impairment		-	(1,151)
Total expenses		(4,779,580)	(1,231,210)
Loss before other items		(4,795,077)	(1,155,616)
Interest expense and other finance cost		(36,910)	(21,281)
Interest and other finance cost		5	-
Other expenses		-	-
Gain on debt settlement		-	141,952
Other income		7,558	9,534
Write-off of assets		-	(3,467)
Listing expenses		-	(2,306,044)
Loss before income taxes		(4,824,424)	(3,334,922)
Income tax expense		-	6,187
Loss and comprehensive loss for the period	\$	(4,824,424)	\$ (3,328,735)

Revenue

The Company recorded revenues of \$562,076 compared to revenues of \$216,244 for the three months ended May 31, 2021 and May 31, 2020 respectively. The increase in revenue was a result of the acquisition of Mindspace.

Loss for the period

The Company reported net losses and comprehensive losses of \$4,824,424 and \$3,328,735 for the three months ended May 31, 2021 and May 31, 2020, respectively. The increased in net losses are due to increase operating costs of being a public company with four operating segments (as detailed in Note 10 of the Interim Financial Statements).

The Company incurred general and administration costs of \$2,485,805 for the three months ended May 31, 2021 compared to \$628,410 for the three months ended May 31, 2020.

NUMINUS WELLNESS INC.**MANAGEMENT DISCUSSION AND ANALYSIS**

For the three and nine months ended May 31, 2021 and 2020

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- The Company incurred salaries and wages of \$809,066 during the three months ended May 31, 2021 compared to \$94,720 recorded in the three months ended May 31, 2020. The increase is due to key leadership hired to support the rapid growth of the Company.
- The Company incurred professional and consulting fees of \$1,174,314 for the three months ended May 31, 2021 compared to \$422,217 for the three months ended May 31, 2020. The increase was due to higher legal fees related to the Company's acquisition of Mindspace (see Note 4 of May 31, 2021 Interim Financial Statements) and increased resourcing to support the Company's growth.
- The Company incurred office and miscellaneous expenses of \$502,425 during the three months ended May 31, 2021 compared to \$111,473 for the three months ended May 31, 2020. Expenditures increased as a result of higher regulatory and governance costs due to the bought deal financing completed in the quarter.

The Company incurred research and development costs of \$631,124 for the three months ended May 31, 2021 compared to \$39,641 for the three months ended May 31, 2020, the increase in cost as a result of us investing in clinical trials.

Nine months ended May 31, 2021, compared to the nine months ended May 31, 2020

The Company reported net losses and comprehensive losses for the nine months ended May 31, 2021 was \$10,991,033 (loss \$0.07 per share), compared to the net loss of \$6,307,933 (\$0.12 per share) in the same period 2020. The following is a summary and discussion of the significant components of income and expenses recognized during the nine months ended May 31, 2021 compared to the same period in the prior year.

		For the nine months ended May 31, 2021		For the nine months ended May 31, 2020
Revenue	\$	1,022,771	\$	610,148
Cost of revenue		(1,13,127)		(363,879)
Gross (loss) profit		(113,356)		246,269
Expenses				
General and administration		(6,106,625)		(2,024,256)
Share-based compensation		(1,284,625)		(1,627,036)
Sales and marketing		(2,038,111)		(330,689)
Depreciation		(236,586)		(450,743)
Research and development		(1,041,480)		(39,641)
Scientific research and experimental tax credit		-		154,646
Business acquisition costs		(152,741)		-
Inventory impairment		-		(6,240)
Total expenses		(10,860,168)		(4,323,959)
Loss before other items		(10,973,524)		(4,077,690)
Interest expense and other finance cost		(73,682)		(72,165)
Interest and other finance cost		43		-
Other expenses		-		-
Gain on debt settlement		-		141,952
Other income		56,130		9,534
Write-off of assets		-		(3,467)
Listing expenses		-		(2,306,044)
Loss before income taxes		(10,991,033)		(6,307,880)
Income tax expense		-		(53)
Loss and comprehensive loss for the period	\$	(10,991,033)	\$	(6,307,933)

NUMINUS WELLNESS INC.**MANAGEMENT DISCUSSION AND ANALYSIS**

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(Unaudited and expressed in Canadian Dollars)

Revenue

The Company recorded revenues of \$1,022,771 compared to revenues of \$610,148 for the nine months ended May 31, 2021 and May 31, 2020 respectively. The increase in revenue was a result from the acquisition of Mindspace.

Loss for the period

The Company reported net losses and comprehensive losses of \$10,991,033 and \$6,307,933 for the nine months ended May 31, 2021 and May 31, 2020 respectively. The increase in net losses is due to increased operating costs of being a public company with four operating segments (as detailed in Note 10 of the Interim Financial Statements).

The Company incurred general and administration costs of \$6,106,625 for the nine months ended May 31, 2021 compared to \$2,024,256 for the nine months ended May 31, 2020.

- The Company incurred salaries and wages of \$1,864,579 during the nine months ended May 31, 2021 compared to \$915,328 for the nine months ended May 31, 2020. The increase is due to key leadership hired to support rapid growth of the Company.
- The Company incurred professional and consulting fees of \$3,003,435 for the nine months ended May 31, 2021 compared to \$713,348 for the nine months ended May 31, 2020. This increase was due to higher legal and consulting fees incurred as a result of higher corporate activities as a public company.
- The Company incurred office and miscellaneous expenses of \$1,238,611 during the nine months ended May 31, 2021 compared to \$395,580 for the nine months ended May 31, 2020. The increase was due to one-time employee termination costs and increase in physical space commitments with the acquisition of Numinus Health and Numinus Bioscience as described in Note 1 of the Company's August 31, 2020 Annual Audited Financial Statements.

The Company incurred research and development costs of \$1,041,480 for the nine months ended May 31, 2021 compared to \$39,641 for the nine months ended May 31, 2020, the increase in cost as a result of us investing in clinical trials.

SUMMARY OF QUARTERLY RESULTS

The following table summarizes selected financial information for the Company for each of the past eight quarters ending May 31, 2021:

	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019
	\$	\$	\$	\$	\$	\$	\$	\$
Revenue	562,076	231,507	229,188	271,030	216,244	259,489	134,415	22,316
Net loss and comprehensive loss	(4,824,424)	(4,237,872)	(1,928,737)	(3,292,631)	(3,328,735)	(2,067,948)	(911,251)	(3,538,785)
Basic and diluted loss per share ⁽¹⁾	(0.02)	(0.03)	(0.02)	(0.03)	(0.04)	(0.04)	(0.02)	(0.04)

⁽¹⁾ Fully diluted loss per share amounts are not shown as they would be anti-dilutive.

The Company has incurred significant losses over the years. In anticipation of the legalization of cannabis on October 17, 2018, the Company had invested significant resources to capitalize on the cannabis market immediately. However, with continued delays in obtaining its processing license from Health Canada, the Company had downsized its operations until it would secure its processing license. The Company had invested significant resources in its general and administrative activities to support its operational activities.

The Company currently generates revenue from its lab testing facilities in Nanaimo, BC. The Company is continuing to pursue revenue streams by providing services including cultivation, analytical testing, product research and development, and ancillary services in the area of psychedelics by leveraging its Health Canada licenses and approved facilities.

The Company also generates revenue from its clinics in Vancouver and Montreal. The Company continues to build out its virtual therapy services in order to meet the growing demand on wellness psychotherapy services given the impact on mental health during the pandemic.

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In the three months ended May 31, 2021, the Company recorded revenues of \$562,076 compared to \$216,244 in the comparative period ended May 31, 2020. The increased revenues is due to the consolidation of Mindspace upon acquisition.

Net loss and comprehensive loss for the three months ended May 31, 2021 was \$4,824,424 compared to \$3,328,735 in the comparative period ended May 31, 2020. The increase in loss is due to the increase in costs to support rapid growth of the Company.

LIQUIDITY AND CAPITAL RESOURCES

The Company did not generate any cash flow from operations for the three months ended May 31, 2021. The Company's financial success is reliant on management's ability to identify and evaluate suitable growth and acquisition opportunities. Future cash flows from operations will be dependent on maximizing the potential of these opportunities.

In order to finance the acquisition of growth opportunities and to fund corporate overhead required to oversee these opportunities, the Company will be dependent on investor sentiment remaining positive towards the psychedelics sector, and towards the Company in particular, so that funds can be raised through the sale of the Company's securities. Many factors have an influence on investor sentiment, including a positive climate from investors to support new companies in the psychedelics sector, a company's past financial performance and the experience and caliber of a company's management. There is no certainty that equity funding will be available at the times and in the amounts required to fund the Company's activities. As at May 31, 2021, the Company has cash and cash equivalents of \$63,230,415. Management estimates the Company has sufficient working capital to continue operations for the next twelve months.

The Company has, in the past, financed its activities through equity financings. It is anticipated that, as general sentiment towards investment companies in the cannabis sector turn positive, the Company can raise the necessary capital to secure and finance additional investments that are accretive to shareholder value.

The Company had a working capital of \$62,920,098 as at May 31, 2021 compared to \$663,670 as at August 31, 2020. The increase in working capital was through the \$57,148,749 financing and \$14,935,649 from the exercises of warrants and options.

The Company has no commitments for capital expenditures.

Office and Operating Leases

- a) The Company is committed under lease agreements, to various offices and warehouse premises located in Vancouver, Montreal and Nanaimo, BC expiring over the ten years with monthly rental amounts between \$3,259 and \$6,563.
- b) The Company has operating leases on various office printers and lab equipment with annual renewal periods in June, September and November with a general maintenance agreement amounts based on usage.

The following table presents the projected amounts due under the agreement in future years:

	Years				Total
	0- 1	2-3	4-5	6-10	
Lease Payments	\$426,951	\$812,430	\$354,583	\$116,620	\$1,710,584

Notice of Claims

The Company was served with a Notice of Claim dated December 23, 2019 which has been filed in the Supreme Court of British Columbia naming the Company as the defendant. The Notice of Claim alleges the wrongful termination of the former CEO/CFO and unpaid termination benefits of \$360,000.

The Company believes the lawsuit is without merit and has filed a response accordingly. No provision has been made by the Company with regards to the Notice of Claim.

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Cash and Financial Conditions

The Company had a cash balance of \$63,230,415 as at May 31, 2021 compared to a cash balance of \$1,627,329 as at August 31, 2020. The increase in cash was through the \$57,148,748 financing and \$16,148,127 from the exercises of warrants and options.

The Company does not have any unused lines of credit or other arrangements in place to borrow funds and has no off-balance sheet arrangements.

The Company does not use hedges or other financial derivatives.

Investing Activities

The Company recognized cash outflow of \$499,113 for the nine months ended May 31, 2021 compared to a cash outflow of \$102,153 for the comparative nine months ended May 31, 2020. The main reason for cash outflow is due to cash paid for acquisition of Mindspace and investment in equipment, partially offset by the proceeds from disposal of assets.

Financing Activities

During the nine months ended May 31, 2021, the Company completed a short form prospectus offering of 18,400,000 units (the "September Units") at a price of \$0.25 per September Unit for gross proceeds of \$4,600,000. Each September Unit consists of one common share and one-half of one common share purchase warrants of the Company (each a "September Warrant"). Each September Warrant is exercisable to acquire one common share of the Company for a period of 24 months at an exercise price of \$0.35 per Warrant. In connection with the closing of short form prospectus offering, the Company issued 1,472,000 non-transferrable options (the "Compensation Options") to the Agent with a fair value of \$176,038. Each Compensation Options entitled the Agent to purchase one September Unit with the same term as the September Unit sold under the offering. The Company also incurred \$646,630 share issuance costs.

During the nine months ended May 31, 2021, the Company completed a bought deal financing of 25,367,850 units (the "December Units") at a price of \$0.68 per December Unit with gross proceeds of \$17,250,138. Each December Unit consists of one common share and one-half of one common share purchase warrants of the Company (each a "December Warrant"). Each December Warrant is exercisable to acquire one common share of the Company for period of 24 months at an exercise price of \$0.90 per Warrant. In connection with the closing of bought deal financing, the Company issued 183,824 common shares price of \$0.68 per share with a fair value of \$125,000 (the "Corporate Finance fee"), and 1,522,071 warrants (the "Compensation Warrants") to the Agent with a fair value of \$1,243,566. The Company also incurred \$1,559,612 share issuance costs.

During the nine months ended May 31, 2021, the Company completed a bought deal financing of 32,200,000 units (the "March Units") at a price of \$1.25 per March Unit with gross proceeds of \$40,250,000. Each March Unit consists of one common share and one-half of one common share purchase warrants of the Company (each a "March Warrant"). Each March Warrant is exercisable to acquire one common share of the Company for period of 24 months at an exercise price of \$1.75 per Warrant. In connection with the closing of bought deal financing, the Company issued 1,932,000 non-transferrable options (the "Compensation Options") to the Agent with a fair value of \$1,075,158. Each Compensation Options entitled the Agent to purchase one March Unit with the same term as the March Unit sold under the offering. The Company also incurred \$2,745,148 share issuance costs.

During the nine months ended May 31, 2021, the Company issued 3,091,650 common shares of the Company on the exercise of options with a weighted average exercise price of \$0.25 per share.

During the nine months ended May 31, 2021, the Company issued an aggregate of 25,922,667 common shares on the exercise of warrants with a weighted average exercise price of \$0.59 per share.

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OUTSTANDING SHARE DATA*Common Shares*

During the nine months ended May 31, 2021, the Company completed a short form prospectus offering of 18,400,000 units (the "September Units") at a price of \$0.25 per September Unit for gross proceeds of \$4,600,000. Each September Unit consists of one common share and one-half of one common share purchase warrants of the Company (each a "September Warrant"). Each September Warrant is exercisable to acquire one common share of the Company for a period of 24 months at an exercise price of \$0.35 per Warrant. In connection with the closing of short form prospectus offering, the Company issued 1,472,000 non-transferrable options (the "Compensation Options") to the Agent with a fair value of \$176,038. Each Compensation Options entitled the Agent to purchase one September Unit with the same term as the September Unit sold under the offering. The Company also incurred \$646,630 share issuance costs. The warrants in September Unit have a residual value of \$368,000 recorded in reserves.

During the nine months ended May 31, 2021, the Company completed a bought deal financing of 25,367,850 units (the "December Units") at a price of \$0.68 per December Unit with gross proceeds of \$17,250,138. Each December Unit consists of one common share and one-half of one common share purchase warrants of the Company (each a "December Warrant"). Each December Warrant is exercisable to acquire one common share of the Company for period of 24 months at an exercise price of \$0.90 per Warrant. In connection with the closing of bought deal financing, the Company issued 183,824 common shares price of \$0.68 per share with a fair value of \$125,000 (the "Corporate Finance fee"), and 1,522,071 warrants (the "Compensation Warrants") to the Agent with a fair value of \$1,243,566. The Company also incurred \$1,559,612 share issuance costs.

During the nine months ended May 31, 2021, the Company completed a bought deal financing of 32,200,000 units (the "March Units") at a price of \$1.25 per March Unit with gross proceeds of \$40,250,000. Each March Unit consists of one common share and one-half of one common share purchase warrants of the Company (each a "March Warrant"). Each March Warrant is exercisable to acquire one common share of the Company for period of 24 months at an exercise price of \$1.75 per Warrant. In connection with the closing of bought deal financing, the Company issued 1,932,000 non-transferrable options (the "Compensation Options") to the Agent with a fair value of \$1,075,158. Each Compensation Options entitled the Agent to purchase one March Unit with the same term as the March Unit sold under the offering. The Company also incurred \$2,745,148 share issuance costs. The warrants in March Unit have a residual value of \$3,220,000 recorded in reserves.

During the nine months ended May 31, 2021, the Company issued 3,091,650 common shares of the Company on the exercise of options with a weighted average exercise price of \$0.25 per share. The Company also reclassified a fair value of \$475,696 from reserves to share capital on the exercise of these options.

During the nine months ended May 31, 2021, the Company issued an aggregate of 25,922,667 common shares on the exercise of warrants with a weighted average exercise price of \$0.59 per share. The Company also reclassified a fair value of \$1,006,267 from reserves to share capital on the exercise of these warrants.

During the nine months ended May 31, 2021, the Company issued first tranche 55,147 common shares as part of Mindspace acquisition consideration valued at the closing price of our shares on the Toronto Stock Exchange Venture on February 8, 2021.

As at May 31, 2021, the Company had 201,072,510 Common Shares issued and outstanding.

As at the date of this MD&A, the Company had 202,986,513 Common Shares issued and outstanding.

Options

During the nine months ended May 31, 2021, the Company granted 4,175,000 options to employees and consultants with a weighted expected life of options of two years from issuance at a price range of \$0.25 to \$1.16 per option.

During the nine months ended May 31, 2021, in connection with the closing of short form prospectus offering, the Company issued 1,472,000 non-transferrable options (the "September Compensation Options") to the Agent. Each September Compensation Options entitled the Agent to purchase one Unit. Each unit consists of one common share and one-half of one

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common share purchase warrants of the Company. Each September warrant is exercised to acquire one common share of the Company for a period of 24 months at an exercise price of \$0.35 per warrant.

During the nine months ended May 31, 2021, in connection with the closing of bought deal financing, the Company issued 1,932,000 non-transferrable options (the "March Compensation Options") to the Agent. Each March Compensation Options entitled the Agent to purchase one Unit. Each unit consists of one common share and one-half of one common share purchase warrants of the Company. Each March warrant is exercised to acquire one common share of the Company for a period of 24 months at an exercise price of \$1.75 per warrant.

During the nine months ended May 31, 2021, the Company issued 3,091,650 common shares of the Company on the exercise of options with a weighted average exercise price of \$0.25 per share. The Company also reclassified a fair value of \$475,696 from reserves to share capital on the exercise of these options.

During the nine months ended May 31, 2021, 206,250 options were cancelled and 43,750 options were expired.

Subsequent to the nine months ended May 31, 2021, the Company issued 51,628 common shares on the exercise of option for the proceeds of \$25,270.

As at May 31, 2021, the Company had 11,299,350 stock options outstanding.

As at the date of this MD&A, the Company had 11,627,722 stock options outstanding.

Warrants

During the nine months ended May 31, 2021, the Company completed a short form prospectus offering of 18,400,000 units (the "September Units") at a price of \$0.25 per September Unit for gross proceeds of \$4,600,000. Each September Unit consists of one common share and one-half of one common share purchase warrants of the Company (each a "September Warrant"). Each September Warrant is exercisable to acquire one common share of the Company for a period of 24 months at an exercise price of \$0.35 per Warrant. In connection with the closing of short form prospectus offering, the Company issued 1,472,000 non-transferrable options (the "Compensation Options") to the Agent with a fair value of \$176,038. Each Compensation Options entitled the Agent to purchase one September Unit with the same term as the September Unit sold under the offering. The Company also incurred \$646,630 share issuance costs. The warrants in September Unit have a residual value of \$368,000 recorded in reserves.

During the nine months ended May 31, 2021, the Company completed a bought deal financing of 25,367,850 units (the "December Units") at a price of \$0.68 per December Unit with gross proceeds of \$17,250,138. Each December Unit consists of one common share and one-half of one common share purchase warrants of the Company (each a "December Warrant"). Each December Warrant is exercisable to acquire one common share of the Company for period of 24 months at an exercise price of \$0.90 per Warrant. In connection with the closing of bought deal financing, the Company issued 183,824 common shares price of \$0.68 per share with a fair value of \$125,000 (the "Corporate Finance fee"), and 1,522,071 warrants (the "Compensation Warrants") to the Agent with a fair value of \$1,243,566. The Company also incurred \$1,559,612 share issuance costs.

During the nine months ended May 31, 2021, the Company completed a bought deal financing of 32,200,000 units (the "March Units") at a price of \$1.25 per March Unit with gross proceeds of \$40,250,000. Each March Unit consists of one common share and one-half of one common share purchase warrants of the Company (each a "March Warrant"). Each March Warrant is exercisable to acquire one common share of the Company for period of 24 months at an exercise price of \$1.75 per Warrant. In connection with the closing of bought deal financing, the Company issued 1,932,000 non-transferrable options (the "Compensation Options") to the Agent with a fair value of \$1,075,158. Each Compensation Options entitled the Agent to purchase one March Unit with the same term as the March Unit sold under the offering. The Company also incurred \$2,745,148 share issuance costs. The warrants in March Unit have a residual value of \$3,220,000 recorded in reserves.

During the nine months ended May 31, 2021, the Company issued 560,575 warrants as a result of the exercise of compensation options. Each warrant entitling the holder to acquire one common share of the Company for a period of 24 months at an exercise price of \$0.35 per warrants.

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During the nine months ended May 31, 2021, the Company issued an aggregate of 25,922,667 common shares on the exercise of warrants with a weighted average exercise price of \$0.59 per share. The Company also reclassified a fair value of \$1,006,267 from reserves to share capital on the exercise of these warrants.

Subsequent to the nine months ended May 31, 2021, the Company issued 1,860,561 common shares on the exercise of warrants for the proceeds of \$986,157.

During the nine months ended May 31, 2021, 400,000 warrants were expired unexercised.

As at May 31, 2021, the Company had 42,503,417 warrants outstanding.

At the date of this MD&A, the Company had 40,642,856 warrants outstanding.

OUTLOOK

The Company's ability to continue in the normal course of operations is dependent on management's ability to identify and evaluate suitable investments opportunities. In addition, the Company will actively seek out additional revenue opportunities by leveraging its Nanaimo facilities and Health Canada licenses.

The Company is largely dependent upon external financings to fund activities. Management and the board of directors of the Company continuously review and examine business proposals for the Company and conduct their due diligence in respect of the same. The Company will continue to seek new investments if it feels there are sufficient opportunities to increase shareholder value and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis and will adjust its approach to changing business and economic conditions.

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

OFF-BALANCE SHEET ARRANGEMENTS

At the date of this report, the Company had no off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

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

Remuneration attributed to key management personnel can be summarized as follows:

	For the nine months ended	
	May 31, 2021	May 31, 2020
Salaries and benefits	\$ 569,274	\$ -
Management and consulting fees	-	419,833
Share-based compensation	771,909	170,772
Total	\$ 1,341,183	\$ 590,605

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The following table provides the outstanding balances as at May 31, 2021 and August 31, 2020.

	May 31, 2021	August 31, 2020
Due to related parties:		
Payable to Chief Executive Officer of the Company	\$ -	\$ 171,952
Total Due to Related Parties	\$ -	\$ 171,952

All balances are unsecured, non-interest bearing and with no fixed terms of repayment.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES**Basic of preparation and accounting policies**

Our condensed consolidated interim financial statements have been prepared in accordance with IFRS as issued by the IASB applicable to the preparation of interim financial statements, including IAS 34, *Interim Financial Reporting*. Our condensed consolidated interim financial statements should be read in conjunction with our audited consolidated financial statements for the year ended August 31, 2020.

The accounting policies applied in the preparation of our condensed consolidated interim financial statements are consistent with those applied and disclosed in our audited consolidated financial statements for the year ended August 31, 2020.

Critical Accounting Estimates and Judgements

The preparation of financial statements in conformity with IFRS requires the use of judgements and/or estimates that affect the amounts reported and disclosed in the condensed consolidated interim financial statements and related notes. Critical accounting estimates represent estimates that are uncertain and for which changes in those estimates could materially impact our consolidated financial statements. The critical judgements and key sources of estimation uncertainty that have the most significant effect in the preparation of our condensed consolidated interim financial statement for the nine months ended May 31, 2021 are consistent with those disclosed in note 3 of our audited consolidated financial statements for the year ended August 31, 2020.

FINANCIAL INSTRUMENTS AND RELATED RISKS**Financial Instruments**Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The following table shows the classification of the Company's financial instruments:

Financial assets/liabilities	Classification
Cash	FVTPL
Accounts receivable	Amortized cost
Contingent consideration payable	FVTPL
Due from related parties	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Due to related parties	Amortized cost
Debt	Amortized cost

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Measurement*Financial assets and liabilities at amortized cost*

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at fair value through profit of loss

Financial assets and liabilities at FVTPL Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statements of loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statements of loss in the period in which they arise.

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 the consolidated statements of loss, as an impairment gain or loss, 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.

Derecognition*Financial assets*

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the consolidated statements of loss.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. Gains and losses on derecognition are recognized in profit or loss.

Risk Management

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's cash, trade receivables and other receivables. The carrying amount of these financial assets represent the maximum credit exposure.

Cash and cash equivalents are deposited with major Canadian financial institutions, and management believes the exposure to credit risk with respect to these institutions is not significant.

The Company is exposed to credit risk inherent in its trade and other receivables which include credit exposures to customers and their outstanding trade receivables and other receivables balances. The maximum credit risk associated with trade receivables is equal to the carrying amount.

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Liquidity risk

As at May 31, 2021, the Company's financial liabilities consist of accounts payable and accrued liabilities and debt which have contractual maturities within one year and due to related parties which have no fixed terms of repayment. The Company manages liquidity risk by reviewing its capital requirements on an ongoing basis. As at May 31, 2021, the Company has cash and cash equivalents of \$63,230,415 to meet its obligations as they become due.

Price risk

Price risk is the risk of variability in fair value due to movements in shareholders' equity or market prices.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency rates. As at May 31, 2021, the Company had no financial instruments denominated in any other currency than the Canadian dollar and as such, the Company does not consider itself exposed to significant currency risk.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company holds cash in accounts with variable interest rates, and currently does not carry variable interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its financial institutions. It is management's opinion that the Company is not exposed to significant interest rate risk.

Risks Related to the Cannabis & Wellness Industry***Risks Relating to Federal Laws and Regulations***

The industry in which the Company operates could subject the Company to comply with a myriad of other federal, provincial and local laws and regulations, which could include, among others, laws and regulations relating to psychedelics, psychedelic-assisted psychotherapies and cannabis, personally identifiable information, wage and hour restrictions, health and safety matters, consumer protection and environmental matters. The Company's business objectives are contingent upon, in part, compliance with regulatory requirements enacted by these governmental authorities and obtaining all regulatory approvals, where necessary, for the sale of its products. The Company cannot predict the time required to secure all appropriate regulatory approvals for its products. Compliance with such laws and regulations may be costly and a failure to comply with such laws and regulations could result in fines, penalties, litigation and other liability that could materially adversely affect the Company.

The Company's business and products is and will continue to be regulated as applicable laws continue to change and develop. Regulatory compliance and the process of obtaining regulatory approvals can be costly and time-consuming. Further, the Company cannot predict what kind of regulatory requirements its business will be subject to in the future. Any delays in obtaining, or failure to obtain regulatory approvals would significantly delay the development of markets and products and could have a material adverse effect on the business, results of operations and financial condition of the Company.

Furthermore, although the operations of the Company are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail the Company's ability to conduct its business. Amendments to current laws and regulations governing the importation, distribution, transportation and/or production of medical marijuana, or more stringent implementation thereof could have a substantial adverse impact on the Company. Local, provincial and federal laws and enforcement policies concerning marijuana-related conduct are changing rapidly and will continue to do so for the foreseeable future. Changes in applicable law are unpredictable and could have a material adverse effect on the Company. Changes in applicable laws or regulations could significantly diminish the Company's prospects. The Company has little or no control over potential changes to laws or regulations that may affect its business.

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Additionally, governmental regulations affect taxes and levies, healthcare costs, energy usage and labor issues, all of which may have a direct or indirect effect on the Company's business and its customers or suppliers. Changes in these laws or regulations, or the introduction of new laws or regulations, could increase the costs of doing business for the Company, or its customers or suppliers, or restrict the Company's actions, causing the Company to be materially adversely affected.

Change in Laws, Regulations and Guidelines

Numinus' operations will be subject to various laws, regulations and guidelines relating to the manufacture, management, transportation, storage and disposal of psychedelics and medical cannabis, as well as being subject to laws and regulations relating to health and safety, the conduct of operations and the protection of the environment.

On October 19, 2015, the Liberal Party of Canada obtained a majority government in Canada. The Liberal Party committed to the legalization of recreational cannabis in Canada. On June 30, 2016, the Canadian Federal Government established the Task Force on Cannabis Legalization and Regulation to seek input on the design of a new system to legalize, strictly regulate and restrict access to marijuana. The Task Force has completed its review and published a report dated August 13, 2016, which outlines its recommendations. On November 27, 2017, the House of Commons passed Bill C-45, and on August 20, 2017, the Prime Minister announced that the Canadian Federal Government intends to legalize cannabis on October 17, 2018.

The Task Force had several recommendations for the *Cannabis Act* (Canada) including, permitting home cultivation, restrictions on advertising and branding, and potentially easing access for individuals to enter into the Canadian recreational cannabis market. The Task Force's advice will be taken into account by the Government of Canada as it builds the framework for recreational cannabis. These recommendations could materially and adversely affect the business, financial condition and results of the Company.

On August 11, 2016, Health Canada announced the new ACMPR which came into force on August 24, 2016, replacing the *Marihuana for Medical Purposes Regulations* (Canada) ("MMPR") as the regulations governing Canada's medical cannabis program. The ACMPR was implemented as a result of the Federal Court ruling in the Allard Decision. In the Allard Decision, the Federal Court found the MMPR to be unconstitutional and of no force and effect but suspended its declaration of invalidity for six months in order to give the government time to respond.

As per Health Canada's statement and corresponding fact sheet released on August 11, 2016, the ACMPR allows Canadians who have been authorized by their health care practitioner, and who are registered with Health Canada, to produce a limited amount of medical marijuana for their own medical purposes, or to designate someone who is registered with Health Canada to produce it for them. Starting materials such as plants or seeds are to be obtained from Licensed Producers only. Individuals will also continue to have the option to purchase quality controlled medical marijuana from Licensed Producers. It is possible that such developments could significantly reduce the addressable market for the Company's products and materially and adversely affect the business, financial condition and results of operations of the Company.

The Canadian Federal Government's Task Force sought input on the design of a new system to legalize, strictly regulate and restrict access to marijuana. The Task Force has completed its review in a report dated November 30, 2016 which outlines their 25 recommendations. Their advice will be considered by the Government of Canada as a new framework for recreational marijuana is developed. It is possible that such developments could significantly adversely affect the business, financial condition and results of operations of the Company.

On October 3, 2017, the Government's Parliamentary Standing Committee on Health (HESA) proposed amendments to the *Cannabis Act* (Canada) that edibles containing cannabis and its extracts would be added to the classes of cannabis an authorized person may sell. HESA's report also suggested that a framework for sale of edibles and cannabis concentrates would be implemented within one year from the enactment of the *Cannabis Act* (Canada). HESA's proposed amendments were incorporated Bill C-45, which was passed by the House of Commons on November 27, 2017 and the Senate on June 20, 2018.

On November 10, 2017, the National Department of Finance issued regulatory proposals and legislation for the taxation of cannabis. The effect would be that the cannabis producers would be placed in the existing rules that currently apply an excise duties on tobacco, wine and spirits producers under the *Excise Tax Act* (Canada). There will be a new tax licensing category for cannabis producers where excise duties payable by licensed cannabis producers on both recreational and medical cannabis products in addition to GST/HST under the *Excise Tax Act* (Canada). There would also be rules in place for stamping and marking

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rules and ongoing reporting requirements. The framework for the cannabis excise duty is proposed to generally be in effect by the date that legal recreational cannabis becomes available for retail sale under the proposed *Cannabis Act* (Canada).

On June 21, 2018, the Cannabis Act received Royal Assent and came into force on October 17, 2018. The ACMPR will continue to operate in tandem with the recreational regime and will be re-evaluated within five years of the Cannabis Act coming into force. The governments of every Canadian province and territory have implemented different regulatory regimes for the distribution, sale and use of recreational cannabis within those jurisdictions. For example, Quebec, Manitoba, New Brunswick, Nova Scotia, Prince Edward Island and the Northwest Territories have chosen the government regulated model for distribution, whereas Saskatchewan and Newfoundland & Labrador have opted for a private sector approach. Alberta and British Columbia are pursuing a hybrid approach of public and private sale and distribution.

While Ontario had previously committed to a government-regulated model for distribution, it subsequently enacted the Cannabis License Act, 2018, which creates a licensing scheme for private cannabis retail stores. The Ontario Cannabis Retail Corporation will have the exclusive right to sell cannabis in Ontario online and the exclusive right to sell cannabis in Ontario to a holder of a retail store authorization for the purposes of resale. The Government of Ontario has indicated that the private retail model will launch by April 1, 2019, with the Ontario Cannabis Retail Corporation offering online sales of recreational cannabis in the interim.

Psychedelic Regulatory Risk

While the Company does not currently generate revenue from psychedelic therapy products and treatments, the Company proposes to use certain of its available working capital in (i) developing psychedelic therapy protocols and treatments, and (ii) building a facility which is specifically suited for psychedelic therapy research and development. Psychedelic therapy 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 therapy development.

General Healthcare Regulation

Healthcare service providers in Canada are subject to various governmental regulation and licensing requirements and, as a result, the Company's businesses operate in an environment in which government regulations and funding play a key role. The level of government funding directly reflects government policy related to healthcare spending, and decisions can be made regarding such funding that are largely beyond the businesses' control. Any change in governmental regulation, delisting of services, and licensing requirements relating to healthcare services, or their interpretation and application, could adversely affect the business, financial condition and results of operations of these business units. In addition, the Company could incur significant costs in the course of complying with any changes in the regulatory regime. Non-compliance with any existing or proposed laws or regulations could result in audits, civil or regulatory proceedings, fines, penalties, injunctions, recalls or seizures, any of which could adversely affect the reputation, operations or financial performance of the Company.

Risks Relating to the Licensing Process

The medical marijuana rules are constantly changing throughout the global cannabis industry. As a result, consumers and producer rights are in limbo. The future business partnerships and licensee agreements that the Company may make may be subject to receiving regulatory certification or accreditation through Health Canada, or any other applicable regulatory authority. Such licensing, certification or accreditation may include, but not be limited to: licenses issued under the CDSA, the Narcotic Control Regulations, GMP Certification and ISO certification. Licensing requirements are stringent and there can be no guarantee that the regulatory authorities will issue, extend or renew any license. Failure to maintain a license or any failure to comply with the requirements of a license would have a material adverse impact on the business, financial condition and operating results of the Company and could lead to a significant decline in the value of its securities.

Unfavourable Publicity or Consumer Perception

The management of Salvation believes the medical marijuana industry is highly dependent upon consumer perception regarding the safety, efficacy and quality of the medical marijuana produced. Consumer perception of cannabis-based products

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may be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention and other publicity regarding the consumption of medical marijuana products.

There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favourable to the medical marijuana market or any particular product, or consistent with earlier publicity. Future research reports, findings, regulatory proceedings, litigation, media attention or other publicity that are perceived as less favourable than, or that question, earlier research reports, findings or publicity could have a material adverse effect on the demand for the Company's proposed products and the business, results of operations, financial condition and cash flows of the Company. Salvation's dependence upon consumer perceptions means that adverse scientific research reports, findings, regulatory proceedings, litigation, media attention or other publicity, whether or not accurate or with merit, could have a material adverse effect on the Company, the demand for the Company's proposed services, and the business, results of operations, financial condition and cash flows of the Company. Further, adverse publicity reports or other media attention regarding the safety, efficacy and quality of medical marijuana in general, or the Company's proposed products and services specifically, or associating the consumption of medical marijuana with illness or other negative effects or events, could have such a material adverse effect. Such adverse publicity reports or other media attention could arise even if the adverse effects associated with such products resulted from consumers' failure to consume such products appropriately or as directed.

Liability, Enforcement Complaints etc.

Numinus' participation in the psychedelic and cannabis industry may lead to litigation, formal or informal complaints, enforcement actions, and inquiries by various federal, provincial or local governmental authorities. Litigation, complaints, and enforcement actions could consume considerable amounts of financial and other corporate resources, which could have an adverse effect on the Company's future cash flows, earnings, results of operations and financial condition.

The psychedelic and cannabis industry faces significant opposition

It is believed by many that large well-funded businesses may have strong economic opposition to the psychedelics and cannabis industry. The pharmaceutical industry is well funded with a strong and experienced lobby that eclipses the funding of the psychedelics and medical cannabis industry. Any inroads the pharmaceutical industry could make in halting or impeding the psychedelics and cannabis industry could have a material adverse effect on the Company.

COVID-19 Global Pandemic

In March 2020 the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. The Company implemented health protocols as recommended by the Canadian federal and provincial health authorities to ensure the safety of our employees and clients. The Company's lab and testing facility continued operations during COVID-19 as its facilities had existing health and safety protocols and standards in place as per the Company's Health Canada license guidelines. The Company temporarily closed its Wellness Center for 3 months as a result of federal and provincial governments and health professionals' colleges recommendations in response to COVID-19. The Company reopened its Wellness Center in July 2020 after federal and provincial governments provided guidelines and protocols for businesses to resume operations. COVID-19 has negatively impacted the Wellness Center for certain practitioners who provide in-person services while other practitioners have changed their business model to provide remote services where possible.

FINANCIAL RISK FACTORS

The fair value of the Company's amounts receivable, accounts payable and accrued liabilities and payroll payable approximate their carrying value, which is the amount recorded on the statement of financial position, due to their short terms to maturity. The Company's cash and cash equivalents are measured at fair value, under the fair value hierarchy based on level one quoted prices in active markets for identical assets or liabilities.

NUMINUS WELLNESS INC.**MANAGEMENT DISCUSSION AND ANALYSIS**

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FORWARD-LOOKING STATEMENTS

Certain information set forth in this document includes forward-looking statements. By their nature, forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond the Company's control, including but not limited to: general economic and business conditions related to the psychedelics and cannabis industry; cash flow projections; currency fluctuations; risks relating to our ability to obtain adequate financing for future activities; the nature of our future activities; and other general market and industry conditions as well as those factors discussed in the Company's listing statement dated March 9, 2020, a copy of which is available under Numinus Wellness Inc. on SEDAR at www.sedar.com.

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. The Company's actual results, programs and financial position could differ materially from those expressed in or implied by these forward-looking statements and accordingly, no assurance can be given that the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits the Company will derive from them. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and as such, undue reliance should not be placed on forward-looking statements.

The Company believes that the expectations reflected in these forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and as such forward looking statements contained into this report should not be relied upon. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this report. Such statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to assumptions about general business and economic conditions, the availability of financing for the Company, and the ability to identify and secure a quality asset or a business with a view of completing a transaction subject to receipt of shareholder approval and acceptance by regulatory authorities.

SUBSEQUENT EVENTS

- a) On July 16, 2021, the Company entered into a definitive agreement to acquire 100% of Toronto-based Neurology Centre of Toronto (the "NCT Transaction"). The Company will pay the following consideration to complete Transaction:
 - i. \$300,000 in cash and \$200,000 in shares upon closing and
 - ii. Performance-based shares payment totaling up to \$500,000
- b) Subsequent to the nine months ended, the Company issued 1,914,003 common shares pursuant to the exercise of options and warrants for the proceeds of \$1,011,427.