UNIVERSAL IBOGAINE INC.

Management's Discussion and Analysis ("MD&A")

As at and for the year ended July 31, 2023

The following MD&A presented for Universal Ibogaine Inc. was prepared by management based on information available as at January 25, 2024.

As part of a 2021 go-public listing transaction, Universal Ibogaine Inc. ("**UI**") amalgamated with P Squared Renewables Inc. ("**PSQ**") on August 31, 2021 (the "**Amalgamation**"). PSQ was formed in 2017 as a Capital Pool Company ("**CPC**") under the policies of the TSX Venture Exchange ("**TSXV**") and had no active operations, while UI was a private company incorporated in 2018.

Following a share exchange which occurred under the terms of the Amalgamation:

- UI became a wholly-owned subsidiary of PSQ and changed its name to Clear Sky Recovery Solutions Inc. ("**CSRS**").
- the amalgamated parent company (the former PSQ) then changed its' name to Universal Ibogaine Inc. ("**Amalco**") on September 15, 2021 and became the "**Resulting Issuer**" (the "**Company**") which commenced trading on the TSXV on October 5, 2021.

This MD&A provides a discussion of financial highlights for the Company's 3-month period ended July 31, 2023 ("**Q4-2023**") and for the 12-month fiscal year then ended ("**F2023**") with totals for the comparative prior 3-month period ended July 31, 2022 ("**Q4-2022**") and for the fiscal year ended July 31, 2022 ("**F2022**").

The shareholders of UI received a majority of the shares of Amalco on closing of the Amalgamation, and the transaction resulted in a reverse-take-over ("**RTO**") of PSQ by UI, and as such, the original UI entity is considered the successor Resulting Issuer entity for financial reporting purposes.

The comparative totals presented herein reflect the consolidated results of operations of UI, plus from August 31, 2021, PSQ as well as the Kelburn Recovery Centre, which was acquired by UI effective August 31, 2021 concurrent with completion of the Amalgamation.

This MD&A and should be reviewed in conjunction with the Company's audited consolidated financial statements for the year ended July 31, 2023 (the "**Financial Statements**").

Forward-looking statements

This MD&A may contain forward-looking statements, which include words such as "intends", "plans", "anticipates", "expects", "proposes" and "scheduled". The material factors and assumptions which affect this forward-looking information include assumptions that the Company will continue to have available the necessary personnel and financial resources to implement its business and development plans as intended.

These forward-looking statements are based on current expectations and plans and are subject to a wide range of known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Except as required by law, the Company assumes no obligation to update forward-looking statements should circumstances or the Company's estimates or opinions change.

Going concern assumption

As described in the notes to the Company's Financial Statements, they have been prepared on a going concern basis, which assumes that the Company will continue its operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. This will be dependent on the Company's ability to optimize profits from the business operation it acquired in 2021, and to raise additional future expansion capital to fund its operations.

History and development of the business to date

UI was incorporated in 2018 and until August 31, 2021 was a privately held business. The new Amalgamated Company is the initial stages of implementing and financing its business plan, which is primarily to conduct clinical trials research in Canada into the use of ibogaine in addiction treatment, and to develop or acquire and operate state-of-the-art addiction treatment clinics. As part of the planned completion of the proposed clinical trials, UI will also assess the possibility to license and franchise its ibogaine based detoxification protocol.

It is intended that Company clinics would ultimately incorporate ibogaine as a chief therapeutic modality for the interruption and ideally cessation of addictions to primarily opioids such as oxycodone, heroin, fentanyl, as well as alcohol, cocaine, and other stimulants.

Ibogaine is a naturally derived plant based molecule and can be effective in significantly reducing and even eliminating detoxification withdrawal symptoms as part of the overall addiction treatment and therapy process. The use of ibogaine and other psychedelics for medical and addiction treatments is expected to significantly expand globally in the next decade.

The Company plans to undertake clinical development, and subsequently obtain regulatory authorization for the use of ibogaine as an authorized addiction interruption medicine, initially for the treatment of Opioid Use Disorder(s). The Company plans to ultimately submit a Clinical Trial Application ("**CTA**") to Health Canada, with the intent of demonstrating ibogaine safety and efficacy in clinical trials. UI is currently seeking to secure a supplier / manufacturer of GMP certified ibogaine in sufficient quantities for use in the planned clinical trials.

The Company's primary goals are 1) to submit a CTA to Health Canada in the short-term, to be permitted to undertake clinical trials to prove the safety and efficacy of ibogaine assisted detoxification, initially for the treatment of Opioid Use Disorder(s), in order to eventually have ibogaine approved for wide-spread addiction treatment, and 2) to eventually build a foundation of addiction treatment clinics, initially utilizing a combination of innovative non-psychedelic detox methods and holistic treatments, growing from the Kelburn Recovery Centre operation that was acquired in 2021.

The primary business development activities to date by UI have been related to: 1) undertaking private placement financings to fund business development activities, 2) securing the ClearSky licensing agreement for the use of a future ibogaine based addiction treatment process, 3) researching the process of undertaking clinical trials in Canada, 4) negotiating the acquisition of an initial addiction treatment clinic, and 5) completing a go-public application process with the TSXV.

In mid-2020 UI entered into an agreement to acquire an initial addiction treatment Recovery Centre near Winnipeg, Manitoba (the "**Kelburn Recovery Centre**"), and completed this acquisition as part of the Amalgamation on August 31, 2021.

Addiction treatment - psychedelics and ibogaine

Addiction treatment is a growing global business, especially due to deaths and disruption to families and economies resulting from the current opioid crisis. Conventional detox methodologies tend to have low long-term abstinence success rates and novel treatments are urgently required. Research is expanding in the use of psychedelics (LSD, MDMA, psilocybin, ibogaine) in medical applications for a wide spectrum of mental illnesses including addiction, depression, obsessive-compulsive disorder and anxiety.

Ibogaine is a naturally occurring psychoactive substance, derived from the root bark of a shrub found in the Congo basin. Ibogaine may also be semi-synthesized from a variety of other plants, and potentially fully synthesized in the laboratory.

Ibogaine currently has limited legal global recognition for possession and use and is utilized for addiction treatment primarily in countries such as Mexico, the Bahamas, Brazil, South Africa, New Zealand, and Mauritius. Ibogaine is not yet recognized as a registered drug in Canada, which the Company intends to address through the commencing of a planned clinical trials application process with Health Canada in 2023.

The Company's development to date reflects the following significant transactions and plans:

1). ClearSky Licensing Agreement

In March 2019, UI entered into a License Agreement (the "**ClearSky Agreement**") with Clear Sky Recovery Cancun SA de CV ("**ClearSky**"). ClearSky has developed a proprietary addiction treatment protocol which utilizes ibogaine to detoxify and aid in withdrawal and recovery from addiction to a variety of drugs (the "**ClearSky Protocol**"). UI acquired the exclusive global rights to use the ClearSky Protocol, subject to ClearSky's right to continue to utilize it at its Recovery Centre in Cancun, Mexico. ClearSky was founded in 2003, and its treatment protocol has successfully disrupted opioid and other addictions for over 3,700 treatments to date without incident. Its founder, physician Dr. Alberto Sola, holds the distinction of treating more patients with ibogaine than anyone else in the world.

Consideration paid by UI prior to 2022 under the ClearSky Agreement included cash amounts and the issuance in January 2021 of a total of 30 million common shares which are subject to escrow conditions. Their planned releases from escrow are to be based on 1) 10% which occurred upon closing of the RTO in August 2021, 2) 30% issuable based on the undertaking of planned Health Canada clinical trials for ibogaine (10% on approval of initial trials and 20% at commencement of Phase 3), and 3) the final 60% issuable at a rate of 10% for each of the first 6 UI clinics which may eventually be approved to utilize the ClearSky ibogaine treatment protocol.

2). RTO / Merger, go-public transaction and acquisition of the Kelburn Recovery Centre

In 2019, UI entered into an agreement with PSQ, whereby PSQ would undertake a share exchange with UI and the two parties would merge and allow UI to become a publicly listed company (the "**Resulting Issuer**" or the "**RI**") on the TSXV.

PSQ, UI and 1266855 B.C. Ltd. ("**Subco**", incorporated in 2020 as a wholly-owned subsidiary of PSQ) entered into an agreement whereby PSQ would acquire all of the outstanding shares of UI by way of a three-cornered amalgamation (the "**Amalgamation**") among PSQ, UI and Subco, which occurred on August 31, 2021.

The Amalgamation with UI constituted PSQ's Qualifying Transaction (the "**QT**"), which allowed it to meet the listing requirements of the TSXV. The Amalgamation and the QT involved 3 main components as follows:

1). Agreement to acquire the Kelburn Recovery Centre in 2021

UI finalized an agreement in February 2021 (with arms-length entities) which allowed UI:

(i) to acquire 100% of the shares of 6887016 Manitoba Ltd., which owns and operates the Kelburn Mental Health & Addiction Recovery Centre (the "**Kelburn Recovery Centre**"), an addiction treatment facility operating near Winnipeg, Manitoba, for consideration of $1,500,000 and

(ii) to separately acquire the land, facility and related buildings utilized by the Kelburn Recovery Centre (the "**Kelburn Property**") for consideration of $3,500,000.

Closing of these two acquisitions occurred on August 31, 2021 concurrent with completion of the QT, and involved the issuance by UI of share Units (consisting of one UI common share and one common share purchase warrant) at a price of $0.25 per Unit. These common shares and warrants were then exchanged for RI Warrants (as described below) on a 1 for 1 basis on closing of the QT.

Consideration payable for the purchase of the Kelburn Recovery Centre consisted of $1,000,000 cash and $500,000 paid at closing on August 31, 2021 in the form of 2,000,0000 UI share Units issued.

Consideration payable at closing for the purchase of the Kelburn Property (including transaction costs) consisted of cash of $1,754,827 and the balance of $1,862,186 was paid by way of the issuance of 7,448,745 UI share Units.

In connection with funding of the acquisitions, in 2021 UI received a mortgage of $1,630,000 on the Kelburn Property, with interest at a rate of 3.1% for five years, a term of 15 years, and monthly payments of $11,319.

2). $6 million Subscription Receipt Financing in August 2021

On August 31, 2021, PSQ and Subco closed a non-brokered financing which was required under the terms of the Amalgamation, whereby Subco offered $6,000,000 (the "**Offering**") of Subscription Receipts units' price of $0.25 per unit (each a "**Subco Unit**"). Each Subco Unit consisted of one Subco common share and one warrant to purchase an additional Subco common share. Each Subco Unit was then exchanged on closing of the Amalgamation for similar units of the Resulting Issuer (each an "**RI Unit**"), and consisted of one RI common share, and one RI common share purchase warrant (each a "**RI Warrant**"), with each RI Warrant entitling the holder to purchase an additional RI common share (at an escalating annual exercise price, rising from $0.50 if exercised in year 1 from issue, to $1.50 in year 5) for a period of 5 years from August 31, 2021.

These RI Warrants have the same terms as the share Unit Warrants that were issued under various private placements of share Units by UI in its fiscal year ended July 31, 2021.

A portion of the Offering proceeds were then used to complete the closing of the Kelburn acquisitions on August 31, 2021.

3). Amalgamation of PSQ with UI and Subco and resultant name changes in 2021

Effective August 31, 2021 PSQ acquired 100% of the shares of UI by way of a share exchange and Amalgamation involving PSQ, UI and Subco, summarized as follows:

1. PSQ completed a share exchange with UI, on a 1 for 1 basis, and UI became a wholly owned subsidiary of PSQ on August 31, 2021;

2. UI and Subco amalgamated and continued as Clear Sky Recovery Solutions Inc. ("**CSRS**"); and

3. Effective September 15, 2021, PSQ changed its' name and continued as Universal Ibogaine Inc., the Resulting Issuer that became publicly listed on the TSXV in October 2021.

Share exchange with UI

Under the terms of the Amalgamation, PSQ issued common shares and issued related replacement options and warrants securities of the Resulting Issuer, on a 1 for 1 basis, to the shareholders of UI. Based on the majority (81.1%) of the Resulting Issuer shares being issued to the former UI shareholders, completion of the Amalgamation and the QT resulted in an RTO of PSQ by UI.

Each of UI's outstanding warrants, options and any other convertible securities (including promissory notes payable) and the Subco warrants were exchanged for warrants, options and convertible securities of the Resulting Issuer on substantially the same economic terms and conditions as the existing outstanding warrants, options and other convertible securities of UI.

3). Belize island property

When UI was initially formed in 2018, it was intended that it would acquire an undeveloped 20-acre island property in Belize that could be used for the development of a future addiction treatment site. In January 2019, UI drafted an agreement to acquire four separate blocks of raw land ("**Bracilette Cay**") on an island property which is about 6 miles north-west of the town of San Pedro, Belize. The eventual closing of the purchase was pending acceptance by the relevant government authorities in Belize.

It was determined in late 2019 that the Belize property was not a preferred short-term site for a treatment operation. However, as the value of neighboring Belize island properties had increased, UI decided to continue with the purchase commitment. Also, it was viewed that long term, the Belize resort property could potentially serve as an "after-care" therapy site for patients who eventually receive ibogaine based detoxification treatment.

UI's subsidiary company, Universal Ibogaine Belize Ltd. ("**UI Belize**"), finalized an agreement with Bracilette Investment Company Ltd. ("**Bracilette**") in January 2020 to acquire the property on behalf of UI. The acquisition formally closed in October 2020 upon Belize government approval of the land transfer, following which UI issued the shares on October 27, 2020 to the shareholders of Bracilette.

Consideration payable by UI consisted of the issuance of 25,000,000 UI common shares, at an agreed value of USD $1,250,000 (Cdn $1,667,000). On closing of the purchase of the property in fiscal 2021, the common shares issued by UI were recorded at "fair value" in accordance with IFRS 2.

For purposes of the TSXV approval of the QT, in May 2021 UI obtained an independent valuation of the Belize property, which had an estimated fair value of USD 2,425,000 (approximately Cdn $3,002,611). The Belize land and the related common shares issued were recorded in fiscal year 2021 as follows:

Common shares issued	$ 2,857,000
Land transfer taxes and other costs incurred	145,611
Valuation of land acquired	3,002,611

Since early 2021, there have been no plans to expend funds on the Belize property other than for minor ongoing maintenance. The Company previously looked at alternatives to maximize value, including a sale.

The Belize property (the "**Property**") was originally listed for sale in October 2021, and became listed with a new agent in November 2022 at a reduced asking price of USD 1,600,000. Based on this listing price, a review of the limited comparable property sales in the area, and potential selling costs and foreign exchange rates, an impairment write-down of $1,242,612 was recorded as at the year ended July 31, 2022 to reduce the carrying value of the Property to $1,760,000.

Further developments and impairment write-downs recorded in F2023

In March 2023, UI received an offer (contingent on completion of due diligence) from a privately held, arms-length, Belize based development company to purchase the Property for US 1,300,000 (the "**Offer**"). The Offer had a scheduled closing date of June 15, 2023 and required the payment to UI of a non-refundable deposit of USD 20,000 by June 15, 2023. Payment of the deposit did not occur, and the Company continues to seek to sell the Property.

Based on the terms of the March 2023 Offer and the estimated value of the USD 1,300,000 consideration expected to be received (net of selling costs), an additional impairment write-down of $210,000 was recorded in Q2-2023 to reduce the carrying value of the Property to $1,550,000 as at January 31, 2023.

In October 2023, the Company re-listed the Property with a new Belize real estate at a reduced listing price, which resulted in recording a further impairment write-down of $150,000 as at the July 31, 2023 year end (for a cumulative total of $360,000 recorded in F2023) and a current carrying value of $1,400,000.

4). Planned future clinical trials for the use of ibogaine

Since completing the go-public transaction in August 2021, UI has continued to have a goal of submitting a CTA to Health Canada to undertake a clinical trial study, involving the use of ibogaine to treat opioid use disorder. The process of submitting the CTA has to date involved primarily:

1. Retaining two separate Clinical Research Organizations ("**CROs**") in fall 2021 to assist in advising on the relevant Health Canada regulatory requirements, and compiling the necessary literature reviews, reviewing the empirical evidence from ClearSky on their past ibogaine based treatments undertaken at their independent clinic in Cancun, Mexico, and compiling the necessary "Investigators Brochure" which will be required to undertake the clinical trial process.

2. Undertaking preliminary discussions with HC to obtain feedback on our regulatory strategy and on the design of our first clinical trial protocol (the need for the use of a patient control group, ibogaine dosage levels, patient monitoring etc.). These discussions are crucial and help clarify what HC expects to be included in our first CTA dossier.

3. Sourcing a suitable supply of ibogaine product for use in the clinical trials. The Company has had discussions with processor / manufacturer labs which we can source ibogaine from, and finalizing a commitment / agreement in 2024 will be dependent on short-term financial resources.

4. Conducting a search for an in-house consultant who is familiar with the clinical trials process, and to oversee the work of the CROs.

5. Researching potential third party research organizations in Canada which can serve as the ultimate host site facilities for the clinical trials. This has not yet been finalized, and will depend to some extent on what HC requirements for patient numbers for Phase 1 / 2 of our planned trial.

Completion of the CTA process is expected to involve:

- Requesting a pre-CTA meeting, to obtain feedback on HC expectations (much of this has already been discussed with HC in informal calls and meetings).

- Finalizing and submitting the CTA (we expect this to take an additional 2-4 weeks following the pre-CTA meeting).

- Receiving a standard "**No Objections Letter**" from HC, which normally is to take a maximum of 1 month from submission of the CTA (and any feedback on deficiencies in the CTA submission will be addressed over the course of that period).

There are of course risks that UI may not be able to complete the CTA process in future as planned, including primarily:

- UI failing to secure sufficient financial resources on a timely basis to fund the various stages of the clinical trial;

- The potential for HC to approve an alternate ibogaine-based CTA which would preclude their approval of our CTA;
- HC imposing conditions which present undue hardship to undertaking the study, including an excessive number for patient control groups or follow-up studies;
- UI not being able to obtain a suitable third party site to host the initial phases of the trials, or being able to secure the full number of patients as required by HC; and
- The ibogaine based treatment protocol does not work as safely (there are heart related risks for patients who are not suitably screened), or as effectively, as expected from the empirical evidence obtained by ClearSky.

At this stage, however, UI does not anticipate that any of these risk factors can not be mitigated and controlled and intends to continue to advance the project in 2024.

Results of Operations for the F2023 period

The following additional significant transactions affected the F2202 and F2023 periods:

Temporary closure of the Kelburn Recovery Centre (or "Kelburn") in April 2022

In early April 2022, the Kelburn Recovery Centre facility near Winnipeg, Manitoba experienced heavy rainfall and spring run-off conditions, which are believed to have contributed to a localized backup of its sewer / septic system. This caused flooding conditions and damages to a portion of the basement area, and led to a closure of the facility. Kelburn's patients then had to be transferred to other addiction treatment centers to complete the balance of their treatment program. This resulted in a loss of a portion of revenues that Kelburn otherwise would have realized in April, and additional costs incurred to mitigate the flood damages.

Matters were exacerbated by extremely high local winter snowfall conditions, a late ground thaw, and heavy spring rains, which shortly after the April closing separately led to the Red River over-flowing it banks and closing and washing out sections of the local roads into the Kelburn site. The Kelburn site is fortunately surrounded by a large earthwork berm, which prevented any further flooding damages to the facility.

Kelburn remained closed while the basement flood damages were being repaired, and a septic system upgrade was installed in fall 2022. The temporary closure allowed Kelburn to pursue necessary renovation upgrades to minor portions of the facility, which were completed in late 2022. Kelburn eventually was able to re-open to provide patient treatments in early January 2023.

A portion of the costs incurred to mitigate and repair the initial on-site flooding damages were eventually covered by Kelburn's insurance policies, including a claim to replace a portion of the estimated profits lost during the ongoing business interruption period. Initial insurance claims for property damage and business closure costs totaling approximately $124,000 were received by Kelburn in Q1-2023 (and included in accounts receivable at July 31, 2022) and an additional $261,000 was received in February 2023, and recognized in F2023. Additional recoveries for property damages were recorded in F2023, net of repair related costs incurred.

Quarterly results

The following is noted about the Amalgamation and the effects of the RTO on the financial statement totals presented herein:

- Due to the expansion of operations following the QT and Amalgamation on August 31, 2021, and commencement of research activities (related to the CTA process) in fall 2021, the consolidated Company totals presented for the quarterly periods prior to August 31, 2021 are thus not highly comparable;

- the totals for Q1-2022 and F2022reflect the inclusion of the operating results of the Kelburn Recovery Centre for the 2-month period from its acquisition by UI effective August 31, 2021 through October 31, 2021.

	Q4-2023	Q4-2022	F2023	F2022
	(unaudited)	(unaudited)		
Revenues	560,393	131,200	1,029,989	1,070,804
Operating expenses	347,723	174,976	1,058,022	573,653
Operating profit (loss)	212,670	(43,776)	(28,033)	497,151
General & administrative expenses (“**G&A**”)	170,129	704,114	1,611,703	3,664,150
Research & development costs (“**R&D**”)	-	122,918	9,212	409,311
Loss (income) before the undernoted	(42,541)	870,808	1,648,948	3,576,310
Other expense (income):				
Depreciation	87,972	79,164	296,046	266,398
Interest and financing charges	25,143	12,022	136,034	67,742
Share based compensation expense	(14,980)	121,947	105,702	903,537
Accretion of convertible debt securities	(9,955)	-	17,190	-
Insurance claim recoveries, net of costs	78,297	-	(186,891)	-
Impairment write-downs:				
Capital assets – Belize property	150,000	1,242,612	360,000	1,242,612
Goodwill – Kelburn acquisition	-	1,464,327	-	1,464,327
Other expenses (income)	(4,940)	127,606	13,382	127,577
Listing expenses	-	(1,252)	-	2,847,699
	311,537	3,046,426	741,463	6,919,892
Net loss for the period	268,996	3,917,234	2,390,411	10,496,202
Other comprehensive loss	-	791	-	875
Comprehensive loss for the period	268,996	3,918,025	2,390,411	10,497,077
Weighted average number of common shares outstanding for the period	191,493,599	190,743,599	191,298,257	185,636,855
Net loss per common share	$ 0.00	$ 0.03	$ 0.01	$ 0.06

The components of the Company’s primary expense categories listed above, Operating expenses and G&A expenses, are as follows:

	Q42023	Q42022	F2023	F2022
	(unaudited)	(unaudited)		
Operating expenses:				
Payroll and sub-contractor expenses	277,847	105,781	680,267	363,283
Food, supplies, repairs, travel and other	209	19,674	86,807	67,769
Fixed overhead (utilities, insurance, repairs and maintenance)	69,667	49,521	290,948	142,601
	347,723	174,976	1,058,022	573,653
General & administrative expenses:				
Salaries and benefits	93,750	107,372	382,349	565,674
Consultants and Board of Directors fees	30,599	441,306	805,210	1,766,621
Public company, insurance and IR expenses	30,097	341,486	338,385	1,111,172
Office, promotion and other expenses	15,683	(186,050)	85,759	220,683
	170,129	704,114	1,611,703	3,664,150

The main factors related to variances year over year in the above noted totals include:

- The Company had reduced revenues for both F2023 and F2022 due to the ongoing 2022 closure and renovation upgrade (from April 2022 until early January 2023) of the Kelburn Recovery Centre, but continued to incur various utilities and other overheads, as well as a reduced level of staff and other operating costs during the months it was closed.

- Operating expenses in F2022 reflected only 11 months (from the acquisition of Kelburn on August 31, 2021 to April 30, 2022) compared to 12 months of activity for F2023.

- Kelburn's fixed overhead expenses reflect an unusually high level of repairs & maintenance in F2023, excluding costs which were only partially re-imbursed from insurance claims, and included in the insurance recoveries, net category.

- G&A expense includes costs related to staff and consultants, as well as public company costs (investor relations or "IR" activities, directors fees, etc.). The totals in F2022 were significantly higher than the totals for F2023, as it included legal, audit and other costs related to completing the Amalgamation and an IR campaign related to the new public listing. Also, the Company had a much higher level of staff in F2022 due to a reduced level of business development and other activity in F2023, due to financial constraints. The negative balance arising in Q4-2022 was due to the reclassification of a portion of expenses to the consulting fees and public company expense category.

- Research expenses related to the process of preparing for the CTA with Health Canada, which has been on hold since early 2022 while funding options are being pursued.

- Interest and finance charges for F2022 included interest at 10% on the $350,000 promissory notes payable which were issued on May 31, 2021 (and repaid in February and May 2022). Interest expense also includes interest on the 3.1% mortgage on the Kelburn Property, and for F2023, interest at 8% on the new convertible debt securities. In addition, financing costs of $35,000 related to the Convertible Debt Financing are included in the F2023 total of $136,034.

- Share based compensation expense ("**SBCE**") of $105,702 for F2023 is described in the notes to the Financial Statements, and the F2022 total of $903,537 included non-cash expenses recognized related to various Amalco common share securities which were approved for issuance by the TSXV as part of the approval of the QT, as well as stock options issued to Directors, Officers, employees and consultants subsequent to the Amalgamation. The total includes amounts related to the following securities issued:

	Q4-2023	Q4-2022	2023 YTD	2022 YTD
	(unaudited)	(unaudited)		
Stock options	(23,980)	121,947	96,702	341,841
Advisor warrants	-	-	-	466,696
Performance shares	9,000	-	9,000	95,000
	(14,980)	121,947	105,702	903,537

SBCE related to the Advisor warrants was recognized in full on their entitlement to vesting in the Q1-2022 period, while SBCE related to stock options issued will be recognized over the vesting period of the related options, which is generally on a straight line basis over 3 years.

The expense recorded each quarter for stock options can vary widely, as it is reduced for the effect of options which become forfeited in the quarter, resulting in a reversal of SBCE which had previously been recorded for those participants who have left the Company prior to the vesting period being completed, as occurred in Q4-2023, Q2-2023 and Q2-2022.

The $95,000 SBCE that was recorded in Q1-2022 for Performance shares relates to the 475,000 common shares (including 225,000 issued to two Directors of the Company) which became issuable and were issued in Q1-2022 on closing of the QT on August 31, 2021. Entitlement to the release of a total of 225,000 Performance shares occurred in Q4-2023.

- Accretion of convertible debt securities expense of $17,190 for F2023 relates to the F2023 Offering of convertible debt (the "Debt", as described further below). As the Debt terms give the holder a conversion feature, the Debt is initially recorded at a discounted amount (based on an estimated risk-free rate of 11.25%), with an offsetting increase to contributed surplus. The Debt will be increased over time to its 3-year maturity by a non-cash amount which is recorded as accretion expense. The amount recorded for accretion expense in Q4-2023 was a negative expense of $9,955 to reflect a cumulative adjustment of amounts previously recorded in F2023.

- Due to uncertainty as to the ultimate approval, amount and timing of insurance recoveries filed related to Kelburn's 2022 flooding and closure, amounts for a business interruption claim were not accrued or recorded until the claims were approved, which occurred primarily in the Q2-2023 period. In the Q4-2023 period, flood repair related expenses of $82,527 that had been incurred in the first 6 months of F2023 were re-classified from operating expenses to the total for insurance claim recoveries, net of costs.

- Impairment of capital assets of $360,000 recorded in F2023 relates to two separate write-downs recorded for the Belize property, as noted previously.

- Listing expenses for F2022 related to the August 2021 QT / Amalgamation and go-public listing on the TSXV. The expense total of $2,847,699 included:

    - non-cash expense of $2,634,287 related to the fair value (recorded at $0.20 per share) attributed to the 13,171,436 common shares which were issued on closing of the Amalgamation related to additional "Penalty Shares" which were issued to certain shareholder of CSRS who held the Liquidity Warrants which had been issued in 2018 as part of one of CSRS' initial private placement transactions; and

    - non-cash expense of $160,453 which represented the estimated fair value of 1,150,000 replacement stock options of the Resulting Issuer issued on Amalgamation to the holders of PSQ stock options; and

    - cash expenses of $52,959 related to closing of the acquisition of the Kelburn Recovery Centre and other expenses related to the go-public listing.

The costs of obtaining an independent sponsorship report from an investment banking firm, as was required by the TSXV, and TSXV listing fees, were not expensed, but were instead recorded as share issue costs, and deducted off of share capital issued in the Q1-2022 period ended October 31, 2021.

The non-cash expense of $2,634,287 for the Penalty Shares issued by UI related to the Amalgamation on August 31, 2021, and thus should have been recorded in the 3-month period ended October 31, 2021 (i.e. in Q1-2022). The effect of retroactively revising the period in which this transaction was recorded is reflected in the Quarterly information tables below.

Quarterly information

Summary information from UI's consolidated financial statements for each of the trailing 8 fiscal quarters (3-month periods) is as follows:

(Unaudited)	Q4 ended July 31, 2023	Q3 ended April 30 2023	Q2 ended Jan. 31, 2023	Q1 ended Oct. 31, 2022
Revenues	530,393	428,329	41,267	-
Operating expenses	347,723	360,244	186,218	163,837
Operating profit (loss)	212,670	68,085	(144,951)	(163,837)
G&A expenses	170,129	389,049	594,192	458,333
Research expenses	-	-	-	9,212
Loss (income) before the undernoted	(42,541)	320,964	739,143	631,382
Other (income) expense:				
Depreciation, interest, F/X and other expenses	108,175	126,158	98,128	113,001
Share based compensation expense	(14,980)	25,704	(2,600)	97,578
Accretion of convertible debentures	(9,955)	17,320	9,825	-
Insurance claim recoveries, net of costs	78,297	(3,550)	(261,638)	-
Impairment write-downs	150,000	-	210,000	-
Net loss and comprehensive loss	268,996	486,596	792,858	841,961
Net loss per share – basic & diluted	$ 0.00	$ 0.00	$ 0.00	$ 0.00

(Unaudited)	Q4 ended July 31, 2022	Q3 ended April 30, 2022	Q2 ended Jan. 31, 2022	Q1 ended Oct. 31, 2021
Revenues	131,200	369,123	433,157	137,324
Operating expenses	174,976	199,226	131,929	67,522
Operating profit	(43,776)	169,897	301,228	69,802
G&A expenses	704,114	1,073,307	1,116,974	769,755
Research expenses	122,918	129,919	156,474	-
Loss before the undernoted	870,808	1,033,329	972,220	699,953
Other (income) expense:				
Depreciation, interest and other expenses	218,792	81,803	91,588	69,509
Share based compensation expense	121,947	40,082	(47,108)	788,616
Impairment write-downs	2,706,939	-	-	-
Listing expenses	(1,252)	18,442	23,138	2,807,371
Other comprehensive expense (income)	791	25	84	-
Net loss and comprehensive loss	3,918,025	1,173,681	1,039,922	4,365,449
Net loss per share – basic & diluted	$ 0.02	$ 0.01	$ 0.01	$ 0.03

Goodwill related to the Kelburn acquisition was recorded in the Q1-2022 period ended October 31, 2021, and was not subject to ongoing amortization expense, but an at least annual assessment of potential impairment of value. In the Q4-2022 period, based on the results of operations to date, an impairment charge of $1,464,327 was recorded, to write-off the carrying value of this goodwill balance.

In addition, an impairment write-down of $1,242,612 was recorded in Q4-2022 on capital assets related to the undeveloped Belize land property, reducing its carrying value from $3,002,612 to $1,760,000. An additional impairment write-downs of $210,000 was recorded in Q1-2023 and $150,000 in Q4-2023.

Cash flows

The net changes in the Company's cash position for the years ended July 31, 2023 and 2022 are further detailed in the Financial Statements, and are summarized as follows:

	Q42023	Q42022	F2023	F2022
Cash provided by (used in):				
Operating activities	5,802	(1,712,330)	(1,097,375)	(4,333,167)
Investing activities	36,731	606,247	(360,037)	(2,089,035)
Financing activities	(82,319)	(121,885)	1,044,628	7,006,053
Net increase (decrease) in cash	(39,786)	(1,227,968)	(412,784)	583,581
Cash, start of the period	353,049	1,954,015	726,047	142,196
Cash, end of the period	313,263	726,047	313,263	726,047

Although Kelburn was closed for 5 months in F2023 (and for 4 months in F2022) and thus had reduced revenues, net cash used in operating activities decreased significantly in 2023 YTD, mainly due to a significantly lower level of total consolidated G&A expenses.

Financing activities in F2022 reflected primarily closing of the transactions related to the Amalgamation, the $6 million Offering and the receipt of $1,630,000 of mortgage financing on the Kelburn acquisitions. The F2023 total funds from Financing activities is primarily $806,500 proceeds from the Offering of Convertible Debt (described further below) and $300,000 received in Q3-2023 from a re-financing of the mortgage on the Kelburn Recovery Centre.

Investing activities for F2023 related primarily to capital asset additions for renovation upgrades at the Kelburn Recovery Centre, while the F2022 total included primarily $2,666,154 related to the cash portion paid on closing of the Kelburn acquisitions.

Liquidity and Capital Resources

The Company's net working capital deficiency position at the end of the current and prior fiscal year ended July 31 was as follows:

As at July 31	2023	2022
Current assets	443,463	1,016,599
Current liabilities, including mortgage loan	(2,788,397)	(2,194,666)
Net working capital (deficiency)	(2,344,934)	(1,178,067)
Add back long-term portion of mortgage loan	1,694,186	1,468,571
Net working capital position with covenant waiver in effect	(650,748)	290,504

The Company has an outstanding mortgage payable, which has a balance of $1,796,849 at July 31, 2023, including the balance owing on the $300,000 additional amount which was advanced to UI on a re-financing in Q3-2023. The mortgage has a debt service coverage financial covenant (based on the operating results and debt payments of the Kelburn Recovery Centre), which UI was not in compliance with on July 31, 2022 and 2023, and which resulted in the entire mortgage balance being included in current liabilities in the Financial Statements, and as noted above. For F2023, the Company subsequently obtained a waiver for this non-compliance, and an amendment of the definitions to be used in the basis of the ongoing covenant calculation.

The Company was not in compliance with the covenant as at July 31, 2023, and a waiver was subsequently requested from the lender, on the basis that the F2023 operating results were negatively affected by the ongoing closure (to January 2023) of the Kelburn Recovery Centre.

Given the large mortgage balance involved, the above table shows the effect on working capital as at the two year-ends of if the Company had instead been in compliance with the covenant as at each year end, and had included only the scheduled current portion of mortgage principal payments due in the next 12 months (which was a total of $102,663 for F2023 and $89,102 for F2022) in current liabilities.

The Company does not currently have any material commitments for operating leases on office premises or equipment.

Convertible debt financing

As noted in the Financial Statements, in F2023 the Company undertook a private placement offering (the "**Financing**") of convertible debt securities (the "**Convertible Debt**") which have the following terms:

- the Convertible Debt has a term to maturity of 3 years from Closing, with 8% interest payable quarterly;
- on a future conversion, the subscriber will receive one share "Unit" comprised of one UI common share and a one-half common share purchase Warrant. The conversion price per share will increase each year as noted below;
- each whole Warrant received on a future conversion will have an expiry of 2 years from the date of conversion, with an escalating annual exercise price as noted below;
- a General Security Agreement is issued by UI's BC based 100% owned subsidiary company CSRS (which in turn owns the Kelburn Property in Winnipeg, and the Belize land property).

The Financing had a "2022 Offering" and a subsequent "2023 Offering", which had slightly different terms for the conversion price and the related Warrants, as follows:

Post closing of the Offerings	year 1	year 2	year 3
Conversion price per common share:			
2022 Offering	$ 0.10	$ 0.15	$ 0.20
2023 Offering	$ 0.05	$ 0.10	$ 0.15
Exercise price of each whole Warrant issued on conversion:			
2022 Offering	$ 0.20	$ 0.40	$ 0.50
2023 Offering	$ 0.08	$ 0.13	$ 0.18

The Company intends to apply to the TSXV to allow the terms of the 2022 Offering to be revised to match the terms of the 2023 Offering.

UI completed two closings of the Financing, which resulted in proceeds to the Company of $806,500 and $10,000 from the issuance of 400,000 common shares.

At the same time as the 2022 Offering, the Company undertook a separate private placement financing involving the issuance of common shares at a price of $0.025 per share. A total of 400,000 common shares were issued in January 2023 for proceeds to the Company of $10,000.

A continuity of the carrying value recorded for the Convertible Debt is as follows:

Convertible Debt issued in the period ended April 30, 2023	806,500
Discount recorded as increase in contributed surplus / reserves	(65,963)
Accretion expense	17,190
Balance - July 31, 2023	757,727

Additional subsequent events - equity financing

The Company is in process of undertaking a private placement offering (the "Financing") which may involve the issuance of up to 10 million common shares at a price of $0.01 per share. To January 23, 2024, the Company has closed an initial tranche of this Financing for proceeds of $417,193 and (subject to TSXV approval) will issue a total of 41,719,250 common shares.

Additional Disclosure - Outstanding Securities

At the Company's Annual General Meeting in October, 2022, its shareholders approved an amendment to the then existing Stock Option Plan (the "**2021 SOP**"), which provided that the former 2021 SOP (which had a 20% fixed cap) would be replaced with a new Equity Incentive Compensation Plan (the "**EICP**") and the new 2022 Stock Option Plan (the "**2022 SOP**"). The EICP will have a 10% fixed cap (based on an initial total of 190,743,590 shares outstanding), and the new 2022 SOP will have a 10% floating cap.

The EICP will give the Company additional flexibility to include Deferred Share Units ("**DSUs**") and Restricted Share Units ("**DSUs**") in its ongoing compensation plans which will be used to attract and retain employees, advisors and consultants.

The following table summarizes the number of common shares outstanding and reserved for issuance, as at the current MD&A date, and as at the year ended July 31, 2023:

As at	January 25, 2024	July 31, 2023
Common shares outstanding (see (i))	191,806,099	191,718,599
Additional common shares reserved for potential future issue re:		
Pending closing of private placement Offering of common shares	41,719,250	-
Pro forma total, post closing	233,525,349	191,718,599
Broker stock options and warrants (see (ii))	-	3,603,400
Share purchase warrants (see (iii))	51,340,479	51,340,479
Performance based common shares (see (iv))	-	525,000
Stock options (see (v))	12,475,000	7,875,000
Advisor warrants (see (vi))	6,500,000	6,500,000
Convertible debt (see vii))	9,865,000	9,865,000
RSUs (see viii))	6,000,000	-
	86,180,479	79,708,879
Pro Forma, fully diluted total	319,705,828	271,427,478

(i) In January, 2021 a total of 30 million common shares were issued by UI as part of the total consideration payable by UI under the ClearSky Licensing Agreement. 10% of these shares were released on August 31, 2021 on closing of the Amalgamation, and the eventual release from escrow of the remaining 90% of these shares is subject to UI achieving various future performance criteria (including clinical trials for the use of ibogaine in addiction treatment, and the opening of treatment clinics which may utilize the ClearSky Protocol). A portion of the common shares outstanding are also subject to time based release under the terms of TSXV escrow agreements (expiring August 31, 2024) related to the 2021 QT and Amalgamation.

(ii) The broker stock options were issued by UI in connection with private placement financings and have an exercise price of $0.10 per common share, and a term to expiry of 2 years from the closing of the QT on August 31, 2021. A total of 176,000 of these broker options were exercised in December 2021.

An additional 6,400 broker warrants were issued pursuant to the Offering, and had an exercise price of $0.25 per share and an expiry date of August 31, 2023. All 3,603,400 of these outstanding broker options and warrants expired subsequent to F2023 year end, on August 31, 2023.

(iii) As discussed previously, prior to the Amalgamation, UI had numerous closings of a private placement of share Units (which included one common share and one common share purchase Warrant) at $0.25 per Unit. In addition, share Units were issued in settlement of certain accounts payable and for the value of services received.

A total of 17,891,734 share Unit Warrants were issued by UI to August 31, 2021, and 9,448,745 share Unit Warrants were issued on August 31, 2021 in connection with the Kelburn acquisitions. In addition, a total of 24,000,000 RI Warrants were issued by Subco on closing of the Offering on August 31, 2021. All of these Warrants have a term of 5-years from the closing of the Amalgamation on August 31, 2021, and an annual escalating exercise price (rising by $0.25 per year, starting at $0.50 if exercised in year 1 to $1.50 if exercised in year 5, which ends August 31, 2026).

(iv) At July 31, 2022, two members of the UI Board of Directors had an entitlement to receive a total of 1,275,000 performance based common shares ("**Performance Shares**") which were reserved for issuance in 2021.

As part of the TSXV approval of the QT, the performance criteria for the Performance Shares were revised in August 2021, such that 15% (or a total of 225,000) were issued on closing of the Amalgamation on August 31, 2021, and the balance as issuable based on the occurrence of future event milestones, including the Company undertaking clinical trials.

For this total of 1,275,000 Performance Shares, a portion were vested and released in F2023 as follows:

- One Board member resigned from the Board in May 2023, and was issued 112,500 common shares (effective July 31, 2023), and forfeited future entitlement to the remaining 525,000 Performance Shares.
- One Board member resigned from the Board in October 2023, and was issued a total of 187,500 common shares (of which 112,500 were earned to July 31, 2023), and forfeited future entitlement to the remaining 450,000 Performance Shares.

SBCE related to the Performance Shares were recorded in the periods in which it became reasonably certain that the performance criteria were met.

(v) Options to purchase common shares ("**Options**") may periodically be granted to directors, officers, employees and consultants. The majority of the Options granted to date have an exercise price of $0.25 per common share, the entitlement to exercise vesting on the annual anniversary date of the grant at a rate of one-third per year over a period of 3 years, and a term to expiry of 5 years.

In addition, PSQ had a total of 1,150,000 stock options (950,000 at exercise price of $0.10 and 200,000 at exercise price of $0.20 per share) outstanding which, similar to the UI Options, were replaced by "replacement options" of the Resulting Issuer on closing of the Amalgamation on August 31, 2021. These PSQ Options expired in F2023 (on October 4, 2022, which was one year after the date of the "Final Exchange Bulletin" issued by the TSXV).

Subsequent to the July 31, 2023 year-end, a total of 400,000 Options were forfeited, and a total of 5,000,000 Options (with an exercise price of $0.06 per share and a term of 3 years to expiry) were granted, subject to approval by the Board of Directors and the TSXV. Vesting of these Options is to occur upon the Company completing a subsequent financing for a minimum of $500,000.

(vi) Prior to the Amalgamation, UI had engaged three separate firms to act as strategic and financial advisors to UI, and as part of their compensation agreements, issued a total of 6,500,000 "**Advisor Warrants**" to purchase common shares, and which are exercisable at a price of $0.25 per share to December 31, 2024.

(vii) As noted previously, in F2023 the Company completed private placement offerings of Convertible Debt securities totaling $806,500 of Convertible Debt. A future conversion of this Convertible Debt would result in the issuance of a maximum (at the maximum year 1 conversion prices currently in place of $0.10 on $626,500 and $0.05 on $180,000 of Convertible Debt) of 9,865,000 common shares, plus the issuance of the related common share purchase Warrants.

(viii) A total of up to 6,000,000 RSUs have been reserved for potential issuance (subject to approval by the Board of Directors and the TSXV) to a consultant to the Company, with entitlement to conversion into up to 6,000,000 common shares vesting upon the achievement of future performance milestones.

Other transactions with related parties

As noted previously herein, and in the July 31, 2023 Financial Statements, other than for standard ongoing compensation, there were no transactions with related parties (members and former members of the management and Board of Directors groups).

One of the three principals of ClearSky was a member of UI's Board of Directors until early May 2023, and had received a total of 11,333,333 UI common shares in UI's fiscal year ended July 31, 2021 pursuant to his one-third share of 1) the issuance of common shares on January 31, 2021 under the ClearSky Agreement and 2) conversion to UI common shares in October 2020 of a USD 300,000 note payable ClearSky. The release of the majority of these shares remain subject to TSXV escrow conditions and UI performance milestones.

Critical accounting estimates

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**"). The Company has had limited operations to date, and as such there have been minimal areas of judgments or estimates made by management in the application of IFRS that have a significant effect on its financial statements, other than past and current estimates related to:

- the useful lives / annual amortization expense, and related potential impairment at each period end, of the capital assets and goodwill which arose in August 2021 on the acquisition of the Kelburn Recovery Centre, and the undeveloped land property in Belize.
- share price volatility and other assumptions involved in the calculation of the fair value of stock options issued (including broker compensation for private placement financings), and the valuation of share purchase warrants issued under such financings.
- Inputs used in the valuation of the discount (and the related ongoing accretion expense) recorded on the convertible debt securities which were issued in F2023.

Changes in accounting policies including initial adoption

There were no significant changes in accounting policies reflected in the Company's Financial Statements for F2023. There are currently no additional recent accounting pronouncements which are expected to significantly affect the Company's financial statements in the future. The following was also noted in the audited Financial Statements for the year ended July 31, 2022 regarding newly adopted and future accounting pronouncements:

Amendments to IAS 37 – Provisions, Contingent Liabilities and Contingent Assets

The Company adopted the amendments to IAS 37, *Provisions, Contingent Liabilities and Contingent Assets* effective July 31, 2022. The amendments clarify that the 'costs of fulfilling a contract' when assessing whether a contract is onerous comprise both the incremental costs and an allocation of other costs that relate directly to fulfilling the contract. The amendments apply to contracts existing at the date when the amendments are first applied. On adoption of this amendment, there was no impact to the Company's Financial Statements

Amendments to IAS 1 – Presentation of Financial Statements

In October 2022, the IASB issued amendments to IAS 1, *Presentation of Financial Statements*, related to Non-current Liabilities with Covenants. These amendments are effective for annual reporting periods beginning on or after January 1, 2024 retrospectively in accordance with IAS 8. The amendments clarify that an entity classifies liabilities as current if it does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. UI is in the process of reviewing the amendments but does not anticipate any additional changes to the presentation of its Consolidated Statement of Financial Position at this time.

There are no other IFRS or IFRIC interpretations that are not yet effective that are expected to have a material impact on the Company's Financial Statements.

Risk Factors

The Company is in the early stages of developing its business plan, and will be subject to a range of financial, economic, and regulatory risks, which will often be beyond its control. The primary risks faced include:

Future operations

The Company's ability to generate ongoing future cash flows from operations will depend on its ability to 1) successfully expand and optimize the operations of the Kelburn Recovery Centre, 2) to identify and acquire or open other future clinic operations, or expand its revenue base by other means, and 3) to successfully complete the planned clinical trials process, and secure potential future licensing opportunities for its addiction treatment protocol.

To date, the Company has not yet generated positive cash flow from operations, and has realized working capital deficiencies.

The Company anticipates that it will be able to generate both net income and cash from operations in future years based on its current business model; however, this outcome cannot be predicted with certainty.

Going concern and access to financing sources

It is expected that any potential businesses to be acquired or opened by the Company, as well as undertaking the planned clinical trials process, will require significant future equity and debt financings to fund the business development plans.

The Company expects that it will have sufficient ongoing access to equity and debt financings, on commercial terms, to fund any required future acquisitions, capital and operating expenditures, and the planned clinical trials process. Timely access to sufficient capital sources, however, cannot be predicted with certainty.

Management, consultants and staff

The Company's success is currently dependent on the performance of a limited group of senior management, its Board of Directors, and various consultants. The loss of the services of such key persons could have an adverse effect on the Company, and there is no assurance that it can maintain the services of qualified personnel that are required to operate and expand our business, as well as to undertake and oversee the planned clinical trials process.

Clinical trials process

As described previously, there are multiple risks and uncertainties related to the planned future clinical trial process, including the ultimate costs, regulatory approvals, and expected timelines. There is no certainty that the Company will be able to obtain the necessary approvals from Health Canada to undertake and complete, in a timely basis, the planned future clinical trials process for the use of ibogaine in addiction treatment.

Also, there is no assurance that the Company will be able to successfully undertake and complete the clinical trials process, which in a traditional drug development process (inclusive of pivotal Phase 3 studies) may take at least 3 to 5 years, or that ibogaine will ultimately become approved by Health Canada for medical use.

As ibogaine or its pre-cursors is derived from a plant which grows in a limited area of Africa, the Company also faces risk in being able to source and obtain sufficient ongoing supplies of certified ibogaine, on reasonable commercial terms, to undertake clinical trials and for use in future addiction treatment operations. The Company will therefore research alternate and synthetic supply sources.

Legal claims

The Company may periodically become involved in litigation claims against it by former employees, consultants, advisors, and others. UI is currently involved in defending claims against it, which are described in detail in the notes to the Financial Statements.

Internal and Disclosure Controls over Financial Reporting

As a TSXV listed entity, the Company is exempted from providing certifications regarding its disclosure controls and procedures as well as regarding its internal control over financial reporting. The Company makes no assessment relating to the establishment and maintenance of (i) disclosure controls and procedures or (ii) internal control over financial reporting (as such terms are defined under Multilateral Instrument 52-109) as at July 31, 2023 and as at July 31, 2022.

Additional Information

Additional information about the Company is available on its' website at www.universalibogaine.com.