

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

The securities offered under this short form prospectus have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”), or any state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons unless exemptions from the registration requirements of the U.S. Securities Act and applicable state securities laws are available. This short form prospectus does not constitute an offer to sell or a solicitation or an offer to buy any of the securities offered hereby within the United States or to, or for the benefit of, U.S. persons. “United States” and “U.S. person” have the meanings ascribed to them in Regulation S under the U.S. Securities Act. See “Plan of Distribution”.

Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of BetterLife Pharma Inc. at 1275 West 6th Avenue, #300, Vancouver, BC, V6H 1A6, Telephone: (604)221-0595, Email: Info@BlifePharma.com, and are also available electronically at www.sedarplus.ca.

SHORT FORM PROSPECTUS

New Issue

September 11, 2026



BETTERLIFE PHARMA INC.

Minimum US\$80,000,000 (444,000,000 Common Shares or Pre-Funded Warrants)

Maximum US\$100,000,000 (555,000,000 Common Shares or Pre-Funded Warrants)

Price: \$0.25 (US\$0.18018)¹ per Common Share or \$0.24999 (US\$0.18017)¹ per
Pre-Funded Warrant

BetterLife Pharma Inc. (the “**Company**” or “**BetterLife**” or “**we**” or “**our**”) is hereby qualifying for distribution a minimum of 444,000,000 common shares of the Company (the “**Common Shares**”) (the “**Minimum Offering**”) and a maximum of 555,000,000 Common Shares (the “**Maximum Offering**”) of the Company (the “**Common Shares**”) at a price of \$0.25 per Common Share (the “**Common Share Offering Price**” and such Common Shares, the “**Offered Shares**”). In lieu of an Offered Share, purchasers may elect to purchase one pre-funded common share purchase warrant of the Company (each, a “**Pre-Funded Warrant**”) at a price of \$0.24999 per Pre-Funded Warrant (the “**Pre-Funded Warrant Offering Price**”, and together with the Common Share Offering Price, the “**Offering Price**”) for aggregate gross proceeds of between \$111,000,000 (US\$80,000,000) and \$138,750,000 (US\$100,000,000). Each Pre-Funded Warrant will entitle the holder thereof to acquire, subject to adjustment in certain circumstances, one Common Share in the capital of the Company (each, a “**Warrant Share**”). The Pre-Funded Warrants will not expire until exercised in full. The Pre-Funded Warrants will have a nominal exercise price of \$0.00001 per Warrant Share. The Pre-Funded Warrants may be exercised on a “net” or “cashless” basis.

¹ Based on an approximate exchange rate of CAD\$1.00 = US\$0.72072.

The distribution of the Offered Shares, Pre-Funded Warrants, Over-Allotment Shares (as defined herein), Over-Allotment Warrants (as defined herein) and the Broker Warrants (as defined herein) is qualified by this short form prospectus (the “**Prospectus**”) and is referred to herein as the “**Offering**”. See “*Description of Securities Being Distributed*”.

The Offering is made on a commercially reasonable efforts agency basis pursuant to the terms and conditions of an agency agreement (the “**Agency Agreement**”) to be entered into between Bloom Burton Securities Inc. (“**Bloom Burton**” or the “**Lead Agent**”), Haywood Securities Inc. (together with the Lead Agent, the “**Agents**”) and the Company. See “*Plan of Distribution*”.

Pursuant to the terms of the Agency Agreement, the Offered Shares, the Pre-Funded Warrants, Over-Allotment Shares and the Over-Allotment Warrants will be issued and sold in the provinces of British Columbia, Alberta and Ontario by the Agents. The Offered Shares, the Pre-Funded Warrants, the Over-Allotment Shares and the Over-Allotment Warrants will be offered in each of such provinces through the Agents or their affiliates who are registered to offer the securities for sale in such provinces and such other registered dealers as may be designated by the Agents. The Offered Shares and the Pre-Funded Warrants will also be offered to, or for the account or benefit of, persons in the United States and U.S. persons by or through one or more United States registered broker-dealers affiliated with or appointed by an Agent (each a “**U.S. Placement Agent**”) for sale directly by the Company, under certain exemptions from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. In addition, the Agents are entitled to offer the Offered Shares, the Pre-Funded Warrants and the Over-Allotment Shares outside of Canada and the United States to non-U.S. persons, provided that the Agents shall not take any action in connection with the distribution of the Offered Shares, the Pre-Funded Warrants, the Over-Allotment Shares or the Over-Allotment Warrants that would result in the Company being obligated to comply with the prospectus, registration, reporting or other similar requirements of the securities laws of any jurisdiction. See “*Plan of Distribution*”.

The Common Shares are listed and posted for trading on the Canadian Securities Exchange (the “**CSE**”) under the symbol “BETR”, the OTCQB under the symbol “BETRF” and on the Frankfurt Exchange under the symbol “NPAU”. On September 10, 2026, the last trading day prior to the date of this Prospectus, the closing price of the Common Shares on the CSE, the OTCQB and the Frankfurt Exchange was \$0.305, US\$0.2167 and €0.177, respectively. The Company will apply to the CSE to list the Offered Shares, the Warrant Shares, the Over-Allotment Shares and the Broker Warrant Shares distributed under this Prospectus on the CSE, subject to the Company fulfilling all of the requirements of the CSE. The Company does not intend to apply to list the Pre-Funded Warrants on any securities exchange. **There will be no market through which the Pre-Funded Warrants may be sold, and purchasers may not be able to resell the Pre-Funded Warrants acquired pursuant to this Prospectus. This may affect the pricing of the Pre-Funded Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of the Pre-Funded Warrants and the extent of issuer regulation. An investment in the securities of the Company is speculative and involves a significant degree of risk. See “Risk Factors” in this Prospectus and the documents incorporated by reference herein.**

An investment in the securities of the Company is highly speculative and involves significant risks that should be carefully considered by prospective investors before purchasing such securities. The risk factors outlined in this Prospectus and in the documents incorporated by reference herein should be carefully reviewed and considered by prospective investors in connection with an investment in such securities. See “Risk Factors” and “Cautionary Statement Regarding Forward Looking Information” in this Prospectus and the documents incorporated by reference herein. Potential investors are advised to consult their own legal counsel and other professional advisers in order to assess income tax, legal and other aspects of this investment.

	Price to the Public	Agents’ Fee ⁽¹⁾	Net Proceeds to the Company ⁽²⁾
Per Offered Share ⁽³⁾	\$0.25	\$0.0175	\$0.2325
Per Pre-Funded Warrant ⁽³⁾	\$0.24999	\$0.0174993	\$0.2324907
Minimum Offering ⁽⁴⁾	\$111,000,000	\$7,770,000	\$103,230,000
Maximum Offering ⁽⁴⁾	\$138,750,000	\$9,712,500	\$129,037,500

Notes:

- (1) Pursuant to the Agency Agreement, the Company has agreed to pay to the Agents, on the Closing Date, a fee equal to 7% of the aggregate gross proceeds of the Offering, including any proceeds raised through the sale of Over-Allotment Shares and Over-Allotment Warrants pursuant to the exercise of the Over-Allotment Option (as defined herein) (the “**Agents’ Fee**”). In addition to the Agents’ Fee, the Company will issue to the Agents, on the Closing Date, broker warrants (“**Broker Warrants**”) to purchase such number of Common Shares (the “**Broker Warrant Shares**”) as is equal to 7% of the aggregate number of Offered Shares, Pre-Funded Warrants, Over-Allotment Shares and Over-Allotment Warrants issued pursuant to the Offering. Each Broker Warrant shall entitle an Agent to acquire one Broker Warrant Share at an exercise price of \$0.25, subject to adjustment, for a period of 36 months following the Closing Date. See “*Plan of Distribution*”. Notwithstanding the foregoing, the Agents shall not receive the Agents’ Fee or Broker Warrants with respect to capital raised in the Offering from certain purchasers noted on a president’s list to be agreed to between the Lead Agent and the Company (the “**President’s List**”), up to an aggregate subscription amount of US\$5,000,000. The above assumes no sales to purchasers on the President’s List. This Prospectus also qualifies the distribution of the Broker Warrants.
- (2) After deducting the Agents’ Fee, but before deducting the expenses of the Offering, estimated to be approximately US\$370,000, which will be paid out of the gross proceeds of the Offering.
- (3) Assuming no exercise of the Over-Allotment Option.
- (4) The Company has granted the Agents an option (the “**Over-Allotment Option**”), exercisable in whole or in part at any time for a period of 30 days following the Closing Date, to offer for sale such number of additional Common Shares (the “**Over-Allotment Shares**”) and Pre-Funded Warrants (the “**Over-Allotment Warrants**”) together, representing 15% of the number of Offered Shares and Pre-Funded Warrants issued under the Offering, solely to cover over-allotments, if any. The Over-Allotment Option may be exercised by the Agents in respect of the Over-Allotment Shares at the Common Share Offering Price and the Over-Allotment Warrants at the Pre-Funded Warrant Offering Price, so long as the aggregate number of Over-Allotment Shares does not exceed 15% of the number of Offered Shares and Pre-Funded Warrants issued under the Offering (excluding the Over-Allotment Option). Unless the context otherwise requires, references to the Offered Shares herein shall include the Over-Allotment Shares and references to Pre-Funded Warrants herein shall include the Over-Allotment Warrants. If the Agents exercise the Over-Allotment Option in full under the Offering for Over-Allotment Shares and Over-Allotment Warrants, the total price to the public will be US\$115,000,000 (\$159,562,500), the aggregate Agents’ Fee will be US\$8,050,000 (\$11,169,375), and the net proceeds to the Company, before deducting the estimated expenses of the Offering, will be US\$106,950,000 (\$148,393,125). This Prospectus qualifies the grant of the Over-Allotment Option and the distribution of the Over-Allotment Shares and Over-Allotment Warrants. A purchaser who acquires securities forming part of the Agents’ over-allocation position acquires those securities under this Prospectus, regardless of whether such over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or through secondary market purchases. See “*Plan of Distribution*”.

In connection with the Offering, and subject to applicable laws, the Agents may effect transactions that are intended to stabilize or maintain the market price of the Common Shares at levels other than that which might otherwise prevail in the open market. **Such transactions, if commenced, may be discontinued at any time.** See “*Plan of Distribution*”.

The following table sets out the maximum number of Over-Allotment Shares and Over-Allotment Warrants that may be issued by the Company pursuant to the Over-Allotment Option:

Agents’ Position	Maximum Number of Over-Allotment Securities Available under the Offering ⁽¹⁾	Exercise Period	Exercise Price
Over-Allotment Option	83,250,000 Over-Allotment Shares 83,250,000 Over-Allotment Warrants	From the date of the Agency Agreement to 30 days following the Closing Date	\$0.25 per Over-Allotment Share \$0.24999 per Over-Allotment Warrant

Note:

- (1) Based on completion of the Maximum Offering and exercise of the Over-Allotment Option in full.

The following table sets out the number of Broker Warrants that may be issued to the Agents:

Agents’ Position	Maximum Number of Broker Warrants Available under Minimum Offering	Maximum Number of Broker Warrants Available under Maximum Offering	Exercise Period	Exercise Price
Broker Warrants ⁽¹⁾	31,080,000 Broker Warrants	38,850,000 Broker Warrants	Up to 36 months following the Closing Date	\$0.25 per Broker Warrant Share

Note:

- (2) Assuming no exercise of the Over-Allotment Option.

Subscriptions for Offered Shares and Pre-Funded Warrants will be received by the Agents subject to rejection or allotment in whole or in part, and the right is reserved to close the subscription books at any time without notice. Except in limited circumstances including, but not limited to, certain securities offered or sold to, or for the

account or benefit of, persons in the United States or U.S. Persons, no certificates will be issued in respect of the Offered Shares. Subject to certain limited exceptions, the Offering will be conducted under the book-based system and a subscriber will receive a customer confirmation from the registered dealers through which Offered Shares are purchased and who is a CDS Clearing and Depositary Services Inc. (“CDS”) depositary-service participant. It is anticipated that the Offered Shares will be issued in “book-entry only” form and represented by a global certificate or certificates, or be represented by uncertificated securities, registered in the name of CDS or its nominee, and will be deposited with CDS (subject to certain limited exceptions). Certificates representing the Pre-Funded Warrants will be in definitive form and available for delivery to purchasers at the Closing Date of the Offering. The Company expects that delivery of the Pre-Funded Warrants will be made against payment therefor on or about the Closing Date. See “*Plan of Distribution*”.

The Offering Price was determined by arm’s length negotiation between the Company and the Lead Agent, with reference to the prevailing market price of the Common Shares. Provided that the Minimum Offering is subscribed for, the closing of the Offering is expected to occur on or about September 15, 2026, or such later date as may be agreed upon by the Company and the Lead Agent. Subscription proceeds will be held in trust by the Agents until at least the Minimum Offering is raised. If subscriptions for at least the Minimum Offering have not been received within 90 days following the date of issuance of the receipt for the final short form prospectus, the Offering will not continue and the subscription proceeds will be returned to subscribers, without interest or deduction.

The completion of the Offering will occur on such date (the “**Closing Date**”) as the Company and the Lead Agent may agree. In any event, the total period of the distribution will end not more than 90 days from the issuance of a receipt for the final short form prospectus filed in connection with the Offering.

There can be no assurance that any or all of the Offered Shares and Pre-Funded Warrants being offered will be sold. See “*Plan of Distribution*”.

The Offering is not underwritten or guaranteed by any person. The Agents, as principals, conditionally offer the Offered Shares and Pre-Funded Warrants, subject to prior sale, if, as and when issued by the Company and accepted by the Agents in accordance with the conditions to be contained in the Agency Agreement referred to under “*Plan of Distribution*”, and subject to approval of certain legal matters on behalf of the Company by Lindsay Kenney LLP, with respect to Canadian legal matters, and on behalf of the Agents by Bennett Jones LLP, with respect to Canadian legal matters. The U.S. Placement Agents will not be registered as dealers in any Canadian jurisdiction and, accordingly, they will not, directly or indirectly, solicit offers to purchase or sell the Offered Shares or Pre-Funded Warrants in Canada.

Investors should rely only on the information contained or incorporated by reference in this Prospectus. The Company and the Agents have not authorized anyone to provide investors with information different from that contained or incorporated by reference in this Prospectus. Readers should not assume that the information contained in this Prospectus is accurate as of any date other than the date on the cover page of this Prospectus. The Company does not undertake to update information contained or incorporated by reference in this Prospectus, except as required by applicable securities laws. **Information contained on the website of the Company shall not be deemed to be a part of this Prospectus or incorporated herein by reference and should not be relied upon by prospective investors for the purpose of determining whether to invest under the Offering.**

Prospective investors should be aware that the acquisition or disposition of the Offered Shares or the Pre-Funded Warrants described herein may have tax consequences in Canada. This Prospectus may not describe these tax consequences fully. You should consult and rely on your own tax advisor with respect to your own particular circumstances. See “*Certain Canadian Federal Income Tax Considerations*” in this Prospectus.

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. See “*Purchasers’ Statutory Rights and Contractual Rights of Withdrawal and Rescission*”.

Douglas Drysdale and John LaRocca, both being directors of the Company, each reside outside of Canada (the “**Non-Resident Directors**”). The Non-Resident Directors have appointed the following agent for service of process:

Name of the Non-Resident Director
Douglas Drysdale

Name and Address of Agent
Lindsay Kenney LLP

John LaRocca
Charles Duncan

1500, 401 West Georgia Street
Vancouver, British Columbia, V6B 5A1

Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process. See “*Risk Factors*”.

Unless otherwise indicated, all references to dollar amounts in this Prospectus are to Canadian dollars.

The Company’s head office is located at 1275 West 6th Avenue, #300, Vancouver, BC, V6H 1A6. The Company’s registered office is located at Suite 1500-401 West Georgia Street, Vancouver, British Columbia, V6B 5A1.

No Canadian securities regulator has approved or disapproved of the securities offered hereby, passed upon the accuracy or adequacy of this Prospectus or determined if this Prospectus is truthful or complete. Any representation to the contrary is a criminal offence.

TABLE OF CONTENTS

DEFINITIONS.....	7
IMPORTANT NOTICE ABOUT THE INFORMATION IN THIS PROSPECTUS	7
CURRENCY PRESENTATION AND EXCHANGE RATE INFORMATION	7
CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION.....	8
DOCUMENTS INCORPORATED BY REFERENCE.....	12
THE COMPANY	13
CONSOLIDATED CAPITALIZATION.....	14
USE OF PROCEEDS	15
PLAN OF DISTRIBUTION	17
DESCRIPTION OF SECURITIES BEING DISTRIBUTED.....	20
PRIOR SALES.....	22
TRADING PRICE AND VOLUME.....	24
RISK FACTORS	24
ELIGIBILITY FOR INVESTMENT	38
CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS.....	39
AUDITORS, TRANSFER AGENT, REGISTRAR AND WARRANT AGENT	43
LEGAL MATTERS.....	43
PURCHASERS' STATUTORY RIGHTS AND CONTRACTUAL RIGHTS OF WITHDRAWAL AND RESCISSION.....	43
CERTIFICATE OF THE COMPANY	45
CERTIFICATE OF THE AGENTS	46

DEFINITIONS

All capitalized terms not defined herein have the meanings ascribed to them in the Annual Information Form (as defined herein).

IMPORTANT NOTICE ABOUT THE INFORMATION IN THIS PROSPECTUS

General Advisory

You should rely only on the information contained or incorporated by reference in this Prospectus. Neither the Company nor the Agents have authorized anyone to provide you with different or additional information. Neither the Company nor the Agents are making an offer of the Offered Shares or the Pre-Funded Warrants in any jurisdiction where the offer is not permitted by law. If anyone provides you with any different or inconsistent information, you should not rely on it. You should not assume that the information contained in or incorporated by reference in this Prospectus is accurate as of any date other than the date on the front of this Prospectus with respect to information contained herein and, with respect to information incorporated by reference, the date of such document so incorporated. The Company's business, financial condition, results of operations and prospects may have changed since those dates.

Market and Industry Data

Certain independent third-party and industry data contained (or incorporated by reference) in this Prospectus is based upon information from government or other independent industry or scientific publications and reports or based on estimates derived from such publications and reports. Government and industry publications and reports generally indicate that they have obtained their information from sources believed to be reliable, but none of the Company nor the Agents, nor any of their representatives, have conducted their own independent verification of such information. While the Company and the Agents believe this information to be reliable, third-party information is subject to variations and cannot be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process, and other limitations and uncertainties inherent in any statistical or scientific survey. In addition, this third-party information has been prepared as of a specific date and therefore does not contemplate changes in facts and circumstances following such date. None of the Company nor the Agents nor any of their representatives has independently verified any of the research, findings or data from independent third-party sources referred to in this Prospectus or ascertained the underlying assumptions relied upon by such sources. Unless specifically stated, none of the third-party information cited in this Prospectus is incorporated by reference herein. All third-party information source references are provided for the reader's convenience only and do not form a part of this Prospectus. For the avoidance of doubt, nothing stated in this paragraph operates to relieve the Company from liability for any misrepresentation contained in this Prospectus under applicable Canadian securities laws.

CURRENCY PRESENTATION AND EXCHANGE RATE INFORMATION

Unless otherwise noted, all currency amounts in this Prospectus are stated in Canadian dollars. References to "US\$" are to U.S. dollars.

The following table sets out, for the period indicated, certain exchange rates based upon the exchange rates published by the Bank of Canada during the respective periods. The rates are set out as United States dollars per \$1.00.

	3 Months Ended April 30, 2026	12 Months Ended January 31, 2026	12 Months Ended January 31, 2025
High	\$0.7383	\$0.7399	\$0.7460
Low	\$0.7174	\$0.6848	\$0.6904
Average	\$0.7295	\$0.7182	\$0.7255

End	\$0.7340	\$0.7374	\$0.6904
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On September 10, 2026, the daily average exchange rate for United States dollars in terms of Canadian dollars, as quoted by the Bank of Canada was \$1.00 = US\$0.7235.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This Prospectus contains forward-looking information and forward-looking statements (collectively, “**forward-looking statements**”) that relate to the Company’s current expectations and views of future events. In some cases, these forward-looking statements can be identified by words or phrases such as “may”, “might”, “will”, “expect”, “anticipate”, “estimate”, “intend”, “plan”, “indicate”, “seek”, “believe”, “predict” or “likely”, or the negative or grammatical variations of these terms, or other similar expressions intended to identify forward-looking statements, although not all forward-looking statements include such words. The Company has based these forward-looking statements on its current expectations and projections about future events and financial trends that it believes might affect its financial condition, results of operations, business, prospects and financial needs. These forward-looking statements include, among other things, statements relating to:

- the Company’s proposed use of the net proceeds from this Offering;
- the Company’s expectations regarding its revenue, expenses and research and development operations;
- the Company’s anticipated cash needs and its needs for additional financing;
- the Company’s intention to grow its business and operations;
- expectations with respect to future production costs and capacity;
- expectations regarding the Company’s growth rates, growth plans and strategies;
- expectations with respect to the approval of the Company’s license applications;
- the Company’s competitive position and the regulatory environment in which the Company operates;
- the Company’s business objectives for the next twelve months;
- the Company’s plans with respect to the payment of dividends;
- the Company’s ability to obtain additional funds through the sale of equity or debt instruments;
- the ability of the Company’s products to access markets;
- the Company’s ability to expand into international markets;
- the Company’s relationship with its distribution partners; and
- over-allotment options or other transactions which would stabilize or maintain the market price of the Company’s securities.

Forward-looking statements are based on certain assumptions and analyses made by the Company in light of the experience and perception of historical trends, current conditions and expected future developments and other factors it believes are appropriate and are subject to risks and uncertainties. In making the forward-looking statements included in this Prospectus, the Company has made various material assumptions, including but not limited to, the following: (i) the Company obtaining the necessary regulatory approvals; (ii) that regulatory requirements will be maintained; (iii) general business and economic conditions; (iv) the Company’s ability to successfully execute its plans and intentions; (v) the availability of financing on reasonable terms; (vi) the Company’s ability to attract and retain skilled staff; (vii) market competition; (viii) the products and technology offered by the Company’s competitors; (ix) the maintenance of the Company’s current good relationships with its suppliers, service providers and other third parties; (x) financial results,

future financial position and expected growth of cash flows; (xi) business strategy, including budgets, projected costs, projected capital expenditures, taxes, plans, objectives, potential synergies and industry trends; (xii) research and development; (xiii) expectations concerning the size and growth of the global medical technology market; and (xiv) the effectiveness of the Company's products compared to its competitors' products. Although the Company believes that the assumptions underlying these statements are reasonable, they may prove to be incorrect, and the Company cannot assure that actual results will be consistent with these forward-looking statements. Given these risks, uncertainties and assumptions, investors should not place undue reliance on these forward-looking statements. Whether actual results, performance or achievements will conform to the Company's expectations and predictions is subject to a number of known and unknown risks, uncertainties, assumptions and other factors, including those listed under "Risk Factors", which include:

- dilution of purchasers, including upon exercise of the Pre-Funded Warrants;
- there can be no assurance that the offering will be completed;
- there will be no market for the Pre-Funded Warrants;
- holders of Pre-Funded Warrants have no rights as a shareholder;
- there is no guarantee of any positive return on securities of the Company;
- enforcement of judgments against foreign persons may not be possible;
- the price of the Common Shares in public markets may experience significant fluctuations;
- there is substantial doubt as to whether the Company will continue operations. If the Company discontinues operations, you could lose your entire investment;
- the Company has incurred operating losses in each year since inception and may continue to incur substantial and increasing losses for the foreseeable future. It also has negative capital cash flows from operating activities. If the Company cannot generate sufficient revenues to operate profitably or with positive cash flow from operating activities, it may suspend or cease operations;
- the Company will require substantial additional funds to complete its development and commercialization activities, and if such funds are not available it may need to significantly curtail or cease operations;
- the Company's inability to complete its development projects in a timely manner could have a material adverse effect on its results of operations, financial condition and cash flows;
- the Company may not commence clinical testing for any of its prospective pharmaceutical products and the commercial value of any clinical study that it may conduct will depend significantly upon its choice of indication and its patient population selection. If it is unable to commence clinical testing or if it makes a poor choice in terms of clinical strategy, it may never achieve revenues;
- the Company will rely on third parties to conduct its research, development and manufacturing activities. If these third parties do not perform as contractually required, fail to meet its manufacturing requirements and applicable regulatory requirements or otherwise expected, it may not be able to commercialize its products, which may prevent it from becoming profitable;
- if the Company is unable to establish a sales, marketing and distribution infrastructure or enter into collaborations with partners to perform these functions, it may not be successful in commercializing its product candidates;
- the Company's product candidates may never gain market acceptance, which could prevent it from generating revenues;
- the Company faces potential product liability exposure, and any claim brought against it may cause it to divert resources from normal operations or terminate selling, distributing and marketing any of its products. This may cause the Company to cease operations as it relates to that product;

- the manufacturing of the Company's products will be subject to ongoing regulatory requirements, and may therefore be the subject of regulatory or enforcement action. The associated costs could prevent it from achieving its goals or becoming profitable;
- since certain of the Company's directors are located outside of Canada, you may be limited in your ability to enforce Canadian civil actions against them for damages to the value of your investment. The Company plans to indemnify its directors and officers against liability to the Company and its security holders, and such indemnification could increase operating costs;
- the Company has no sources of product revenue and it will not be able to maintain operations and research and development without sufficient funding;
- the Company is highly dependent upon certain key personnel and their loss could adversely affect the Company's ability to achieve its business objectives;
- preclinical and clinical drug development involves a lengthy and expensive process with an uncertain outcome, and results of earlier studies and trials may not be predictive of future trial results and the Company's product candidates may not have favorable results in later trials or in the commercial setting;
- if the Company is unable to enroll subjects in clinical trials, it will be unable to complete these trials on a timely basis;
- if the Company's competitors develop and market products that are more effective than the Company's existing product candidates or any products that it may develop, or obtain marketing approval before the Company does, the Company's products may be rendered obsolete or uncompetitive;
- the Company relies and will continue to rely on third parties to plan, conduct and monitor preclinical studies and clinical trials, and their failure to perform as required could cause substantial harm to the Company's business;
- the Company relies on contract manufacturers over whom it has limited control. If the Company is subject to quality, cost or delivery issues with the preclinical and clinical grade materials supplied by contract manufacturers, its business operations could suffer significant harm;
- the Company's future success is dependent primarily on the regulatory approval of a single product;
- the Company will be subject to extensive government regulation that will increase the cost and uncertainty associated with gaining final regulatory approval of its product candidates;
- the Company's products may become subject to unfavorable pricing regulations, third-party coverage and reimbursement practices or healthcare reform initiatives, thereby having an adverse effect on its business;
- negative results from clinical trials or studies of others and adverse safety events involving the targets of the Company's products may have an adverse impact on future commercialization efforts;
- the Company faces the risk of product liability claims, which could exceed its insurance coverage and produce recalls, each of which could deplete cash resources;
- changes in government regulations, although beyond the Company's control, could have an adverse effect on its business;
- significant disruption in availability of key components for ongoing preclinical and clinical studies could considerably delay completion of potential clinical trials, product testing and regulatory approval of potential product candidates;
- the Company's products or technologies may need to be used in connection with third-party technologies or products;

- the Company could be adversely impacted by unauthorized actions or the distribution of inaccurate information;
- the Company may pursue other business opportunities in order to develop its business and/or products;
- the risk of litigation that may compromise its ability to conduct the Company's business;
- the Company's success depends on its ability to effectively manage its growth;
- it may be difficult for non-Canadian investors to obtain and enforce judgments against the Company because of its Canadian incorporation and presence;
- significant disruptions of information technology systems or security breaches could adversely affect the Company's business;
- if the Company is classified as a passive foreign investment company this could have adverse U.S. federal income tax consequences for U.S. Holders;
- trading on the CSE and the OTCQB may be volatile and sporadic, which could depress the market price of the Common Shares and make it difficult for its shareholders to resell their shares;
- the Common Shares are penny stocks. Trading of the Common Shares may be restricted by the SEC's penny stock regulations and FINRA's sales practice requirements, which may limit a shareholder's ability to buy and sell the Common Shares;
- you will experience dilution or subordinated shareholder rights, privileges and preferences as a result of the Company's financing efforts;
- the Company does not intend to pay dividends and there will thus be fewer ways in which you are able to make a gain on your investment, if at all;
- the market price of Common Shares is subject to fluctuation and general stock exchange volatility;
- the price of the Common Shares may be subject to fluctuation in the future based on market conditions;
- if the Company is unable to obtain, maintain and enforce its proprietary intellectual property rights, it may not be able to operate profitably;
- if the Company is the subject of an intellectual property infringement claim, the cost of participating in any litigation could cause it to go out of business;
- the Company may in the future be required to license patent rights from third-party owners in order to develop its product candidates. If it cannot obtain those licenses or if third-party owners do not properly maintain or enforce the patents underlying such licenses, the Company may not be able to market or sell its planned products; and
- the Company's reliance on third parties requires it to share its trade secrets, which increases the possibility that a competitor will discover them.

The above list is not exhaustive of the factors that may affect any of the forward-looking statements of the Company. If any of these risks or uncertainties materialize, or if assumptions underlying the forward-looking statements prove incorrect, actual results might materially vary from those anticipated in those forward-looking statements. The assumptions referred to above and described in greater detail under "Risk Factors" should be considered carefully by readers.

Certain of the forward-looking statements and other information contained herein concerning the pharmaceutical industry and the general expectations of the Company concerning the pharmaceutical industry and concerning the Company are based on estimates prepared by the Company using data from publicly available governmental sources as well as from market research and industry analysis and on assumptions based on data and knowledge of this industry which the Company believes to be reasonable. While the Company is not aware of any misstatement regarding any industry or government data presented herein, the pharmaceutical industry involves risks and uncertainties that are

subject to change based on various factors and the Company has not independently verified such third-party information.

The Company's forward-looking statements are based on the reasonable beliefs, expectations and opinions of management on the date of this Prospectus (or as of the date they are otherwise stated to be made). 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. 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. Accordingly, readers should not place undue reliance on forward-looking statements.

Further, any forward-looking statement speaks only as of the date on which such statement is made, and, except as required by applicable law, the Company does not undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for management of the Company to predict all such factors and to assess in advance the impact of each such factor on the business of the Company 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. See "Risk Factors".

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

DOCUMENTS INCORPORATED BY REFERENCE

The following documents filed with the securities commission or similar regulatory authority in each of the provinces of British Columbia, Alberta and Ontario are available at www.sedarplus.ca and are specifically incorporated by reference into, and form an integral part of, this Prospectus:

- the annual information form of the Company for the financial year ended January 31, 2026 dated May 29, 2026 and filed on June 2, 2026 (the "**Annual Information Form**");
- the audited consolidated financial statements of the Company, for the years ended January 31, 2026 and 2025, together with the auditors' report thereon and the notes thereto (the "**Annual Financial Statements**");
- the management's discussion and analysis of financial condition and results of operations of the Company for the year ended January 31, 2026 (the "**Annual MD&A**");
- the condensed interim consolidated financial statements of the Company for the three months ended April 30, 2026 and 2025, and the notes thereto, and excluding notice of no auditor review (the "**Interim Financial Statements**");
- the management's discussion and analysis of financial condition and results of operations of the Company for the three months ended April 30, 2026 (the "**Interim MD&A**");
- the management information circular of the Company dated June 23, 2025 distributed in connection with the Company's annual general meeting of shareholders held on July 23, 2025;
- the material change report dated June 25, 2026 announcing the closing of a non-brokered private placement for gross proceeds of \$499,600, the appointment of an Executive Chairman, option grants in May and June 2026, the issuance of common shares for services provided, the extension of certain outstanding warrants by a further one year period and the closing of a non-brokered private placement of convertible debentures for gross proceeds of \$2 million;
- the material change report dated July 31, 2026 announcing the engagement of Nucro-Technics Inc. for the Company's last IND-enabling GLP toxicology study, prioritization of BETR-001 to pursue migraine and other headache disorders, appointment of a new director, grant of 500,000 stock options to the new director, exercise of 2.65 million warrants and 250,000 stock options in July 2026, issuance of 763,617 units pursuant

to the conversion of principal and accrued interest on convertible debentures and filing of a Notice of Meeting and Record date for the Company's 2026 annual general meeting;

- the material change report dated August 24, 2026 announcing the appointment of a Chief Medical Officer, grant of 500,000 stock options to the Chief Medical Officer, approval of the Company's Budget and Disbursement Approval and Whistleblower Policies, adoption of the Company's Nominating and Governance Committee Charter, Compensation Committee Charter and amended and restated Audit Committee Charter and appointments to these respective committees, filing of an amended Notice of Meeting and Record date for the Company's 2026 annual general meeting and exercise of 4,564,697 warrants from August 1 to 21, 2026; and
- the material change report dated September 10, 2026 announcing the appointment of a Director and Chair of the Audit Committee, grant of 625,000 stock options to this Director and Chair of the Audit Committee, approval of the Company's Amended and Restated Long-term Incentive Plan and exercise of 850,000 warrants from September 1 to 10, 2026.

Material change reports (other than confidential reports), business acquisition reports, annual financial statements, interim financial statements, the associated management's discussion and analysis of financial condition and results of operations and all other documents of the type referred to in section 11.1 of Form 44-101F1 of National Instrument 44-101 – *Short Form Prospectus Distributions* to be incorporated by reference in a short form prospectus, filed by the Company with a securities commission or similar regulatory authority in Canada after the date of this Prospectus and before completion or withdrawal of the Offering, will be deemed to be incorporated by reference into this Prospectus. The documents incorporated or deemed to be incorporated herein by reference contain meaningful and material information relating to the Company and readers should review all information contained in this Prospectus and the documents incorporated or deemed to be incorporated by reference herein.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein will be deemed to be modified or superseded for the purposes of this Prospectus to the extent that a statement contained in this Prospectus or in any subsequently filed document that also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any statement so modified or superseded will not constitute a part of this Prospectus, except as so modified or superseded. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the statement or document that it modifies or supersedes. The making of such a modifying or superseding statement will not be deemed an admission for any purpose that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

Copies of the documents incorporated herein by reference may also be obtained on request without charge from the Corporate Secretary of BetterLife Pharma Inc., 1275 West 6th Avenue, #300, Vancouver, BC V6H 1A6, Email: Info@BlifePharma.com.

THE COMPANY

Overview of Business of the Company and Business Objectives

The Company is a biotechnology company primarily focused on developing compounds for the treatment of neurological and psychiatric indications. It presently has one compound, BETR-001, in development. BETR-001 is at preclinical stage of development with migraine and cluster headache being its initial target indications. Additionally, the Company's subsidiary, MedMelior Inc., has two products in its pipeline: MM-001 (a topical cream formulation of interferon-alpha 2b) and MM-003 (a patent pending proprietary interferon alpha-2b inhalation formulation).

The Company has not been profitable since its inception and expects to continue to incur substantial losses as it continues research and development efforts. The Company does not expect to generate significant revenues until, if and when, its product(s) become commercially viable.

The Company currently has five employees. Its management team brings extensive skill, knowledge and experience

in drug development. The Company's Executive Chairman, Mr. Douglas Drysdale, has over 35 years in healthcare and pharmaceuticals, bringing global perspective to leadership, innovation, and the future of healthcare. Its Chief Executive Officer, Dr. Ahmad Doroudian, is experienced in the management, development and financing of pharmaceutical companies. The Company's Chief Financial Officer, Moira Ong, has over 25 years of experience in financial reporting and management. Its Chief Operating Officer, Dr. Hooshmand Sheshbaradaran, has held senior executive positions at global pharmaceutical companies and provides skill and knowledge in the areas of drug development, marketing, business development, financing and executive operations.

The Company's lead compound in development, BETR-001, is a non-hallucinogenic derivative of lysergic acid diethylamide (LSD). It is in preclinical stage of development.

Product Description and Target Disease

BETR-001's active chemical moiety is the 6R:9R stereoisomer of 2-bromo-LSD. BETR-001 is a non-hallucinogenic neuroplastogen that is believed to mimic the projected therapeutic potential of LSD without the burden of its hallucinogenic effects. In the 1950s, several human clinical trials were conducted with 2-bromo-LSD (compound coded as BOL-148; compound was synthesized from LSD; stereochemistry of BOL-148 not characterized). These trials showed that 2-bromo-LSD did not cause hallucinations. In 2010, a case series study in cluster headaches was reported showing that treatment with BOL-148 was effective against cluster headaches. 2-bromo-LSD can form 4 stereoisomers. The stereochemistry of BOL-148 was never studied. The Company was able to show that the active 2-bromo-LSD stereoisomer is the R:R isomer (the active chemical moiety in BETR-001) and file composition of matter patents on this. 2-bromo-LSD is not a controlled substance but historically synthesized by using LSD as starting material. The Company has developed its own proprietary synthetic pathway which synthesizes 2-bromo-LSD not using LSD as starting material. The synthesis of BETR-001 is therefore not a controlled substance synthesis. The Company has completed neuroreceptor pharmacological characterization of BETR-001, which show that it is a potent agonist at 5-HT₁ receptors and 5-HT_{2A} receptor but not an agonist of 5-HT_{2B} receptor ([Lewis et al, 2023 Cell Reports](#)). The Company plans to develop BETR-001 to treat neurological and psychiatric indications, with its initial target indications being migraine and cluster headache. BETR-001 is orally administered; with initial product form being capsules.

Product Current Stage of Development

For purposes of U.S. Food and Drug Administration ("FDA") or other health regulatory authority requirements to start human clinical trials, BETR-001 is classified as a new molecular entity and is currently at the preclinical stage of development.

Product Current Regulatory Status, Development Strategy and Projected Timelines

BetterLife is currently completing GMP manufacturing of BETR-001 oral capsules. Simultaneously, BetterLife has started and plans to complete all the necessary preclinical and investigational new drug ("IND") enabling toxicology studies. Upon clearance of the IND, BetterLife currently plans to conduct a randomized placebo-controlled Phase 1A clinical trial in healthy volunteers, which will then be followed with a Phase 1B trial in patients with headache disorders. The projected timeline for BETR-001 IND filing currently is Q1 of 2027.

CONSOLIDATED CAPITALIZATION

The following table sets forth the consolidated capitalization of the Company as at the dates indicated, adjusted to give effect to the Offering, on the share capital of the Company since April 30, 2026, the date of the Company's most recently filed financial statements. This table should be read in conjunction with the Annual Financial Statements and the Interim Financial Statements, and the respective related Annual MD&A and Interim MD&A, that are incorporated by reference in this Prospectus, including the risk factors described under the heading "Risk Factors" and in the Annual Information Form.

	As at April 30, 2026 before giving effect to the Offering	As at April 30, 2026 after giving effect to the Minimum Offering⁽⁸⁾	As at April 30, 2026 after giving effect to the Maximum Offering ⁽⁸⁾
Share Capital	\$82,584,287 ⁽¹⁾	\$185,398,037 ⁽¹⁾	\$211,108,411 ⁽¹⁾

Equity Issuable	\$Nil	\$Nil	\$Nil
Common Shares (Authorized: unlimited)	161,787,025 Common Shares ⁽¹⁾	605,787,025 Common Shares ⁽¹⁾	716,787,025 Common Shares ⁽¹⁾
Pre-Funded Warrants	Nil Pre-Funded Warrants	Nil Pre-Funded Warrants	Nil Pre-Funded Warrants
Warrants	50,509,530 Warrants ⁽²⁾	50,509,530 Warrants ⁽²⁾	50,509,530 Warrants ⁽²⁾
Stock Options	14,845,000 Stock Options ⁽³⁾⁽⁴⁾	14,845,000 Stock Options ⁽³⁾⁽⁴⁾	14,845,000 Stock Options ⁽³⁾⁽⁴⁾
Performance Stock Units	5,225,000 Performance Stock Units ⁽⁴⁾	5,225,000 Performance Stock Units ⁽⁴⁾	5,225,000 Performance Stock Units ⁽⁴⁾
Deficit	(\$120,700,750)	(\$120,700,750)	(\$120,700,750)
Equity Reserves	\$28,183,641	\$28,183,641 ⁽⁵⁾	\$28,183,641 ⁽⁵⁾⁽⁶⁾
Total Shareholders' Deficit	(\$6,434,368) ⁽⁷⁾	\$96,282,256	\$122,089,756

Notes:

- (1) This does not include the issuance of 31,080,000 Broker Warrants issuable pursuant to the Minimum Offering or 38,850,000 Broker Warrants issuable pursuant to the Maximum Offering or the exercise of the Over-Allotment Option. Offering costs of \$10,225,875 have been offset against the gross proceeds of Offered Shares. Subsequent to April 30, 2026, share capital amount (including the fair value of the securities exercised) and number of Common Shares increased by: (i) \$1,263,418; and (ii) 9,178,314, respectively.
- (2) Subsequent to April 30, 2026, the number of warrants changed as follows: (i) 5,300,000 warrants expired unexercised; (ii) 763,617 warrants were issued on conversion of convertible debentures; and (iii) 8,064,697 warrants were exercised.
- (3) Subsequent to April 30, 2026, the number of stock options changed as follows: (i) 8,375,000 Stock Options were granted; (ii) 250,000 Stock Options were exercised; and (iii) 5,795,000 Stock Options expired unexercised.
- (4) The number of Stock Options and Performance Stock Units did not change as a result of the Offering and exercise of the Pre-Funded Warrants.
- (5) Upon completion of the Offering, the equity reserves were increased by the gross proceeds for the Pre-Funded Warrants of \$Nil.
- (6) Subsequent to April 30, 2026, the changes in equity reserves amount were due to exercises of Pre-Funded Warrants with a net amount of \$Nil.
- (7) Total shareholders' deficit included \$204,411 of accumulated other comprehensive income as at April 30, 2026.
- (8) Assumes no Pre-Funded Warrants are issued in connection with the Offering.

USE OF PROCEEDS***Use of Proceeds***

The estimated gross proceeds to be received by the Company are expected to be approximately US\$80,000,000 under the Minimum Offering and US\$100,000,000 under the Maximum Offering from the sale of the Offered Shares and Pre-Funded Warrants. The net proceeds expected to be received by the Company from the Minimum Offering are approximately US\$74,030,000 and the net proceeds to be received by the Company from the Maximum Offering are approximately US\$92,630,000, after deducting the Agents' Fee and the Agents' expenses in connection with the Offering and the estimated expenses of the Company in connection with the Offering.

The Company intends to use the net proceeds from the Offering as set out in the table below:

	Minimum (US\$80,000,000)	Maximum (US\$100,000,000)
Gross Proceeds:		
Phase 1A clinical trial (healthy volunteers)	US\$9,600,000	US\$9,600,000
Phase 1B clinical trial (migraine and cluster headaches)	US\$12,600,000	US\$12,600,000
Phase 2A clinical trial (migraine and cluster headaches)	US\$31,500,000	US\$42,000,000
Manufacturing of Phase 2B drug supply	-	US\$6,000,000
Preclinical studies for scheduling classification	US\$2,500,000	US\$2,500,000

Regulatory and intellectual property	US\$2,000,000	US\$2,000,000
Working capital and general and administrative expenses ⁽¹⁾	US\$11,610,000	US\$13,710,000
Repayments of debts ⁽²⁾	US\$4,220,000	US\$4,220,000
Total	US\$74,030,000	US\$92,630,000

Notes:

- (1) Included in working capital and general administrative expenses are insurance premiums totaling US\$350,000.
- (2) Repayments of debts include the following to officers and directors: (i) Outstanding compensation to officers and directors totaling approximately US\$1,640,000, (ii) advances from the Company's Chief Executive Officer of US\$70,000, (iii) promissory notes and accrued interest from a director and the Company's Chief Executive Officer totaling US\$320,000, and (iv) convertible debenture and accrued interest from a director totaling US\$1,480,000.

Although the Company intends to use the proceeds from the Offering as set forth above, the actual allocation of the net proceeds may vary depending on future developments or unforeseen events.

Should the Company receive gross proceeds below expectations, the Company will revise its intended use of net proceeds, which may include but is not limited to: (i) not initiating or partially initiating Phase 2A clinical trial for migraine and cluster headaches and manufacturing of Phase 2B drug supply, or (ii) reducing the period in which working capital and general and administrative expenses are budgeted for payment.

Negative Cash Flows

The Company has no history of revenue from its operating activities. During the three months ended April 30, 2026 the Company had negative cash flow from operating activities, reported a net loss of \$612,622 and net loss per share of \$0.00. The Company anticipates it will continue to have negative cash flow from operating activities and net losses in future periods unless and until commercial sales are achieved for one or more of the Company's products. A portion of the proceeds from the Offering will be used to fund negative cash flow from operating activities in future periods. There can be no assurance that additional capital or other types of financing will be available when needed or that these financings will be on terms at least as favourable to the Company as those previously obtained, or at all. See "Risk Factors".

Business Objectives and Milestones

The following table outlines the key milestones for the Company's business plan and the expected general timeline. The Company estimates that the business plan will cost approximately US\$64.2 million. Actual costs for each milestone noted below cannot be separated from the total cost of the trials as the costs of each step are closely linked. The Company will be seeking additional financing including, but not limited to, equity and convertible debt offerings. See "Risk Factors - The Company will require substantial additional funds to complete its development and commercialization activities, and if such funds are not available it may need to significantly curtail or cease operations".

Milestone/ Objective	Current Status	Projected Status After Expenditure of Offering Proceeds	Estimated Cost and Anticipated Expenditure of Proceeds	Description of Work and Required Significant Events to Deliver Milestone/ Objective	Expected Completion Date
Phase 1A: First patient in	Not yet initiated	Initiated and completed	US\$2,880,000	Setup of trial, including contract research organizations and hospital contracts, IRB approvals and enrollment of first patient cohort.	Calendar Q2 2027
Phase 1A: Last	Not yet initiated	Initiated and completed	US\$6,720,000	Enrollment of all dose cohorts and completion of all follow-up.	Calendar Q4 2027

patient out					
Phase 1B: First patient in	Not yet initiated	Initiated and completed	US\$3,780,000	Setup of trial, including contract research organizations and hospital contracts, IRB approvals and enrollment of first patient cohort.	Calendar Q1 2028
Phase 1B: Last patient out	Not yet initiated	Initiated and completed	US\$8,820,000	Enrollment of all dose cohorts and completion of all follow-up.	Calendar Q2 2028
Phase 2A: First patient in	Not yet initiated	Initiated and completed	US\$12,600,000	Setup of trial, including contract research organizations and hospital contracts, IRB approvals and enrollment of first patient cohort.	Calendar Q2 2028
Phase 2A: Last patient out	Not yet initiated	Initiated and completed	US\$29,400,000 ⁽¹⁾	Setup of trial, including contract research organizations and hospital contracts, IRB approvals and enrollment of first patient cohort.	Calendar Q4 2029

Notes:

- (1) If the minimum gross proceeds of US\$80,000,000 are raised from the Offering, the expected expenditures related to Phase 2A: Last patient out will be reduced to US\$18,900,000.

Forecast 12 Month Budget

	BETR-001	Corporate	Total
Phase 1A clinical trial (healthy volunteers) (completed)	US\$9,600,000	-	US\$9,600,000
Manufacturing of Phase 2B drug supply (initiated)	US\$2,000,000	-	US\$2,000,000
Preclinical studies for scheduling classification ⁽¹⁾	US\$1,250,000	-	US\$1,250,000
Regulatory and intellectual property ⁽¹⁾	US\$1,000,000	-	US\$1,000,000
Working capital and general and administrative expenses	-	US\$3,680,000	US\$3,680,000
Repayments of debts	-	US\$4,220,000	US\$4,220,000
	US\$13,850,000	US\$7,900,000	US\$21,750,000

Notes:

- (1) Approximately 50% of preclinical studies for scheduling classification and 50% of work related to regulatory and intellectual property are expected to be completed within the first 12 months.

PLAN OF DISTRIBUTION

Pursuant to the Agency Agreement, the Company will appoint Bloom Burton to act as its lead agent, on behalf of the Agents to conduct the Offering on a commercially reasonable efforts agency basis, for the distribution of a minimum of 444,000,000 Offered Shares and/or Pre-Funded Warrants and a maximum of 555,000,000 Offered Shares and/or Pre-Funded Warrants, at the Common Share Offering Price (in the case of Offered Shares) or the Pre-Funded Warrant Offering Price (in the case of Pre-Funded Warrants) payable in cash to the Company against delivery of the Offered Shares or Pre-Funded Warrants, as applicable. The Agents have agreed to assist with the Offering on an agency basis and are not obligated to purchase any of the Offered Shares and/or Pre-Funded Warrants for their own account.

The Offering Price was determined by negotiation between the Company and the Lead Agent in accordance with the applicable policies of the CSE and in the context of the market. Among the factors considered in determining the

Offering Price were the market price of the Common Shares, prevailing market conditions, the historical performance and capital structure of the Company, the Lead Agent's estimate of the business potential and earnings prospects of the Company, the availability of comparable investments, an overall assessment of management of the Company and the consideration of the foregoing factors in relation to market valuation of companies in related businesses.

The closing of the Offering will occur on the Closing Date. Provided that the Minimum Offering is subscribed for, it is expected that the Closing Date will occur on or about September 15, 2026, or such other date as may be agreed upon by the Company and the Lead Agent.

There can be no assurance that any or all of the Offered Shares and/or Pre-Funded Warrants being offered will be sold. Subscription proceeds will be held in trust by the Agents until the Minimum Offering is raised. The total period of the distribution will end not later than 90 days from the issuance of a receipt for the final short form prospectus filed in connection with the Offering. If subscriptions for the Minimum Offering have not been received during the distribution period, the Offering will not continue and the subscription proceeds will be returned to subscribers without interest or deduction.

The outstanding Common Shares are listed and posted for trading on the CSE under the symbol "BETR". On September 10, 2026, the last trading day on the CSE prior to the date of this Prospectus, the closing price of the Common Shares on the CSE was \$0.305. The Company will apply to the CSE to list the Offered Shares, the Warrant Shares and the Broker Warrant Shares distributed under this Prospectus on the CSE, subject to the Company fulfilling all of the requirements of the CSE. The Company does not intend to apply to list the Pre-Funded Warrants on any securities exchange.

Each Pre-Funded Warrant will entitle the holder thereof to acquire, subject to adjustment in certain circumstances, one Warrant Share at a nominal exercise price of \$0.00001. The Pre-Funded Warrants will not expire. The Pre-Funded Warrants will be created and issued pursuant to the terms of the Warrant Certificates (as defined below) to be dated as of the date of issuance thereof and issued by the Company. The Warrant Certificates will contain provisions designed to protect the holders of Pre-Funded Warrants against dilution upon the happening of certain events. There is no market through which the Pre-Funded Warrants may be sold and purchasers may not be able to resell such securities. This may affect the pricing of the Pre-Funded Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of such securities and the extent of issuer regulation. See "*Description of Securities Being Distributed — Pre-Funded Warrants*".

The obligations of the Agents under the Agency Agreement may be terminated by the Agents at any time at their sole discretion on the basis of their assessment of the state of the financial markets and on the occurrence of certain stated events. While the Agents have agreed to use their commercially reasonable efforts to sell the Offered Shares and Pre-Funded Warrants offered hereby, the Agents are not obligated to purchase Offered Shares and Pre-Funded Warrants that are not sold.

The Company has granted the Agents the Over-Allotment Option, exercisable in whole or in part, at the Agents' sole discretion, at any time and from time to time from the date of the Agency Agreement to 30 days following the Closing Date, to offer for sale such number of additional Common Shares and Pre-Funded Warrants as is equal to 15% of the number of Offered Shares and Pre-Funded Warrants issued under the Offering, solely to cover over-allotments. The Over-Allotment Option may be exercised by the Agents in respect of Over-Allotment Shares at the Offering Price and in respect of the Over-Allotment Warrants at the Pre-Funded Warrant Offering Price, so long as the aggregate number of Over-Allotment Shares and Over-Allotment Warrants do not exceed 15% of the number of Offered Shares and Pre-Funded Warrants issued under the Offering (excluding those pursuant to the Over-Allotment Option). Any U.S. Placement Agent will not participate in the exercise of the Over-Allotment Option or sale of any Over-Allotment Shares or Over-Allotment Warrants. This Prospectus qualifies the grant of the Over-Allotment Option and the distribution of the Over-Allotment Shares and Over-Allotment Warrants. A purchaser who acquires securities forming part of the Agents' over-allocation position acquires those securities under this Prospectus, regardless of whether such over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or through secondary market purchases.

Subscriptions for the Offered Shares and Pre-Funded Warrants will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. Pursuant to the Agency Agreement, the Agents may offer the Offered Shares and Pre-Funded Warrants to the public pursuant to the

securities legislation of each of the provinces of British Columbia, Alberta and Ontario. In addition, the Agents are entitled to offer the Offered Shares and Pre-Funded Warrants outside of Canada and the United States to non-U.S. persons provided that the Agents shall not take any action in connection with the distribution of the Offered Shares and Pre-Funded Warrants that would result in the Company being obligated to comply with the prospectus, registration, reporting or other similar requirements of the securities laws of any jurisdiction.

In consideration for the Agents' services with respect to the Offering, the Company shall pay the Agents a cash fee of 7% of the aggregate gross proceeds of the Offering, including those Over-Allotment Shares and Over-Allotment Warrants pursuant to the Over-Allotment Option, payable on the closing of the Offering. In addition, the Company has agreed to issue Broker Warrants equal to 7% of the number of Offered Shares and Pre-Funded Warrants sold pursuant to the Offering (including those Over-Allotment Shares and Over-Allotment Warrants pursuant to the Over-Allotment Option). Each Broker Warrant shall entitle an Agent to acquire one Broker Warrant Share at an exercise price of \$0.25, subject to adjustment, for a period of 36 months following the Closing Date. This Prospectus also qualifies the distribution of the Broker Warrants. Notwithstanding the foregoing, the Agents shall not receive the Agents' Fee or Broker Warrants with respect to capital raised in the Offering from certain purchasers listed on the President's List, up to an aggregate subscription amount of US\$5,000,000. The Company has also agreed to reimburse the Agents for their reasonable out-of-pocket fees and expenses, including the fees and expenses of their legal counsel.

The Offering will be conducted under the book-based system of CDS in the Canadian jurisdictions where the Offered Shares are being sold; accordingly, a subscriber in a Canadian jurisdiction where the Offered Shares are being sold who purchases Offered Shares will only receive a customer confirmation from the registered dealer that is a CDS participant from or through whom Offered Shares are purchased. CDS will record the CDS participants who hold securities on behalf of owners who have purchased or transferred securities in accordance with the book-based system. Except in limited circumstances, certificates evidencing Offered Shares and Warrant Shares will not be issued unless a request for a certificate is made to the Company. Physical certificates representing the Pre-Funded Warrants will be in definitive form and available for delivery to certain purchasers at closing of the Offering.

The Company has agreed to indemnify the Agents and each of their affiliates, and their respective directors, officers, employees, partners, agents and advisors against any and all losses (except loss of profit), claims, actions, suits, proceedings, damages, liabilities or expenses of whatsoever nature or kind, that arise out of or are based, directly or indirectly, upon the performance of the professional services rendered to the Company by the Agents and their affiliates or their respective directors, officers, employees, partners, agents and advisors pursuant to the Agency Agreement. This indemnity does not apply to the extent such losses, claims, actions, suits, proceedings, damages, liabilities or expenses as to which indemnification is claimed arise out of the Agents' breach of the Agency Agreement, gross negligence, wilful misconduct or fraud in the performance of such professional services.

The Agents may not, throughout the period of distribution, bid for or purchase Common Shares. The foregoing restriction is subject to certain exceptions, on the conditions that the bid or purchase not be engaged in for the purpose of creating actual or apparent active trading in, or raising the price of, the Common Shares. These exceptions include a bid or purchase permitted under the Universal Market Integrity Rules administered by the Canadian Investment Regulatory Organization relating to market stabilization and passive market making activities and a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of distribution. In connection with the Offering, the Agents may effect transactions that stabilize or maintain the market price of the Common Shares at levels other than those that may otherwise exist in the open market. These transactions, if commenced, may be discontinued at any time.

Pursuant to the terms of the Agency Agreement, without the prior consent of Agents, such consent not to be unreasonably withheld or delayed, for a period of 120 days from the Closing Date, the Company has agreed not to issue or sell any additional Common Shares or financial instruments convertible or exchangeable into Common Shares, other than: (a) pursuant to the Company's equity compensation plan; (b) the issuance of Common Shares upon the exercise of any outstanding warrants, convertible securities, options, or any other commitment or agreement outstanding as of the date hereof; and (c) obligations in respect of existing agreements.

Pursuant to the terms of the Agency Agreement, it is a condition of closing that the Company shall cause each of its directors and officers to agree, in lock-up agreements to be executed concurrently with the closing of the Offering, that each will not, without the prior consent of the Lead Agent, such consent not to be unreasonably withheld or delayed, (i) for a period ending 120 days from the Closing Date, directly or indirectly, offer, sell, contract to sell, grant

any option to purchase, make any short sale, or otherwise dispose of, or transfer, or announce any intention to do so, any Common Shares, whether now owned, directly or indirectly, or under their control or direction, or with respect to which each has beneficial ownership, or enter into any transaction or arrangement that has the effect of transferring, in whole or in part, any of the economic consequences of ownership of Common Shares, whether such transaction is settled by the delivery of Common Shares, other securities, cash or otherwise, other than pursuant to a bona fide take-over bid or any other similar transaction made generally to all of the shareholders of the Company and certain other customary exceptions as provided for in the lock-up agreements, or (ii) for a period ending 30 days from the Closing Date, directly or indirectly, convert or exercise any instrument convertible into or exercisable for Common Shares.

The Offered Shares, Pre-Funded Warrants and Warrant Shares offered hereby have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state of the United States and, accordingly, may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons except in accordance with the Agency Agreement and pursuant to exemptions from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Any offer of Offered Shares or Pre-Funded Warrants in the United States or to, or for the account or benefit of, U.S. persons shall be made solely by a U.S. Placement Agent, for sale directly by the Company in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Section 4(a)(2) of the U.S. Securities Act and exemptions under applicable U.S. state securities laws. The Agency Agreement will also provide that the Agents will offer and sell the Offered Shares and Pre-Funded Warrants outside the United States to non-U.S. persons only in accordance with Rule 903 of Regulation S under the U.S. Securities Act and in compliance with applicable local laws. In addition, until 40 days after the commencement of the Offering, an offer or sale of the Offered Shares, Pre-Funded Warrants or Warrant Shares within the United States by any dealer (whether or not participating in the Offering) may violate the registration requirements of the U.S. Securities Act, unless such offer or sale is made pursuant to an exemption from registration under the U.S. Securities Act.

The Pre-Funded Warrants will not be exercisable by, or on behalf of or for the account or benefit of, a person in the United States or a U.S. person, nor will certificates representing the Warrant Shares issuable upon exercise of the Pre-Funded Warrants be registered or delivered to an address in the United States, unless an exemption from the registration requirements of the U.S. Securities Act and any applicable U.S. state securities laws is available.

DESCRIPTION OF SECURITIES BEING DISTRIBUTED

Offered Shares

The authorized capital of the Company consists of an unlimited number of Common Shares. The holders of Common Shares (including Offered Shares and Warrant Shares) are entitled to receive notice of and to attend all annual and special meetings of the Company's shareholders and to one vote in respect of each Common Share held at the record date for each such meeting. The holders of Common Shares are entitled, at the discretion of the Company's board of directors (the "**Board**"), to receive out of any or all of the Company's profits or surplus properly available for the payment of dividends, any dividend declared by the Board and payable by the Company on the Common Shares. The holders of the Common Shares will participate pro rata in any distribution of the assets of the Company upon liquidation, dissolution or winding-up or other distribution of the assets of the Company. Such participation will be subject to the rights, privileges, restrictions and conditions attached to any of the Company's securities issued and outstanding at such time ranking in priority to the Common Shares upon the liquidation, dissolution or winding-up of the Company. Common Shares are issued only as fully paid and are non-assessable.

As at September 10, 2026, the Company had 170,965,339 Common Shares issued and outstanding. After giving effect to the Minimum Offering (assuming 444,000,000 Offered Shares and no Pre-Funded Warrants are sold), the Company would have 614,965,339 Common Shares issued and outstanding (assuming no further exercises or issuances of convertible securities). After giving effect to the Maximum Offering (assuming 555,000,000 Offered Shares and no

Pre-Funded Warrants are sold), the Company would have 725,965,339 Common Shares issued and outstanding (assuming no further exercises or issuances of convertible securities).

Pre-Funded Warrants

The Pre-Funded Warrants issued under the Offering will be issued in certificated form. The following description is subject to the detailed provisions of the form of certificate for the Pre-Funded Warrants (the “**Warrant Certificate**”). Reference should be made to the Warrant Certificate for the full text of attributes of the Pre-Funded Warrants.

Each Pre-Funded Warrant will entitle the holder to acquire, subject to adjustment as summarized below, one Warrant Share. The Pre-Funded Warrants will not expire until exercised in full. The Pre-Funded Warrants will have a nominal exercise price of \$0.00001 per Pre-Funded Warrant. The Pre-Funded Warrants will be exercisable, at the option of each holder, in whole or in part, by delivering to the Company a duly executed exercise notice, thereby canceling all or a portion of such holder’s Pre-Funded Warrants. The Pre-Funded Warrants may be exercised on a “net” or “cashless” basis. The Pre-Funded Warrants and the Warrant Shares have not been registered under the U.S. Securities Act or any applicable state securities laws, and the Pre-Funded Warrants may not be exercised by or on behalf of, or for the account or benefit of, a person in the United States or a U.S. person unless an exemption from such registration is available and documentation to that effect is provided in accordance with the terms of the Warrant Certificate.

The Warrant Certificate will provide that the share ratio and exercise price of the Pre-Funded Warrants will be subject to adjustment in the event of certain share dividends or distributions or of a subdivision or consolidation of the Common Shares or similar events. If the Company makes any dividend or other pro rata distribution to the holders of Common Shares (a “**Distribution**”) (other than share dividends resulting in an adjustment described above, or the grant, issue or sale of Purchase Rights as described below), then a holder of Pre-Funded Warrants will be entitled to receive such securities and/or other property (including cash) as if the holder had exercised the Pre-Funded Warrants immediately before the record date for such Distribution (without regard to any restrictions on exercise of the Pre-Funded Warrants as described below; provided that if the Distribution would cause the holder’s beneficial ownership of Common Shares to exceed the Specified Percentage (as defined below), then the relevant portion of the Distribution will be held in abeyance until such time as the Specified Percentage (as defined below) would not be exceeded). If the Company completes a rights offering or similar grant, issuance or sale of options or convertible securities or rights to purchase securities to the holders of the Common Shares on a pro rata basis (“**Purchase Rights**”), then a holder of Pre-Funded Warrants will be entitled to acquire, upon the terms applicable to such Purchase Rights, the aggregate Purchase Rights which the holder could have acquired if the holder had exercised the Pre-Funded Warrants immediately before the record date for such grant, issuance or sale of the Purchase Rights (without regard to any restrictions on exercise of the Pre-Funded Warrants as described below); provided that if the holder’s right to participate in the Purchase Rights would cause the holder’s beneficial ownership of Common Shares to exceed the Specified Percentage, then the holder will not be entitled to participate in the Purchase Rights to that extent, and at the holder’s election, in its sole discretion, either (i) such right to participate will be held in abeyance until such time as the Specified Percentage would not be exceeded or (ii) the Company will offer the holder the right upon exercise of such Purchase Right to acquire a security (e.g., a pre-funded warrant) that would not result in the holder’s beneficial ownership of Common Shares exceeding the Specified Percentage but will otherwise to the extent possible have economic and other rights, preferences and privileges substantially consistent and on par with the securities or other property issuable upon exercise of the originally offered Purchase Rights. If the Company reorganizes, consolidates, amalgamates or merges with any other body corporate, if the Company reclassifies its Common Shares or the Common Shares are effectively converted or exchanged for other securities, cash or property (other than a subdivision, consolidation or share dividend resulting in an adjustment as described above), if holders of shares of the Company representing more than 50% of the voting power of the shares of the Company tender their shares in a take-over bid, tender offer, exchange offer or pursuant to a stock purchase agreement or other business combination, or the Company transfers all or substantially all of its assets (in each case, and as may be described in further detail in the terms of the Warrant Certificate, a “**Fundamental Transaction**”), then a holder of Pre-Funded Warrants, upon exercise of the Pre-Funded Warrants, will be entitled to receive such securities and/or other property (including cash) as if the holder had exercised the Pre-Funded Warrants before such Fundamental Transaction (without regard to any restrictions on exercise of the Pre-Funded Warrants as described below).

The Warrant Certificate will also provide that, during the period in which the Pre-Funded Warrants are exercisable, it will give notice to holders of Pre-Funded Warrants of certain stated events (including any voluntary or involuntary dissolution, liquidation; winding-up; a stock dividend or other distribution upon the Common Shares; or a

Fundamental Transaction), at least 10 days (or in some cases 30 days) prior to the record date or effective date, as the case may be, of such events.

There is currently no market through which the Pre-Funded Warrants may be sold, and purchasers may not be able to resell the Pre-Funded Warrants purchased under this Prospectus. The Warrant Certificate will provide that notwithstanding any other terms thereof, the Company shall not effect the exercise of any portion of the Pre-Funded Warrants, and the holder of Pre-Funded Warrants shall not have the right to exercise any portion of the Pre-Funded Warrants, and any such exercise shall be null and void ab initio and treated as if the exercise had not been made, to the extent that immediately prior to or following such exercise, the holder of the Pre-Funded Warrants, together with its affiliates and other “attribution parties” as may be defined in the Warrant Certificate, beneficially owns or would beneficially own a number of Common Shares in excess of a specified percentage (typically 4.99% or 9.99%, to be determined at the Closing Date) (the “**Specified Percentage**”) of the number of Common Shares outstanding immediately after giving effect to the issuance of Common Shares upon exercise of such Pre-Funded Warrants. Notwithstanding the foregoing, subject to applicable CSE policies, a holder of Pre-Funded Warrants, upon notice to the Company at least 61 days in advance, may increase or decrease the Specified Percentage subject to certain restrictions. These restrictions include the requirement that a holder wishing to increase the Specified Percentage above 9.99% shall be required to deliver personal information form(s) as required by any recognized stock exchange on which the Common Shares are then listed and such personal information form(s) must have been approved by the stock exchange, as applicable. In addition, the Specified Percentage may not exceed 19.99% of the number of Common Shares outstanding immediately after giving effect to the issuance of Common Shares upon exercise of such Pre-Funded Warrants. **No fractional Warrant Shares will be issuable upon the exercise of any Pre-Funded Warrants. In lieu of any fractional shares that would otherwise be issuable, the number of Warrant Shares to be issued shall be rounded down to the next whole number and the Company shall pay the holder in cash the fair market value for any such fractional shares. Holders of Pre-Funded Warrants will not have any voting or pre-emptive rights or any other rights which a holder of Common Shares would have.**

The Company has not applied and does not intend to apply to list the Pre-Funded Warrants on any securities exchange. There will be no market through which the Pre-Funded Warrants may be sold and purchasers may not be able to resell the Pre-Funded Warrants purchased in the Offering. This may affect the pricing of the Pre-Funded Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of the Pre-Funded Warrants, and the extent of issuer regulation.

PRIOR SALES

The following table summarizes details of the securities issued by the Company during the 12-month period prior to the date of this Prospectus.

Common Shares

Date of Issuance	Issuance of Common Shares Upon:	Number of securities issued	Issue/exercise price per
September 8, 2026	Exercise of warrants	100,000	\$0.15
September 1, 2026	Exercise of warrants	750,000	\$0.15
August 21, 2026	Exercise of warrants	150,000	\$0.15
August 19, 2026	Exercise of warrants	1,000,000	\$0.10
August 14, 2026	Exercise of warrants	772,368	\$0.10
August 12, 2026	Exercise of warrants	300,000	\$0.15
August 11, 2026	Exercise of warrants	450,000	\$0.15
August 10, 2026	Exercise of warrants	450,000	\$0.15
August 6, 2026	Exercise of warrants	150,000	\$0.15

August 5, 2026	Exercise of warrants	1,292,329	\$0.10
July 31, 2026	Exercise of warrants	1,000,000	\$0.10
July 28, 2026	Exercise of warrants	200,000	\$0.15
July 28, 2026	Exercise of stock options	250,000	\$0.07
July 24, 2026	Exercise of warrants	100,000	\$0.15
July 21, 2026	Exercise of warrants	350,000	\$0.15
July 17, 2026	Exercise of warrants	200,000	\$0.15
July 15, 2026	Exercise of warrants	200,000	\$0.15
July 10, 2026	Conversion of convertible debentures	763,617	\$0.10
July 8, 2026	Exercise of warrants	250,000	\$0.15
July 7, 2026	Exercise of warrants	250,000	\$0.10
July 6, 2026	Exercise of warrants	100,000	\$0.15
June 19, 2026	Services	100,000	\$0.065
April 15, 2026	Private placement	7,137,143	\$0.07
April 10, 2026	Services	600,000	\$0.06
March 15, 2026	Conversion of convertible debentures	2,153,206	\$0.10
September 30, 2025	Conversion of convertible debentures	57,945	\$0.10

Warrants

Date of Issuance	Issuance of Warrants upon	Number of securities issued	Issue/exercise price per security
July 10, 2026	Conversion of convertible debentures	763,617	\$0.10
April 15, 2026	Private placement	6,437,143 ⁽¹⁾	\$0.10
April 15, 2026	Private placement	700,000 ⁽¹⁾	US\$0.075
March 15, 2026	Conversion of convertible debentures	2,153,206	\$0.10
September 30, 2025	Conversion of convertible debentures	57,945	\$0.10

Stock Options

Date of Issuance	Issuance of Stock Options upon:	Number of securities issued	Issue/exercise price per security
September 2, 2026	Services	625,000	\$0.285
August 16, 2026	Services	500,000	\$0.285
July 7, 2026	Services	500,000	\$0.19
June 15, 2026	Services	3,250,000	\$0.07
May 11, 2026	Services	3,500,000	\$0.065
February 18, 2026	Services	6,050,000	\$0.055

Notes:

- (1) 7,137,143 warrants were issued in connection with the private placement of 7,137,143 units of the Company, consisting of one common share and one share purchase warrant, on April 15, 2026.

TRADING PRICE AND VOLUME

The Common Shares are listed on the CSE under the trading symbol “BETR”. The following tables set forth information relating to the trading of the Common Shares on the CSE for the months indicated. On September 10, 2026, the last trading day prior to the date of this Prospectus, the closing price of the Common Shares on the CSE was \$0.305.

CSE Price Range (\$)

Month	High	Low	Total Volume
September 2025	0.09	0.07	2,122,813
October 2025	0.08	0.05	2,766,746
November 2025	0.07	0.05	1,587,902
December 2025	0.07	0.05	656,670
January 2026	0.05	0.04	1,938,468
February 2026	0.07	0.05	839,564
March 2026	0.09	0.06	2,147,108
April 2026	0.07	0.06	2,330,119
May 2026	0.07	0.06	6,101,565
June 2026	0.16	0.06	4,083,451
July 2026	0.30	0.12	4,786,942
August 2026	0.46	0.27	9,985,394
September 1 to 10, 2026	0.31	0.28	2,158,571

RISK FACTORS

An investment in the securities of the Company is speculative and subject to risks and uncertainties. The occurrence of any one or more of these risks or uncertainties could have a material adverse effect on the value of any investment in the Company and the business, prospects, financial position, financial condition or operating results of the Company. Additional risks and uncertainties not presently known to the Company or that the Company currently deems immaterial may also impair the Company’s business operations.

Prospective investors should carefully consider all information contained in this Prospectus, including all documents incorporated by reference, and in particular should give special consideration to the risk factors under the section titled “Risk Factors” in the Annual Information Form, which is incorporated by reference in this Prospectus and which may be accessed on the Company’s SEDAR profile at www.sedarplus.ca, and the information contained in the section entitled “Cautionary Statement Regarding Forward-Looking Information”. Additionally, purchasers should consider the risk factors set forth below.

The risks and uncertainties described or incorporated by reference in this Prospectus are not the only ones the Company may face. Additional risks and uncertainties that the Company is unaware of, or that the Company currently deems not to be material, may also become important factors that affect the Company. If any such risks actually occur, the Company’s business, financial condition or results of operations could be materially adversely affected, with the result that the trading price of the Common Shares could decline and investors could lose all or part of their investment.

Risks Related to the Offering and the Offered Shares and Pre-Funded Warrants***Dilution of purchasers, including upon exercise of the Pre-Funded Warrants.***

The Company may sell additional Common Shares or other securities in subsequent offerings to finance future

activities. The Company cannot predict the size or price of future issuances of securities or the effect, if any, that future issuances and sales of securities will have on the market price of the Common Shares. Sales or issuances of substantial numbers of Common Shares, or the perception that such sales could occur, may adversely affect prevailing market prices of the Common Shares. With any additional sale or issuance of Common Shares or upon the exercise of Pre-Funded Warrants, investors will suffer dilution to their voting power and ownership interest in the Company and the Company may experience dilution in its earnings per share, as well as a negative impact on its share price.

In addition, convertible securities have been previously issued by the Company, the Pre-Funded Warrants are expected to be issued in connection with the completion of the Offering, and additional convertible securities may be issued in the future by the Company at a lower price than the current market value of the Common Shares. Consequently, purchasers who purchase Offered Shares may incur substantial dilution in the near future.

There can be no assurance that the offering will be completed.

The completion of the Offering is subject to the completion of definitive binding documentation and satisfaction of a number of conditions. There can be no certainty that the Offering will be completed.

There will be no market for the Pre-Funded Warrants.

The Company has not applied and does not intend to apply to list the Pre-Funded Warrants on any securities exchange. There will be no market through which the Pre-Funded Warrants may be sold and purchasers may not be able to resell the Pre-Funded Warrants purchased in the Offering. This may affect the pricing of the Pre-Funded Warrants in the secondary market, the transparency and availability of trading prices, the liquidity of the Pre-Funded Warrants, and the extent of issuer regulation. The Pre-Funded Warrant Offering Price was determined by negotiations between the Company and the Agents.

Holders of Pre-Funded Warrants have no rights as a shareholder.

Until a holder of Pre-Funded Warrants acquires Warrant Shares upon exercise of Pre-Funded Warrants, such holder will have no rights with respect to the Warrant Shares underlying such Pre-Funded Warrants. Upon exercise of such Pre-Funded Warrants, such holder will be entitled to exercise the rights of a common shareholder only as to matters for which the record date occurs after the exercise date.

Discretion in the Use of Proceeds from the Offering.

The Company intends to use the net proceeds from this Offering as set forth under “Use of Proceeds”; however, the Company maintains broad discretion concerning the use of the net proceeds from the Offering, as well as the timing of its expenditures in ways that it deems most efficient, and there can be no assurance as to how the funds will be allocated, especially if the Company determines to revise its business plan and growth strategy. The application of the proceeds to various items may not necessarily enhance the value of the Common Shares. The failure to apply the net proceeds as set forth under “Use of Proceeds” and other financings could adversely affect the Company’s business and, consequently, could adversely affect the price of the Common Shares on the open market.

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 business, prospects, financial condition and results of operations may suffer, which could have material and adverse effect on the trading price of the Common Shares and the Pre-Funded Warrants in the market.

There is no guarantee of any positive return on securities of the Company.

There is no guarantee that Offered Shares or Warrant Shares will earn any positive return in the short-term or long-term. A holding of securities is speculative and involves a high degree of risk and should be undertaken only by holders whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. A holding of securities is appropriate only for holders who have the capacity to absorb a loss of some or all of their holdings.

Enforcement of judgments against foreign persons may not be possible.

Canadian investors should be aware that each of the Non-Resident Directors resides outside of Canada; as a result, it may not be possible for purchasers of the Offered Shares and/or Pre-Funded Warrants to effect service of process within Canada upon the Non-Resident Directors. All or a substantial portion of the assets of each of the Non-Resident Directors are likely to be located outside of Canada and, as a result, it may not be possible to satisfy a judgment against the Non-Resident Directors in Canada or to enforce a judgment obtained in Canadian courts against the Non-Resident Directors outside of Canada.

The price of the Common Shares in public markets may experience significant fluctuations.

The market price for Common Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Company's control, including but not limited to: (i) actual or anticipated fluctuations in the Company's quarterly results of operations; (ii) recommendations by securities research analysts; (iii) changes in the economic performance or market valuations of other issuers that investors deem comparable to the Company; (iv) addition or departure of the Company's executive officers and other key personnel; (v) release or expiration of lock-up or other transfer restrictions on Common Shares; (vi) sales or perceived sales of Common Shares; (vii) significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving the Company or its competitors; and (viii) news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in the Company's industry or target markets.

Risks Related to the Business

There is substantial doubt as to whether the Company will continue operations. If the Company discontinues operations, you could lose your investment.

The Company's financial statements have been prepared on a going concern basis, which assumes that it will be able to realize its assets and discharge its liabilities in the normal course of business. However, as at January 31, 2026, the Company has not earned any revenues and had an accumulated deficit of \$120,091,493. The Company anticipates that it will incur increased expenses and there is a risk it will not realize sufficient revenues to offset those expenses. Its ability to continue operations is dependent on obtaining additional financing and generating future revenues, and no assurance can be given that it will successfully be able to do so. Accordingly, the Company's financial statements contain disclosure of management's determination that these factors raise substantial doubt about its ability to continue as a going concern. Importantly, the inclusion in its financial statements of a going concern opinion may negatively impact its ability to raise future financing and achieve future revenue. The threat of the Company's ability to continue as a going concern will be removed only when, in the opinion of its auditor, its revenues have reached a level that is able to sustain business operations.

If the Company is unable to obtain additional financing from outside sources and eventually generate enough revenues, it may be forced to sell a portion or all of its assets, or curtail or discontinue operations. If any of these happens, you could lose all or part of your investment. The Company's financial statements do not include any adjustments to its recorded assets or liabilities that might be necessary if it becomes unable to continue as a going concern.

The Company has incurred operating losses in each year since inception and may continue to incur substantial and increasing losses for the foreseeable future. It also has negative capital cash flows from operating activities. If the Company cannot generate sufficient revenues to operate profitably or with positive cash flow from operating activities, it may suspend or cease operations.

The Company has not generated any revenue since inception on June 10, 2002 and it has incurred operating and net losses in each year of existence. The Company experienced a net loss of \$1,512,918 for the year ended January 31, 2026, compared to a net loss of \$3,621,884 for the year ended January 31, 2025. It expects to incur substantial and increasing losses for the foreseeable future as it researches, develops and commercializes its products. If its products do not achieve commercialization and/or market acceptance, it may never generate any revenue. The Company also cannot assure you that it will be profitable even if it successfully commercializes its products. If it fails to generate sufficient revenues to operate profitably, or if it is unable to fund its continuing losses, you could lose all or part of your investment.

During the fiscal year ended January 31, 2026 and the three-month period ended April 30, 2026, the Company had negative cash flow from operating activities. As at April 30, 2026, the Company's cash and net working capital deficiency balances (adjusted for amounts which cannot be converted to cash) were approximately \$29,000 and

\$6,407,000, respectively. Although the Company anticipates it will have positive cash flow from operating activities in future periods, to the extent that the Company has negative cash flow in any future period, certain of the net proceeds from the Offering may be used to fund such negative cash flow from operating activities, if any. 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 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 favorable to the Company.

The Company will require substantial additional funds to complete its development and commercialization activities, and if such funds are not available it may need to significantly curtail or cease operations.

The Company will require substantial funds to develop, manufacture and market its products. If it does not raise sufficient funds, its plan of operation will be delayed until such time as it raises sufficient funds, provided it is able to do so. Further, the cost of carrying out its operating activities and development activities is not fixed, and its cash levels may at any time prove to be insufficient to finance them. The Company's financing needs may change substantially because of a number of factors which are difficult to predict or which may be outside of its control. These include increased competition, the costs of licensing existing drugs and protecting rights to its proprietary technology and the time required to obtain required licenses.

It may not succeed in raising the additional funds that it requires because such funds may not be available to it on acceptable terms, if at all. The Company intends to seek additional funding through strategic alliances or through public or private sales of its equity securities, and it may also obtain equipment leases and pursue opportunities to obtain debt financing in the future. If the Company is unable to obtain sufficient funding on a timely basis, it may be forced to significantly curtail or cease operations.

The Company's inability to complete its development projects in a timely manner could have a material adverse effect on its results of operations, financial condition and cash flows.

If the Company's projects are not completed in a timely fashion, it could experience:

- additional competition in the industry for its products; and
- delay in obtaining future inflow of cash from financial or partnership activities, any of which could have a material adverse effect on its results of operations, financial condition and cash flows.

Any products that it may develop as a pharmaceutical product will be subject to extensive governmental regulations relating to development activities, conduct of clinical trials, manufacturing and commercialization. In the United States, for example, the prospective products that the Company intends to develop and market are regulated by the FDA under its new drug development and review process. Before such products can be marketed, it must obtain clearance from the FDA by submitting an investigational new drug application, then by successfully completing human testing under three phases of clinical trials, and finally by submitting a new drug application.

The time required to obtain approvals for its prospective products from the FDA and other agencies in foreign locales with similar processes is unpredictable. The Company expects to be able to accelerate the approval process and to increase the chances of approval by using existing and approved drugs as the basis for its own technology. However, it cannot guarantee that its expectations will be realized, and there is no assurance that it will ever receive regulatory approval to use its proprietary substances, methods and processes. If the Company does not obtain such regulatory approval, it may never become profitable.

The Company may not commence clinical testing for any of its prospective pharmaceutical products and the commercial value of any clinical study that it may conduct will depend significantly upon its choice of indication and its patient population selection. If it is unable to commence clinical testing or if it makes a poor choice in terms of clinical strategy, it may never achieve revenues.

In order to commence clinical testing, the Company must successfully complete and obtain positive scientific results from pre-clinical studies and, in the case of an existing drug that it is re-profiling for a new indication, adopt existing pre-clinical or early stage clinical studies to its own research. If it successfully completes any clinical study of its own, the commercial value of any such study will significantly depend upon our choice of indication and its patient population

selection for that indication. There is no assurance that the Company will complete any clinical study for any of its product candidates.

The Company will rely on third parties to conduct its research, development and manufacturing activities. If these third parties do not perform as contractually required, fail to meet its manufacturing requirements and applicable regulatory requirements or otherwise expected, it may not be able to commercialize its products, which may prevent it from becoming profitable.

The Company will rely on contract manufacturers as source suppliers for its products.

Because of its planned reliance on contract manufacturers, the Company may also be exposed to additional risks, including those related to intellectual property and the failure of such manufacturers to comply with strictly-enforced regulatory requirements, manufacture components to its specifications, or deliver sufficient component quantities to it in a timely manner. For example, a contract manufacturer working on the Company's behalf may violate the intellectual property rights of a third-party in manufacturing a component of one of its products, and if such a violation occurs without the Company's knowledge, it may be held vicariously liable for the acts of its contractor, incur related costs and court mandated damages, or become enjoined from selling products which violate those third-party intellectual property rights. Similarly, if a contract manufacturer working on the Company's behalf is found to be in violation of FDA or other national regulatory standards regarding the manufacture, packaging or labeling of any of its products, the Company could face any number of adverse consequences including costly regulatory investigations and fines, interruptions in the flow of its products or materials, product recalls, or liability to consumers regarding any of its products that do not meet such regulatory requirements. If any of these events occurs, if the Company's relationship with any of its potential contract manufacturers terminates, or if any such manufacturer is unable to fulfill its obligations to the Company for any reason, its product development and commercialization efforts could suffer and it may never realize a profit.

If the Company is unable to establish a sales, marketing and distribution infrastructure or enter into collaborations with partners to perform these functions, it may not be successful in commercializing its product candidates.

In order to successfully commercialize any of its product candidates, the Company must either develop a satisfactory sales, marketing and distribution infrastructure or enter into collaborations with partners to perform these services for it. The Company will require substantial resources to create such an infrastructure, and it may never possess the resources to do so. For example, it may be unable to recruit and retain an adequate number of effective sales and marketing personnel or it may incur unforeseen costs and expenses in connection with developing the necessary infrastructure.

Although the Company plans to develop its own sales and marketing organizations in some markets, it intends to enter into partnering, co-promotion and other distribution arrangements to commercialize its products in most markets. The Company may not be able to enter into collaborations on acceptable terms, if at all, and it may face competition in its search for partners with whom it may collaborate. If the Company is not able to build a satisfactory sales, marketing and distribution infrastructure or collaborate with one or more partners to perform these functions, it may not be able to successfully commercialize its product candidates, which could cause it to cease operations.

The Company's product candidates may never gain market acceptance, which could prevent it from generating revenues.

The success of the Company's products will depend on their acceptance by customers and the public, among other things. Market acceptance of, and demand for, any product that it develops and commercializes will depend on many factors, including:

- the Company's ability to provide acceptable evidence of safety and efficacy;
- the effectiveness of its or its collaborators' sales, marketing and distribution strategy; and
- publicity concerning its products or competing products.

If the Company's product candidates fail to gain market acceptance, it may be unable to generate sufficient revenue to continue business.

The Company faces potential product liability exposure, and any claim brought against it may cause it to divert resources from normal operations or terminate selling, distributing and marketing any of its products. This may cause the Company to cease operations as it relates to that product.

The sale of any of the Company's products may expose it to product liability claims from consumers. Although the Company plans to obtain product liability insurance coverage with limits that it hopes will be customary and adequate to provide it with coverage for foreseeable risks, its insurance coverage may be insufficient to reimburse it for the actual expenses or losses it may suffer.

Even if the Company is able to successfully defend itself against any potential claims, it will likely incur substantial costs in the form of unanticipated expenses and negative publicity. This could result in decreased demand for its products, an impaired business reputation, revenue loss or an inability to continue commercializing its products. Any of these consequences could cause it to cease operations.

The manufacturing of all of the Company's products will be subject to ongoing regulatory requirements, and may therefore be the subject of regulatory or enforcement action. The associated costs could prevent it from achieving its goals or becoming profitable.

The Company's products, third-party manufacturing facilities and processes and advertising and promotional activities will be subject to significant review and ongoing and changing regulation by various regulatory agencies. The Company's failure to comply with any regulatory requirements may subject it to administrative and judicial sanctions, which may include warning letters, civil and criminal penalties, injunctions, product seizures or detention, product recalls, total or partial suspension of production, or the denial of pending product marketing applications.

Regulatory or enforcement actions could adversely affect the Company's ability to develop, market and sell its products successfully and harm its reputation, which could lead to reduced market demand for such products. Consequently, the costs associated with any such action could cause the Company's business to suffer and prevent it from achieving its goals or becoming profitable.

The Company plans to indemnify its directors and officers against liability to the Company and its security holders, and such indemnification could increase operating costs.

The Company's Articles allow it to indemnify its directors and officers against claims associated with carrying out the duties of their offices. The Company's Articles also allow it to reimburse them for the costs of certain legal defenses. Insofar as indemnification for liabilities arising under relevant securities legislation may be permitted to its directors, officers or control persons, certain securities regulations may deem that such indemnification is against public policy and is therefore unenforceable in that jurisdiction.

Since the Company's officers and directors are aware that they may be indemnified for carrying out the duties of their offices, they may be less motivated to meet the standards required by law to properly carry out such duties, which could increase operating costs. Further, if the Company's officers and directors file a claim against it for indemnification, the associated expenses could also increase operating costs.

The Company has no sources of product revenue and it will not be able to maintain operations and research and development without sufficient funding.

The Company has no sources of product revenue and cannot predict when or if it will generate product revenue. The Company's ability to generate product revenue and ultimately become profitable depends upon its ability, alone or with partners, to successfully develop its product candidates, obtain regulatory approval, and commercialize products, including any of the current product candidates, or other product candidates that may be developed, in-licensed or acquired in the future. It does not anticipate generating revenue from the sale of products for the foreseeable future. The Company expects research and development expenses to increase in connection with ongoing activities, particularly as drug candidates are advanced towards clinical trials.

The Company is highly dependent upon certain key personnel and their loss could adversely affect the Company's ability to achieve its business objectives.

The loss of the Company's leadership team or other key members of the scientific and operating staff could harm the

Company. Employment agreements exist with the Company's officers and other staff although such employment agreements do not guarantee their retention. The Company also depends on scientific, manufacturing and clinical collaborators and advisors, all of whom have outside commitments that may limit their availability. In addition, the Company believes that its future success will depend in large part upon its ability to attract and retain highly skilled scientific, managerial, medical, clinical, manufacturing and regulatory personnel. Agreements have been entered into with scientific, manufacturing and preclinical and clinical collaborators and advisors, key opinion leaders and academic partners in the ordinary course of business as well as with physicians and institutions. Notwithstanding these arrangements, there is significant competition for these types of personnel from other companies, research and academic institutions, government entities and other organizations. The loss of the services of any of the executive officers or other key personnel could potentially harm the Company's business, operating results or financial condition.

Preclinical and clinical drug development involves a lengthy and expensive process with an uncertain outcome, and results of earlier studies and trials may not be predictive of future trial results and the Company's product candidates may not have favorable results in later trials or in the commercial setting.

Preclinical and clinical testing is expensive and can take many years to complete, and the outcome is inherently uncertain. Failure can occur at any time during the preclinical testing and clinical trial process. The results of preclinical studies and early clinical trials may not be predictive of the results of later-stage clinical trials. Success in preclinical or animal studies and early clinical trials does not ensure that later large-scale efficacy trials will be successful, nor does it predict final results. Favorable results in early trials may not be repeated in later trials. There is no assurance the FDA, European Medicines Agency ("EMA") or other similar government bodies will view the results as the Company does or that any future trials of its proposed products for other indications will achieve positive results. Product candidates in later stages of clinical trials may fail to show the desired safety and efficacy traits despite having progressed through preclinical studies and initial clinical trials.

The Company will be required to demonstrate through larger-scale clinical trials that any potential future product is safe and effective for use in a diverse population before it can seek regulatory approvals for commercial sale of its products. There is typically an extremely high rate of attrition from the failure of product candidates proceeding through preclinical studies and clinical and post-approval trials. If the Company's drug candidates fail to demonstrate sufficient safety and efficacy in ongoing or future preclinical studies and clinical trials, its operations and financial condition will be adversely impacted.

If the Company is unable to enroll subjects in clinical trials, it will be unable to complete these trials on a timely basis.

Patient enrollment, a significant factor in the timing of clinical trials, is affected by many factors, including the size and nature of the patient population, the proximity of subjects to clinical sites, the eligibility criteria for the trial, the design of the clinical trial, ability to obtain and maintain patient consents, risk that enrolled subjects will drop out before completion, competing clinical trials and clinicians' and patients' perceptions as to the potential advantages of the drug being studied in relation to other available therapies, including any new drugs that may be approved for the indications the Company is investigating. Furthermore, the Company relies on CROs (as defined below) and clinical trial sites to ensure the proper and timely conduct of its clinical trials, and while the Company has agreements governing committed activities, it has limited influence over their actual performance.

If the Company experiences delays in the completion or termination of any clinical trial of its proposed products or any future product candidates, the commercial prospects of its product candidates will be harmed and its ability to generate product revenues from any of these product candidates will be delayed. In addition, any delays in completing clinical trials will increase costs, slow down product candidate development and approval process and can shorten any periods during which the Company may have the exclusive right to commercialize its product candidates or allow its competitors to bring products to market before it does. Delays can further jeopardize the Company's ability to commence product sales, which will impair its ability to generate revenues and may harm the business, results of operations, financial condition and cash flows and future prospects. In addition, many of the factors that can cause a delay in the commencement or completion of clinical trials may also ultimately lead to the denial of regulatory approval of its proposed products or its future product candidates.

If the Company's competitors develop and market products that are more effective than the Company's existing product candidates or any products that it may develop, or obtain marketing approval before the Company does, the Company's products may be rendered obsolete or uncompetitive.

Technological competition from pharmaceutical companies, biotechnology companies and universities is intense and is expected to increase. Many of the Company's competitors and potential competitors have substantially greater product development capabilities and financial, scientific, marketing and human resources than the Company does. The Company's future success depends in part on its ability to maintain a competitive position, including the ability to further progress its portfolio candidates through the necessary preclinical and clinical trials towards regulatory approval for sale and commercialization. Other companies may succeed in commercializing products earlier than the Company is able to commercialize its products or they may succeed in developing products that are more effective. While the Company will seek to expand its technological capabilities in order to remain competitive, there can be no assurance that developments by others will not render its products non-competitive or that the Company or its licensors will be able to keep pace with technological developments. Competitors have developed or could develop technologies that could be the basis for competitive products. Some of those products may have an entirely different approach or means of accomplishing the desired therapeutic effect than the Company's products and may be more effective or less costly than the Company's products. In addition, other forms of medical treatment may offer competition to the Company's products. The success of the Company's competitors and their products and technologies relative to the Company's technological capabilities and competitiveness could have a material adverse effect on the future preclinical and clinical trials of the Company's products, including its ability to obtain the necessary regulatory approvals for the conduct of such trials.

The Company relies on contract manufacturers over whom it has limited control. If the Company is subject to quality, cost or delivery issues with the preclinical and clinical grade materials supplied by contract manufacturers, its business operations could suffer significant harm.

The Company has limited manufacturing experience and relies on contract development and manufacturing organizations ("CDMO"), to manufacture its drug candidates for preclinical development and clinical trials. It relies on CDMOs for manufacturing, filling, packaging, storing and shipping of drug product in compliance with cGMP regulations, enforced by the FDA, applicable to its products. The FDA ensures the quality of drug products by carefully monitoring drug manufacturers' compliance with cGMP regulations. The cGMP regulations for drugs contain minimum requirements for the methods, facilities and controls used in manufacturing, processing and packing of a drug product. There can be no assurances that the CDMOs selected will be able to meet future timetables and requirements. If the Company is unable to arrange for alternative third-party manufacturing sources on commercially reasonable terms or in a timely manner, it may delay the development of its product candidates. Furthermore, contract manufacturers must operate in compliance with cGMP and failure to do so could result in, among other things, the disruption of product supplies. The Company's dependence upon third parties for the manufacturing of its products may adversely affect profit margins and its ability to develop and deliver products on a timely and competitive basis.

The Company's future success is dependent primarily on the regulatory approval of a single product.

The Company does not have any products that have gained regulatory approval. As a result, its near-term prospects, including its ability to finance operations and generate revenue, are substantially dependent on the Company's ability to obtain regulatory approval for, and, if approved, to successfully commercialize its drug candidates in a timely manner. The Company cannot commercialize its product candidates in the U.S. without first obtaining regulatory approval for the product from the FDA; similarly, it cannot commercialize its product candidates outside of the U.S. without obtaining regulatory approval from comparable foreign regulatory authorities. Although not within the Company's control, a governmental shutdown could result in significant delays in obtaining the necessary approvals and there can be no assurance regulatory approval will be granted. Before obtaining regulatory approvals for the commercial sale of its product candidates for a target indication, the Company must demonstrate with substantial evidence gathered in preclinical and clinical studies to the satisfaction of the relevant regulatory authorities, that the product candidate is safe and effective for use for that target indication and that the manufacturing facilities, processes and controls are adequate. Many of these factors are beyond the Company's control. If the Company, or its potential commercialization collaborators, are unable to successfully commercialize its drug candidates, the Company may not be able to earn sufficient revenues to continue its business.

The Company will be subject to extensive government regulation that will increase the cost and uncertainty associated with gaining final regulatory approval of its product candidates.

Securing final regulatory approval for the manufacture and sale of human therapeutic products in the U.S., Canada and other markets is a long and costly process that is controlled by that particular country's national regulatory agency.

Approval in the U.S., Canada, or Europe does not assure approval by other national regulatory agencies, although often test results from one country may be used in applications for regulatory approval in another country. Other national regulatory agencies have similar regulatory approval processes, but each is different. Prior to obtaining final regulatory approval to market a drug product, every national regulatory agency has a variety of statutes and regulations which govern the principal development activities. These laws require controlled research and testing of products, government review and approval of a submission containing preclinical and clinical data establishing the safety and efficacy of the product for each use sought, approval of manufacturing facilities, including adherence to cGMP during production and storage, and control of marketing activities, including advertising and labelling. There can be no assurance that the Company's drug candidates will be successfully commercialized in any given country. There can be no assurance that the Company's licensed products will prove to be safe and effective in clinical trials under the standards of the regulations in the various jurisdictions or receive applicable regulatory approvals from applicable regulatory bodies.

The Company's products may become subject to unfavorable pricing regulations, third-party coverage and reimbursement practices or healthcare reform initiatives, thereby having an adverse effect on its business.

Many countries require approval of the sale price of a drug before it can be marketed. In most cases, the pricing review period begins after marketing or product licensing approval is granted. In some foreign markets, prescription pharmaceutical pricing remains subject to continuing governmental control even after initial approval is granted. Although the Company intends to monitor these regulations, its programs are currently in the early stages of development and it will not be able to assess the impact of price regulations for a number of years. As a result, regulatory approval for a product in a particular country may be obtained, but then be subject to price regulations that delay commercial launch of the product and negatively impact the revenues from the sale of the product in that country.

The Company's ability to commercialize any products successfully will also depend in part on the extent to which coverage and adequate reimbursement for these products and related treatments will be available from government health administration authorities, private health insurers and other third-party payors. Additionally, in the U.S., no uniform policy of coverage and reimbursement for products exists among third-party payors. Therefore, coverage and reimbursement for products can differ significantly from payor to payor. In many jurisdictions, a product candidate must be approved for reimbursement before it can be approved for sale in that jurisdiction. Obtaining coverage and reimbursement approval of a product from a government or other third-party payor is a time-consuming and costly process that could require the Company to provide to the payor supporting scientific, clinical and cost-effectiveness data for the use of its products. Delay in obtaining or providing of this data may delay or suspend reimbursement approval, negatively impacting the revenues from the sale of the product.

Negative results from clinical trials or studies of others and adverse safety events involving the targets of the Company's products may have an adverse impact on future commercialization efforts.

From time to time, studies or clinical trials on various aspects of pharmaceutical products are conducted by academic researchers, competitors or others. The results of these studies or trials, when published, may have a significant effect on the market for the pharmaceutical product that is the subject of the study. The publication of negative results of studies or clinical trials or adverse safety events related to the Company's product candidates, the intended therapeutic target or the therapeutic areas in which the Company's product candidates compete, could adversely affect the ability to finance future development of its product candidates, and the business and financial results could be materially and adversely affected.

The Company faces the risk of product liability claims, which could exceed its insurance coverage and produce recalls, each of which could deplete cash resources.

In human trials, the Company will be exposed to the risk of product liability claims alleging that use of its product candidates cause an injury or harm. These claims can arise at any point in the development, testing, manufacture, marketing or sale of product candidates and may be made directly by patients involved in clinical trials of product candidates, by consumers or healthcare providers or by individuals, or organizations or companies selling the products. Product liability claims can be expensive to defend, even if the product or product candidate did not actually cause the alleged injury or harm.

Insurance covering product liability claims becomes increasingly expensive as a product candidate moves through the development pipeline to commercialization. There can be no assurance that the Company's insurance coverage is or

will continue to be adequate or available at a cost acceptable to it or at all. The Company may choose or find it necessary under its collaborative agreements to increase the insurance coverage in the future but may not be able to secure greater or broader product liability insurance coverage on acceptable terms or at reasonable costs when needed. Any liability for damages resulting from a product liability claim could exceed the amount of the coverage, require payment of a substantial monetary award from the Company's cash resources and have a material adverse effect on the business, financial condition and results of operations. Moreover, a product recall, if required, could generate substantial negative publicity about the products and business, inhibit or prevent commercialization of other products and product candidates or negatively impact existing or future collaborations.

The Company may not achieve its publicly announced milestones according to schedule, or at all.

From time to time, the Company may announce the timing of certain events expected to occur, such as the anticipated timing of results from clinical trials. These statements are forward-looking and are based on the Company's best estimates at the time relating to the occurrence of such events. However, the actual timing of such events may differ from what has been publicly disclosed. The timing of events such as initiation or completion of a clinical trial, filing of an application to obtain regulatory approval, or announcement of additional clinical trials for a product candidate may ultimately vary from what is publicly disclosed. These variations in timing may occur as a result of different events, including the availability of financing, the ability to recruit patients in a clinical trial in a timely manner, the nature of results obtained during a clinical trial or during a research phase, problems with a CDMO or a contract research organization ("CRO"), or any other event having the effect of delaying the publicly announced timeline. The Company undertakes no obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as otherwise required by law. Any variation in the timing of previously announced milestones could have a material adverse effect on the Company's business plan, financial condition or operating results.

Changes in government regulations, although beyond the Company's control, could have an adverse effect on its business.

The Company depends upon the validity of its licenses and access to the data for the timely completion of clinical research. Any changes in the drug development regulatory environment or shifts in political attitudes of a government are beyond its control and may adversely affect its business. The Company's business may also be affected in varying degrees by such factors as government regulations with respect to intellectual property, regulation or export controls. Such changes remain beyond its control and the effect of any such changes cannot be predicted. These factors could have a material adverse effect on the Company's ability to further develop its product candidates.

Significant disruption in availability of key components for ongoing preclinical and clinical studies could considerably delay completion of potential clinical trials, product testing and regulatory approval of potential product candidates.

The Company relies on third parties to supply ingredients and excipients for the manufacture and formulation of its drug candidates. Each of the suppliers of these components in turn need to comply with regulatory requirements. Any significant disruption in supplier relationships could harm the Company's business. Any significant delay in the supply of a component, for a potential ongoing clinical study could considerably delay initiation and completion of potential clinical trials, product testing and regulatory approval of potential product candidates. If the Company or its suppliers are unable to purchase these components after regulatory approval has been obtained for the product candidates, or the suppliers decide not to manufacture these components or provide support for any of the components, clinical trials or the commercial launch of that product candidate would be delayed or there would be a shortage in supply, which would impair the Company's ability to generate revenues from the sale of the product candidates.

The Company's products or technologies may need to be used in connection with third-party technologies or products.

It is not uncommon that drugs are used in combination with other drugs, devices, or therapies. Should this be the case for the Company's technology it could have an impact on future drug development and commercialization efforts.

The Company could be adversely impacted by unauthorized actions or the distribution of inaccurate information.

The Company faces the risk that parties take unauthorized actions that negatively impact it. This includes the risk of rumours or distribution of inaccurate information on unregulated online blogs, bulletin boards, and social media, as well as the risk that individuals or organizations access and use the Company's technology without authorization or consent and in ways that are not yet understood and/or approved, resulting in negative consequences to the Company's

reputation and/or perception of the technology.

The Company may pursue other business opportunities in order to develop its business and/or products.

From time to time, the Company may pursue opportunities for further research and development of other products. The Company's success in these activities will depend on its ability to identify suitable technical experts, market needs, and effectively execute any such research and development opportunities. Any research and development would be accompanied by risks as a result of the use of business efforts and funds. In the event that the Company chooses to raise debt capital to finance any such research or development opportunities, its leverage will be increased. There can be no assurance that the Company would be successful in overcoming these risks or any other problems encountered in connection with any research or development opportunities.

Generally, a litigation risk exists for any company that may compromise its ability to conduct the Company's business.

All industries are subject to legal claims, with and without merit. Defense and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, the resolution of any particular legal proceeding could have a material adverse effect on the Company's business, prospects, financial condition and results of operations.

The Company's success depends on its ability to effectively manage its growth.

The Company may be subject to growth-related risks, including pressure on its internal systems and controls. The Company's ability to manage its growth effectively will require it to continue to implement and improve operational and financial systems and to expand, train and manage its employee base. Inability to deal with this growth could have a material adverse impact on its business, operations and prospects. The Company may experience growth in the number of its employees and the scope of its operating and financial systems, resulting in increased responsibilities for its personnel, the hiring of additional personnel and, in general, higher levels of operating expenses. In order to manage its current operations and any future growth effectively, the Company will also need to continue to implement and improve its operational, financial and management information systems and to hire, train, motivate, manage and retain its employees. There can be no assurance that the Company will be able to manage such growth effectively, that its management, personnel or systems will be adequate to support its operations or that it will be able to achieve the increased levels of revenue commensurate with the increased levels of operating expenses associated with this growth.

It may be difficult for non-Canadian investors to obtain and enforce judgments against the Company because of its Canadian incorporation and presence.

The Company is a corporation existing under the laws of Canada. Several of its directors and officers, and several of the experts are residents of Canada, and all or a substantial portion of their assets, and a substantial portion of the Company's assets, are located outside the U.S. Consequently, it may be difficult for holders of the Company's securities who reside in the U.S. to effect service within the U.S. upon those directors and officers, and the experts who are not residents of the U.S. It may also be difficult for holders of the Company's securities who reside in the U.S. to realize in the U.S. upon judgments of courts of the U.S. predicated upon the Company's civil liability and the civil liability of its directors, officers and experts under the U.S. federal securities laws. Investors should not assume that Canadian courts would (i) enforce judgments of U.S. courts obtained in actions against the Company or such directors, officers or experts predicated upon the civil liability provisions of the U.S. federal securities laws or the securities or "blue sky" laws of any state or jurisdiction of the U.S. or (ii) enforce, in original actions, liabilities against the Company or such directors, officers or experts predicated upon the U.S. federal securities laws or any securities or "blue sky" laws of any state or jurisdiction of the U.S. In addition, the protections afforded by Canadian securities laws may not be available to investors in the U.S.

Significant disruptions of information technology systems or security breaches could adversely affect the Company's business.

The Company is dependent upon information technology systems, infrastructure and data to operate its business. In the ordinary course of business, the Company collects, stores and transmits confidential information (including, among other things, trade secrets or other intellectual property, proprietary business information and personal information). It is critical that the Company does so in a secure manner to maintain the confidentiality and integrity of such confidential information. The Company also has outsourced elements of its operations to third parties, and as a result it manages a

number of third-party vendors who may or could have access to its confidential information. The size and complexity of its information technology systems, and those of third-party vendors with whom the Company contracts, and the amount of confidential information stored on those systems, make such systems vulnerable to service interruptions or to security breaches from inadvertent or intentional actions by employees, third-party vendors, and/or business partners, or from cyberattacks by malicious third parties. Cyberattacks could include the deployment of harmful malware, ransomware, denial-of-service attacks, social engineering and other means to affect service reliability and threaten the confidentiality, integrity and availability of information.

Potential Passive Foreign Investment Company Status May Have Adverse U.S. Federal Income Tax Consequences for U.S. Holders

The Company may be classified as a passive foreign investment company (“PFIC”) for U.S. federal income tax purposes for its current taxable year or future taxable years. A non-U.S. corporation generally will be classified as a PFIC for any taxable year if, after applying certain look-through rules, either: (i) 75% or more of its gross income for such taxable year is passive income; or (ii) 50% or more of the average value of its assets for such taxable year produce, or are held for the production of, passive income. The determination of whether the Company is a PFIC is made annually and depends on the Company’s income, assets, activities and market capitalization, among other factors. Accordingly, no assurance can be given that the Company will not be a PFIC for its current taxable year or any future taxable year.

If the Company is classified as a PFIC for any taxable year during which a U.S. Holder owns Common Shares, Pre-Funded Warrants or Warrant Shares, such U.S. Holder may be subject to adverse U.S. federal income tax consequences, including increased tax liability on certain distributions and on any gain recognized on a disposition of such securities, an interest charge on certain taxes treated as deferred, and additional U.S. tax reporting obligations. These rules are complex and may apply differently depending on the particular circumstances of each U.S. Holder, including whether such U.S. Holder makes a timely and effective qualified electing fund election or mark-to-market election, if available.

Prospective U.S. investors should consult their own tax advisors regarding the potential application of the PFIC rules to an investment in the Offered Shares, Pre-Funded Warrants or Warrant Shares, including the availability and advisability of any elections and related reporting requirements.

Risks Related to the Company’s Securities

Trading on the CSE and the OTCQB may be volatile and sporadic, which could depress the market price of the Common Shares and make it difficult for its shareholders to resell their shares.

The Common Shares are traded on the CSE and are quoted on the OTCQB service of the Financial Industry Regulatory Authority. Trading in stock listed on the CSE or quoted on the OTCQB is often thin and characterized by wide fluctuations in trading prices, due to many factors that may have little to do with the Company’s operations or business prospects. This volatility could depress the market price of the Common Shares for reasons unrelated to operating performance. Moreover, the OTCQB is not a stock exchange, and trading of securities on the OTCQB Board is often more sporadic than the trading of securities listed on a quotation system like NASDAQ or a stock exchange like Amex. Accordingly, shareholders may have difficulty reselling any of their shares.

The Common Shares are penny stock. Trading of the Common Shares may be restricted by the SEC’s penny stock regulations and FINRA’s sales practice requirements, which may limit a shareholder’s ability to buy and sell the Common Shares.

The Common Shares are penny stocks. The Securities and Exchange Commission in the United States (the “SEC”) has adopted Rule 15g-9 which generally defines “penny stock” to be any equity security that has a market price (as defined) less than \$5.00 per share or an exercise price of less than \$5.00 per share, subject to certain exceptions. The Company’s securities are covered by the penny stock rules, which impose additional sales practice requirements on broker-dealers who sell to persons other than established customers and “accredited investors”. The term “accredited investor” refers generally to institutions with assets in excess of \$5,000,000 or individuals with a net worth in excess of \$1,000,000 or annual income exceeding \$200,000 or \$300,000 jointly with their spouse. The penny stock rules require a broker-dealer, prior to a transaction in a penny stock not otherwise exempt from the rules, to deliver a standardized risk disclosure document in a form prepared by the SEC which provides information about penny stocks and the nature and level of risks in the penny stock market. The broker-dealer also must provide the customer with current bid and offer quotations for the penny stock, the compensation of the broker-dealer and its salesperson in the transaction and monthly account

statements showing the market value of each penny stock held in the customer's account. The bid and offer quotations, and the broker-dealer and salesperson compensation information, must be given to the customer orally or in writing prior to effecting the transaction and must be given to the customer in writing before or with the customer's confirmation. In addition, the penny stock rules require that prior to a transaction in a penny stock not otherwise exempt from these rules, the broker-dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written agreement to the transaction. These disclosure requirements may have the effect of reducing the level of trading activity in the secondary market for the stock that is subject to these penny stock rules. Consequently, these penny stock rules may affect the ability of broker-dealers to trade the Company's securities. The Company believes that the penny stock rules discourage investor interest in, and limit the marketability of, its Common Shares.

In addition to the "penny stock" rules promulgated by the Securities and Exchange Commission, the Financial Industry Regulatory Authority has adopted rules that require that in recommending an investment to a customer, a broker-dealer must have reasonable grounds for believing that the investment is suitable for that customer. Prior to recommending speculative low priced securities to their non-institutional customers, broker-dealers must make reasonable efforts to obtain information about the customer's financial status, tax status, investment objectives and other information. Under interpretations of these rules, the Financial Industry Regulatory Authority believes that there is a high probability that speculative low-priced securities will not be suitable for at least some customers. The Financial Industry Regulatory Authority requirements make it more difficult for broker-dealers to recommend that their customers buy the Common Shares, which may limit your ability to buy and sell the Common Shares.

You will experience dilution or subordinated shareholder rights, privileges and preferences as a result of the Company's financing efforts.

The Company must raise additional capital from external sources to carry out its business plan over the next two years. To do so, it may issue debt securities, equity securities or a combination of these securities; however, the Company may not be able to sell these securities, particularly under current market conditions. Even if the Company is successful in finding buyers for its securities, such buyers could demand high interest rates or require the Company to agree to onerous operating covenants, which could in turn harm its ability to operate its business by reducing its cash flow and restricting its operating activities. If the Company chooses to sell shares of its common stock, this will result in dilution to its existing shareholders. In addition, any shares of Common Shares it may issue may have rights, privileges and preferences superior to those of its current shareholders.

The Company does not intend to pay dividends and there will thus be fewer ways in which you are able to make a gain on your investment, if at all.

The Company has never paid dividends and does not intend to pay any dividends for the foreseeable future and it currently intends to retain future earnings, if any, to fund the development and growth of the business. To the extent that the Company may require additional funding currently not provided for in its financing plan, its funding sources may prohibit the declaration of dividends. Because the Company does not intend to pay dividends, any gain on your investment will need to result from an appreciation in the price of its Common Shares. There will therefore be fewer ways in which you are able to make a gain on your investment, if at all. There is also no guarantee that your investment will appreciate.

Market Price of Common Shares.

The trading prices of CSE-listed companies and companies quoted on the OTC have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include macroeconomic developments in Canada, North America and globally, and market perceptions of the attractiveness of particular industries. The trading price of the Common Shares is also likely to be significantly affected by changes from time to time in the Company's operating results, financial condition, liquidity and other internal factors.

The price of the Common Shares may be subject to fluctuation in the future based on market conditions.

The market prices for the securities of biotechnology companies, including the Company's, have historically been highly volatile. The market has from time to time experienced significant price and volume fluctuations that are unrelated to the operating performance of any particular company. In addition, because of the nature of the Company's business, certain factors, such as its announcements, competition from new therapeutic products or technological

innovations, government regulations, fluctuations in operating results, results of clinical trials, public concern regarding the safety of drugs generally, general market conditions and developments in patent and proprietary rights, can have an adverse impact on the market price of the Common Shares. Any negative change in the public's perception of the Company's prospects could cause the price of the Common Shares to decrease dramatically.

Furthermore, any negative change in the public's perception of the prospects of biotechnology companies in general or the market in general could depress share price regardless of the Company's results. Volatility or depression in the capital markets, particularly with respect to biotechnology stocks, could also affect the Company's ability to raise additional capital.

Risks Related to the Company's Intellectual Property

If the Company is unable to obtain, maintain and enforce its proprietary intellectual property rights, it may not be able to operate profitably.

The Company's commercial success will depend, in part, on obtaining and maintaining patent protection, trade secret protection and regulatory protection of its technologies and patents as well as successfully defending third-party challenges to such technologies and patents. The Company will be able to protect its technologies and patents from unauthorized use by third parties only to the extent that valid and enforceable patents, trade secrets or regulatory protection cover them. The ability of the Company's collaborators and suppliers to maintain their patent rights against third-party challenges to their validity, scope or enforceability will also play an important role in determining its future.

In addition, the Company's commercial success will depend, in part, on its licensors maintaining patent rights it has licensed and plans to license in the future, related to products it may market in the future. Since the Company will not fully control the patent prosecution of any licensed patent applications, it is possible that its licensors will not devote the same resources or attention to the prosecution of the licensed patent applications as it would if the Company controlled the prosecution of the applications itself. Consequently, the resulting patent protection, if any, may not be as strong or comprehensive as it would be had the Company done so.

The patent positions of biopharmaceutical companies can be highly uncertain and involve complex legal and factual questions that include unresolved principles and issues. No consistent policy regarding the breadth of claims allowed for such companies' patents has emerged to date in the United States, and the patent situation outside the United States is even more uncertain. Changes in either the patent laws or interpretations of patent laws in the United States or other countries may diminish the value of the Company's intellectual property. Accordingly, the Company cannot predict with any certainty the range of claims that may be allowed or enforced concerning its patents or third-party patents.

The Company also relies on trade secrets to protect its technologies, especially where it does not believe patent protection is appropriate or obtainable. However, trade secrets are difficult to protect. While the Company seeks to protect confidential information, in part, through confidentiality agreements with its consultants and scientific and other advisors, these third parties may unintentionally or willfully disclose the Company's information to competitors. Enforcing a claim against a third-party related to the illegal acquisition and use of trade secrets can be expensive and time consuming, and the outcome is often unpredictable. If the Company is not able to maintain patent or trade secret protection on its technologies and product candidates, then it may not be able to exclude competitors from developing or marketing competing products, and it may not be able to operate profitably.

If the Company is the subject of an intellectual property infringement claim, the cost of participating in any litigation could cause it to go out of business.

There has been, and the Company believes that there will continue to be, significant litigation and demands for licenses in its industry regarding patent and other intellectual property rights. Although the Company anticipates having a valid defense to any allegation that its current product candidates, production methods and other activities infringe the valid and enforceable intellectual property rights of any third-parties, it cannot be certain that a third-party will not challenge its position in the future. Other parties may own patent rights that the Company might infringe through its products or other activities, and the Company's competitors or other patent holders may assert that the Company's products and the methods it employs are covered by their patents. These parties could bring claims against the Company that would cause it to incur substantial litigation expenses and, if successful, may require it to pay substantial damages. Some of the Company's potential competitors may be better able to sustain the costs of complex patent litigation, and depending on the circumstances, it could be forced to stop or delay research, development, manufacturing or sales activities. These

costs could cause the Company to go out of business.

The Company may in the future be required to license patent rights from third-party owners in order to develop its product candidates. If it cannot obtain those licenses or if third-party owners do not properly maintain or enforce the patents underlying such licenses, the Company may not be able to market or sell its planned products.

The Company has licensed patent-protected technologies from certain third parties and it may also license other intellectual property from other third-parties, if it believes it is necessary or useful to use additional third-party intellectual property to develop its products. Typically, the Company would seek to negotiate and obtain any required third-party licenses immediately following the completion of preliminary research to establish a concept and plan of development for a new product candidate. The Company will also be required to pay license fees, certain milestone payments or royalties, or both, to obtain such licenses, and there is no guarantee that such licenses will be available on acceptable terms, if at all. Even if the Company is able to successfully obtain a license, certain rights may be non-exclusive or co-exclusive, and this would give its competitors access to some of the intellectual property as the Company does, which could ultimately prevent it from commercializing a product.

Upon obtaining a license, the Company's business prospects will depend, in part, on the ability of its licensors to obtain, maintain and enforce patent protection on the licensed intellectual property. The Company's licensors may terminate its license, may not pursue and successfully prosecute any potential patent infringement claim, may fail to maintain their patent applications, or may pursue any litigation less aggressively than the Company would. Without protection for the intellectual property that it licenses from third parties, other companies may be able to offer substantially similar products for sale, and the Company may not be able to market or sell its planned products or generate any revenues.

The Company's reliance on third parties requires it to share its trade secrets, which increases the possibility that a competitor will discover them.

Because the Company relies on third parties to conduct research and develop its products, the Company must share trade secrets with them. The Company seeks to protect its proprietary technology in part by entering into confidentiality agreements and, if applicable, material transfer agreements, collaborative research agreements, consulting agreements or other similar agreements with its collaborators, advisors, employees and consultants prior to beginning research or disclosing proprietary information. These agreements typically restrict the ability of third parties to whom the Company discloses confidential information, including the Company's collaborators, advisors, employees and consultants, to publish data potentially relating to its trade secrets. The Company's academic collaborators typically have rights to publish data, provided that the Company is notified in advance and may delay publication for a specified period of time in order to secure its intellectual property rights arising from the collaboration. In other cases, publication rights are controlled exclusively by the Company, although in some cases the Company may share these rights with other parties. The Company also conducts joint research and development programs which may require it to share trade secrets under the terms of research and development collaboration or similar agreements. Despite its efforts to protect its trade secrets, the Company's competitors may discover its trade secrets, either through breach of these agreements, independent development or publication of information including its trade secrets in cases where it does not have proprietary or otherwise protected rights at the time of publication. A competitor's discovery of the Company's trade secrets may impair its competitive position and could have a material adverse effect on the Company's business and financial condition.

ELIGIBILITY FOR INVESTMENT

Based on the provisions of the *Income Tax Act* (Canada) and the regulations thereunder (collectively, the "**Tax Act**") as of the date hereof, the Offered Shares and the Warrant Shares would, if issued on the date hereof, 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 (i) the Offered Shares and Warrant Shares are listed on a "designated stock exchange" as defined in the Tax Act (which currently includes the CSE), and (ii) the Pre-Funded Warrants will, if issued on the date hereof, be qualified investments for Deferred Plans provided that the Warrant Shares are, on the date hereof, listed on a "designated stock exchange" as defined in the Tax Act (which includes the CSE) and the Company is not, and deals at arm's length with each person who is, an annuitant, a beneficiary, an employer or a subscriber under or a holder of such Deferred Plan.

Notwithstanding the foregoing, if the Offered Shares, Warrant Shares or Pre-Funded Warrants held by a TFSA, FHSA, RRSP, RRIF, RDSP or RESP are “prohibited investments” for purposes of the Tax Act, the holder of the TFSA, FHSA or RDSP, the annuitant of the RRSP or RRIF or the subscriber of the RESP will be subject to a penalty tax as set out in the Tax Act. As of the date hereof, the Offered Shares, Warrant Shares and Pre-Funded Warrants will be a “prohibited investment” if the holder of a TFSA, FHSA or RDSP, the annuitant of a RRSP or RRIF or the subscriber of the RESP, as the case may be: (i) does not deal at arm’s length with the Company for purposes of the Tax Act; or (ii) has a “significant interest” (within the meaning of the Tax Act) in the Company. In addition, the Offered Shares, Warrant Shares and Pre-Funded Warrants will not be a “prohibited investment” if the Offered Shares, Warrant Shares and Pre-Funded Warrants are “excluded property”, as defined in the Tax Act, for a TFSA, FHSA, RRSP, RRIF, RDSP or RESP. Holders who intend to hold Offered Shares, Warrant Shares or Pre-Funded Warrants in a TFSA, FHSA, RRSP, RRIF, RDSP or RESP should consult their own tax advisors in this regard.

Persons who intend to hold Offered Shares, Pre-Funded Warrants and Warrant Shares in a trust governed by a Deferred Plan should consult their own tax advisors with respect to the application of these rules in their particular circumstances.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations generally applicable under the Tax Act and Regulations thereunder to a purchaser who acquires Offered Shares or Pre-Funded Warrants as beneficial owner pursuant to the Offering and, if applicable, Warrant Shares on the exercise of Pre-Funded Warrants and who, for the purposes of the Tax Act and at all relevant times, deals at arm’s length with, and is not affiliated with, the Company and the Agents and holds Offered Shares and Pre-Funded Warrants, and will hold the Warrant Shares, as capital property (“**Holder**” and collectively, the “**Holders**”). Generally, the Offered Shares, the Warrant Shares or Pre-Funded Warrants will be considered to be capital property to a Holder provided that the Holder does not hold such Offered Shares, Pre-Funded Warrants or Warrant Shares in the course of carrying on a business of trading or dealing in securities and has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade. For the purposes of this summary, references to “Shares” shall include the Offered Shares and any Warrant Shares acquired upon the exercise of the Pre-Funded Warrants, unless the context otherwise requires.

This summary is not applicable to a Holder: (i) that is a “financial institution” for purposes of the “mark-to-market” rules in the Tax Act; (ii) that is a “specified financial institution” within the meaning of the Tax Act; (iii) that reports its “Canadian tax results” within the meaning of the Tax Act in a currency other than Canadian currency; (iv) an interest in which is, a “tax shelter investment” within the meaning of the Tax Act; (v) that has entered or will enter into a “derivative forward agreement” or “synthetic disposition arrangement”, each within the meaning of the Tax Act, in respect of Shares and/or Pre-Funded Warrants; (vi) that receives dividends on Shares under or as part of a “dividend rental arrangement” within the meaning of the Tax Act; (vii) that has made a “functional currency” election under the Tax Act to determine its Canadian tax results in a currency other than the Canadian currency (viii) that is exempt from tax under Part I of the Tax Act; or (ix) that is a corporation resident in Canada (for purposes of the Tax Act) and is, or becomes, or does not deal at arm’s length for purposes of the Tax Act with a corporation resident in Canada (for purposes of the Tax Act) that is or becomes, as part of a transaction or event or series of transactions or events that includes the acquisition of the Shares or Pre-Funded Warrants, controlled by a non-resident person or group of non-resident persons who do not deal at arm’s length with each other, for the purposes of the foreign affiliate dumping rules in section 212.3 of the Tax Act. This summary does not address the deductibility of interest by a Holder who has borrowed money to acquire the Offered Shares, Warrant Shares or Pre-Funded Warrants or the tax consequences for an individual Holder who acquired Offered Shares, Warrant Shares or Pre-Funded Warrants as a benefit from employment. All such Holders should consult with their own tax advisors with respect to their own particular circumstances.

This summary is based upon the current provisions of the Tax Act and the Regulations thereunder in force as of the date hereof, all specific proposals to amend the Tax Act and Regulations thereunder (the “**Tax Proposals**”) which have been announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof, and counsel’s understanding of the current administrative policies and assessing practices of the Canada Revenue Agency (the “**CRA**”) which have been made publicly available prior to the date hereof. This summary assumes that the Tax

Proposals will be enacted in the form proposed and does not take into account or anticipate any other changes in law or in the administrative policies or assessing practices of the CRA, whether by way of judicial, legislative or governmental decision or action, nor does it take into account other federal or any provincial, territorial or foreign income tax legislation or considerations, which may differ from the Canadian federal income tax considerations discussed herein. No assurances can be given that the Tax Proposals will be enacted as proposed or at all, or that legislative, judicial or administrative changes will not modify or change the statements expressed herein.

This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in Shares or Pre-Funded Warrants. Accordingly, this summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any investor. Investors should consult their own tax advisors for advice with respect to the tax consequences of an investment in Shares and Pre-Funded Warrants, based on their particular circumstances.

Currency Conversion

For purposes of the Tax Act, all amounts relating to the acquisition, holding or disposition of Shares and Pre-Funded Warrants (including dividends, adjusted cost base and proceeds of disposition) must generally be expressed in Canadian Dollars. Amounts denominated in any other currency must be converted into Canadian Dollars generally based on the exchange rate quoted by the Bank of Canada on the date such amounts arise or such other rate of exchange as is acceptable to the Minister of National Revenue (Canada).

Acquisition of Shares and Pre-Funded Warrants

When Shares (including an Offered Share) or Pre-Funded Warrants are acquired by a Holder who already owns Shares or Pre-Funded Warrants, the cost of newly acquired Shares or Pre-Funded Warrants will be averaged with the adjusted cost base of all Shares or Pre-Funded Warrants, respectively, owned by the Holder as capital property before that time for the purpose of determining the Holder's adjusted cost base of all Shares and Pre-Funded Warrants, as the case may be, held by such person.

Exercise of Pre-Funded Warrants

The exercise of a Pre-Funded Warrant to acquire a Warrant Share will be deemed not to constitute a disposition of property for purposes of the Tax Act and consequently no gain or loss will be realized by a Holder upon such an exercise. When a Pre-Funded Warrant is exercised, the Holder's cost of the Warrant Share acquired thereby will be equal to the aggregate of the Holder's adjusted cost base of such Pre-Funded Warrant and the exercise price paid for the Warrant Share. The Holder's adjusted cost base of the Warrant Share so acquired will be determined by averaging such cost with the adjusted cost base to the Holder of all other Shares owned by the Holder and held as capital property immediately prior to such acquisition.

Holders Resident in Canada

The following section of this summary is generally applicable to a Holder who, for purposes of the Tax Act and any applicable tax treaty or convention, is or is deemed to be resident in Canada at all relevant times (a "**Resident Holder**"). Certain Resident Holders who might not otherwise be considered to hold Shares as capital property may, in certain circumstances, be entitled to have such Shares (but, for avoidance of doubt, not Pre-Funded Warrants) and all other "Canadian securities" as defined in the Tax Act owned by them in the year in which the election is made and all subsequent taxation years treated as capital property by making an irrevocable election under subsection 39(4) of the Tax Act. This election will not be available for Pre-Funded Warrants. **Resident Holders contemplating such an election should consult their own advisors.**

Expiry of Pre-Funded Warrants

The Pre-Funded Warrants will not expire. However, if the Pre-Funded Warrants do have an expiry date, in the event of the expiry of an unexercised Pre-Funded Warrant, the Resident Holder will realize a capital loss equal to the Resident Holder's adjusted cost base of such Pre-Funded Warrant. The tax treatment of capital gains and losses is discussed in greater detail below under the subheading "*Capital Gains and Losses*".

Dividends

Taxable dividends received or deemed to be received on the Shares will be included in computing the Resident Holder's income. In the case of a Resident Holder that is an individual (other than certain trusts) such dividends will be subject to the gross-up and dividend tax credit rules applicable in respect of taxable dividends received from "taxable Canadian corporations" (as defined in the Tax Act). An enhanced dividend tax credit will generally be available to a Resident Holder that is an individual in respect of dividends designated by the Company as "eligible dividends". There may be limitations on the ability of the Company to designate dividends as "eligible dividends" and the Company has made no commitments in this regard. Resident Holders who are individuals (other than certain trusts) may be subject to alternative minimum tax in respect of taxable dividends.

In the case of a Resident Holder that is a corporation, the amount of any such taxable dividends that is included in its income for a taxation year received or deemed to be received on the Shares will generally be deductible in computing its taxable income for that taxation year. In certain circumstances, subsection 55(2) of the Tax Act will treat a taxable dividend received (or deemed to be received) by a Resident Holder that is a corporation as proceeds of disposition or a capital gain. Resident Holders that are corporations should consult their own tax advisors having regard to their own circumstances.

Resident Holders that are "private corporations" (as defined in the Tax Act) or "subject corporations" (as defined in the Tax Act) may be subject to a refundable tax under Part IV of the Tax Act on dividends received (or deemed to be received) on the Shares to the extent such dividends are deductible in computing the Resident Holder's taxable income for the year. This refundable tax generally will be refunded to a Resident Holder that is a corporation when sufficient taxable dividends are paid to its shareholders while it is a private corporation or subject corporation.

A Resident Holder that is throughout the relevant taxation year a "Canadian-controlled private corporation", or that is a "substantive CCPC" at any time in the relevant taxation year, as those terms are defined in the Tax Act, may be liable for an additional tax (refundable in certain circumstances) on its "aggregate investment income", which is defined in the Tax Act to include dividends received or deemed to be received in respect of Shares, but not dividends or deemed dividends that are deductible in computing the dividend recipient's taxable income.

Disposition of Shares and Pre-Funded Warrants

A disposition or deemed disposition by a Resident Holder of Shares (other than on a disposition to the Company that is not a sale in the open market in a manner in which such shares would normally be purchased by any member of the public in the open market) or Pre-Funded Warrants (which, as discussed above, does not include an exercise of Pre-Funded Warrants to acquire such Warrant Shares and other than on the expiry of Pre-Funded Warrants, which is discussed above under the subheading "*Expiry of Pre-Funded Warrants*") will generally give rise to a capital gain (or capital loss) equal to the amount by which the proceeds of disposition, net of reasonable costs of disposition, are greater (or less) than such Resident Holder's adjusted cost base of such Shares or Pre-Funded Warrants, as the case may be, immediately before the disposition or deemed disposition.

The tax treatment of capital gains and losses is discussed in greater detail below under the subheading "*Capital Gains and Losses*".

Capital Gains and Losses

Generally, a Resident Holder is required to include in computing its income for a taxation year one-half of the amount of any capital gain (a "**taxable capital gain**") realized by the Resident Holder in the year. Subject to and in accordance with the provisions of the Tax Act, a Resident Holder is required to deduct one-half of the amount of any capital loss (an "**allowable capital loss**") realized in a taxation year from taxable capital gains realized in the year. Allowable capital losses in excess of taxable capital gains may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized by the Resident Holder in such years, to the extent and in the circumstances described in the Tax Act.

The amount of any capital loss realized on the disposition or deemed disposition of a Share by a Resident Holder that is a corporation may, in certain circumstances, be reduced by the amount of dividends received or deemed to have been received by it on such Share, or a share substituted for such Share, to the extent and under the circumstances specified in the Tax Act. Similar rules may apply where a Resident Holder that is a corporation is a member of a partnership or a beneficiary of a trust that owns Shares, directly or indirectly, through a partnership or trust. Resident Holders to whom these rules may be relevant should consult their own tax advisors.

Capital gains realized or deemed to be received by a Resident Holder that is an individual or trust, other than certain specified trusts, may give rise to a liability for alternative minimum tax under the Tax Act. The amendments to the Tax Act enacted on June 20, 2024 may affect the liability of a Resident Holder for alternative minimum tax. Resident Holders should obtain independent advice from a tax advisor on such amendments to the federal alternative minimum tax and the consequences therefrom.

Holders Not Resident in Canada

The following section of this summary is generally applicable to Holders who for the purposes of the Tax Act and any applicable tax treaty or convention and at all relevant times (i) have not been and will not be deemed to be resident in Canada at any time while they hold the Shares or Pre-Funded Warrants; and (ii) do not use or hold the Shares or Pre-Funded Warrants in carrying on a business in Canada (“**Non-Resident Holders**”).

Special rules, which are not discussed in this summary, may apply to a Non-Resident Holder that is an insurer carrying on business in Canada and elsewhere or an “authorized foreign bank” (as defined in the Tax Act). Such Non-Resident Holders should consult their own tax advisors.

Dividends

Dividends paid or credited or deemed to be paid or credited to a Non-Resident Holder by the Company on the Shares will be subject to Canadian withholding tax at the rate of 25% on the gross amount of the dividend unless such rate is reduced by the terms of an applicable tax treaty or convention to which the Non-Resident Holder is entitled to benefits of, between Canada and the country in which the Non-Resident Holder is a resident. Under the *Canada-United States Tax Convention (1980)*, as amended (the “**Treaty**”), the rate of withholding tax on dividends paid or credited to a Non-Resident Holder who is resident in the United States for purposes of the Treaty and fully entitled to benefits under the Treaty (a “**U.S. Holder**”) is generally limited to 15% of the gross amount of the dividend (or 5% in the case of a U.S. Holder that is a company beneficially owning at least 10% of the Company’s voting shares).

Dispositions of Common Shares and Pre-Funded Warrants

A Non-Resident Holder generally will not be subject to tax under the Tax Act in respect of a capital gain realized on the disposition or deemed disposition of a Share or Pre-Funded Warrant, nor will capital losses arising therefrom be recognized under the Tax Act, unless the Share or Pre-Funded Warrant constitutes “taxable Canadian property” to the Non-Resident Holder for purposes of the Tax Act, and the gain is not exempt from tax pursuant to the terms of an applicable tax treaty or convention.

Provided the Shares are listed on a “designated stock exchange”, as defined in the Tax Act (which currently includes the CSE), at the time of disposition, the Shares and Pre-Funded Warrants generally will not constitute taxable Canadian property of a Non-Resident Holder at that time, unless at any time during the 60 month period immediately preceding the disposition the following two conditions are met concurrently: (i) the Non-Resident Holder, persons with whom the Non-Resident Holder did not deal at arm’s length, partnerships in which the Non-Resident Holder or such non-arm’s length person holds a membership interest (either directly or indirectly through one or more partnerships), or the Non-Resident Holder together with all such persons, owned 25% or more of the issued shares of any class or series of shares of the Company; and (ii) more than 50% of the fair market value of the Shares of the Company was derived directly or indirectly from one or any combination of real or immovable property situated in Canada, “Canadian resource properties” (as defined in the Tax Act), “timber resource properties” (as defined in the Tax Act) or an option, an interest or right in such property, whether or not such property exists. Notwithstanding the foregoing, a Share or Pre-Funded Warrant may otherwise be deemed to be taxable Canadian property to a Non-Resident Holder for purposes of the Tax Act in certain circumstances.

Pursuant to Tax Proposals released by the Department of Finance (Canada) on July 23, 2026 (the “**TCP Proposals**”), shares that are listed on a designated stock exchange would be deemed to include an option, an interest or right in such shares, whether or not such shares exist, such that any such options, interests or rights held by a Non-Resident Holder would be included in determining whether such Non-Resident Holder exceeds the 25% threshold described in (a) above. The TCP Proposals are proposed to come into force on Royal Assent.

A Non-Resident Holder’s capital gain (or capital loss) in respect of a disposition of Shares or Pre-Funded Warrants that constitute or are deemed to constitute taxable Canadian property to a Non-Resident Holder (and are not “treaty-protected property” as defined in the Tax Act) will generally be computed in the manner described above under the subheading “*Holders Resident in Canada — Disposition of Shares and Pre-Funded Warrants*”. Non-Resident Holders whose Shares or Pre-Funded Warrants are taxable Canadian property should consult their own tax advisors regarding the tax and compliance considerations that may be relevant to them.

AUDITORS, TRANSFER AGENT, REGISTRAR AND WARRANT AGENT

The auditors of the Company are MNP LLP, Chartered Professional Accountants, Vancouver, British Columbia. MNP LLP is independent of the Company in accordance with the Rules of Professional Conduct of the Chartered Professional Accountants of British Columbia.

Endeavor Trust Corporation, at its principal offices in Vancouver, British Columbia is the transfer agent and registrar for the Common Shares and the warrant agent for the Pre-Funded Warrants.

LEGAL MATTERS

Certain legal matters in connection with the Offering will be passed upon by Lindsay Kenney LLP, on behalf of the Company and by Bennett Jones LLP, on behalf of the Agents. As at the date hereof, the partners and associates of Lindsay Kenney LLP, as a group, and the partners and associates of Bennett Jones LLP, as a group, each beneficially own, directly or indirectly, less than one percent of the outstanding Common Shares of the Company.

PURCHASERS’ STATUTORY RIGHTS AND CONTRACTUAL RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces 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 thereto. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some provinces, 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. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province for the particulars of these rights or consult with a legal adviser.

Original purchasers of Pre-Funded Warrants will have a contractual right of rescission against the Company in respect of the exercise of such Pre-Funded Warrants. The contractual right of rescission will entitle such original purchasers to receive both the original amount paid for such Pre-Funded Warrants, as well as the amount paid upon exercise of such Pre-Funded Warrants, upon surrender of the Warrant Shares issued to such purchaser upon exercise of such Pre-Funded Warrants, in the event that this Prospectus contains a misrepresentation, provided that: (i) the exercise takes place within 180 days of the date of the purchase of the Pre-Funded Warrants under this Prospectus; and (ii) the right of rescission is exercised within 180 days of the date of the purchase of such Pre-Funded Warrants under this Prospectus. This contractual right of rescission will be consistent with the statutory right of rescission described under section 131 of the *Securities Act* (British Columbia) and is in addition to any other right or remedy available to original purchasers of Pre-Funded Warrants under section 131 of the *Securities Act* (British Columbia) or otherwise at law.

In an offering of Pre-Funded Warrants, investors are cautioned that the statutory right of action for damages for a misrepresentation contained in this Prospectus is limited, in certain provincial securities legislation, to the price at which the Pre-Funded Warrants are offered to the public under the Offering. This means that, under the securities legislation of certain provinces, if the purchaser pays additional amounts upon exercise of the Pre-Funded Warrants, those amounts

may not be recoverable under the statutory right of action for damages that applies in those provinces. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of this right of action for damages or consult with a legal adviser.

For greater certainty, purchasers who are President's List purchasers will have the same rights for rescission and/or damages against the Company and the Agents, as the case may be, as purchasers who acquired Pre-Funded Warrants through the Agents.

CERTIFICATE OF THE COMPANY

Dated: September 11, 2026

This short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of the Provinces of British Columbia, Alberta and Ontario.

BETTERLIFE PHARMA INC.

(Signed) "*Ahmad Doroudian*"
Ahmad Doroudian
Chief Executive Officer

(Signed) "*Maira Ong*"
Maira Ong
Chief Financial Officer

On Behalf of the Board of Directors of BETTERLIFE PHARMA INC.

(Signed) "*John LaRocca*"
John LaRocca
Director

(Signed) "*Ralph Anthony Pullen*"
Ralph Anthony Pullen
Director

CERTIFICATE OF THE AGENTS

Dated: September 11, 2026

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of the Provinces of British Columbia, Alberta and Ontario.

BLOOM BURTON SECURITIES INC.

(Signed) “*Jolyon Burton*”

Jolyon Burton

President & Head of Investment Banking

HAYWOOD SECURITIES INC.

(Signed) “*Kevin Campbell*”

Kevin Campbell

Managing Director, Investment Banking