FORM 7  
  
MONTHLY PROGRESS REPORT

Name of Listed Issuer: **LOBE SCIENCES CORP**. (the “Issuer” or the “Company”).

Trading Symbol: **LOBE**

Number of Outstanding Listed Securities: **164,720,392**

Date: **May 2, 2024**

**Report on Business**

1. Provide a general overview and discussion of the development of the Issuer’s business and operations over the previous month. Where the Issuer was inactive disclose this fact.

**The Company is a North American Biopharmaceutical company committed to discovering and developing patient-focused medicines for Orphan and Rare diseases. The Company has initiated commercial formulation activities for our novel psilocin drug product (L-130) with exclusive discovery and manufacturing partner Quality Chemical Laboratories LLC ("QCL"). QCL, in collaboration with Clearway Global, LLC, will prepare the chemical, manufacturing and control section of the investigational new drug application being filed later this year. Material produced at QCL will also be used in the recently announced Phase I/IIa study to evaluate L-130 as a treatment for chronic cluster headaches, a debilitating orphan disease.**

**On April 17, 2023, the Company acquired Altemia & Company LLC. Altemia™ is the brand name of a patent pending oral emulsion consisting of a proprietary mixture of polyunsaturated fatty acid triglyceride esters clinically evaluated to reduce inflammation associated in adults with SCD. The term medical food, as defined in section 5(b) of the Orphan Drug Act (21 U.S.C. 360ee (b) (3)) is "a food which is formulated to be consumed under the supervision of a physician and which is intended for the specific dietary management of a disease or condition for which distinctive nutritional requirements, based on recognized scientific principles, are established by medical evaluation." SCD is among a few inborn errors of metabolism specifically named in legislation that qualifies as treatable with medical foods.**

**The Issuer issued 69,160,000 common shares pursuant to the share exchange agreement with Altemia® & Company, LLC (“Altemia®”), first announced on April 17, 2023, in satisfaction of certain milestones. Altemia® holds a licensing agreement which grants Altemia® a worldwide, nontransferable, non-sublicensable, exclusive right to make, have made, use, offer to sell, sell, and import licensed products which utilizes intellectual property used in the formulation of Altemia® over the life of the underlying patent applications.**

**The issuance of the shares resulted in Clearway Global, LLC becoming a deemed insider of the Issuer (“Clearway”). Clearway now owns approximately 42% of the Issuer. Clearway also provides consulting services to the Issuer.**

1. Provide a general overview and discussion of the activities of management.

**Refer to item 1.**

1. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

**Not applicable.**

1. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

**Not applicable.**

1. Describe any new business relationships entered into between the Issuer, the Issuer’s affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

**Not applicable.**

1. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer’s affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

**Not applicable.**

1. Describe any acquisitions by the Issuer or dispositions of the Issuer’s assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

**Not applicable.**

1. Describe the acquisition of new customers or loss of customers.

**Not applicable.**

1. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.

**Not applicable.**

1. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

**Not applicable.**

1. Report on any labour disputes and resolutions of those disputes if applicable.

**Not applicable.**

1. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

**Not applicable.**

1. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

**Not applicable.**

1. Provide details of any securities issued and options or warrants granted.

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| --- | --- | --- | --- |
| **Security** | **Number Issued** | **Details of Issuance** | **Use of Proceeds** |
| Common shares | 69,160,000 | Altemia acquisition | N/A |
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1. Provide details of any loans to or by Related Persons.

**Not applicable.**

1. Provide details of any changes in directors, officers or committee members.

**Not applicable.**

1. Discuss any trends which are likely to impact the Issuer including trends in the Issuer’s market(s) or political/regulatory trends.

**Mild traumatic brain injury**

**Advances in neuro-diagnostic assessment have revealed mTBI is more common than previously thought and potentially associated with a host of negative health outcomes. The Centers for Disease Control estimates that there are 3 million emergency room visits and over 230,000 hospitalizations due to tramatic brain injury in any given year in the United States alone. Also, at the same time there are 5.3 million Americans living with the effects of mTBI (a 53% increase over ten years ago). The World HealthOrganization calls traumatic brain injury a "silent epidemic" that affects over 70 million individuals across the world. The United States Department of Defense estimates that over 345,000 individuals are affected by mTBI and that 20% of all service members who deploy suffer mTBI. mTBI and PTSD are significant health care issues that often co-occur and impact each other.**

**Sickle Cell Disease**

**Sickle cell disease is a group of inherited red blood cell disorders that affect hemoglobin, the protein that carries oxygen through the body. The condition affects more than 100,000 people in the United States and 20 million people worldwide. In the U.S., SCD is most common among Black Americans, occurring in one of every 365 births. People with Middle Eastern and South Asian ancestry are also susceptible to the disease and some 45 million people around the world carry a gene for the condition, which they can pass along to their children. In SCD patients, DHA, an essential fatty acid can metabolize by interaction with HbSS hemoglobin (not normal hemoglobin) and this metabolism results in DHA deficiency. DHA deficiency causes red blood cells to become inflamed and destroyed when the membrane breaks. This error in metabolism may be corrected by taking high amounts of DHA[[1]](#footnote-2),[[2]](#footnote-3). Normally, red blood cells are disc-shaped and flexible enough to move easily through the blood vessels. If you have sickle cell disease, your red blood cells are crescent- or "sickle"-shaped. These cells do not bend or move easily and can block blood flow to the rest of your body. The blocked blood flow through the body can lead to serious problems, including stroke, eye problems, infections, and episodes of pain called pain crises.**

**Certificate Of Compliance**

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there were is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated: May 2, 2024

Mathew Lee   
Name of Director or Senior Officer

*(Signed) “Mathew Lee”*   
Signature  
  
Chief Financial Officer

Official Capacity

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| ***Issuer Details***  Name of Issuer Lobe Sciences Ltd. | For Month End  April 2024 | Date of Report  YY/MM/DD  24/05/02 |
| Issuer Address  Suite 1400, 1199 West Hastings Street | | |
| City/Province/Postal Code  Vancouver, BC V6E 3T5 | Issuer Fax No.  N/A | Issuer Telephone No.  949-505-2653 |
| Contact Name  Philip J. Young | Contact Position  CEO | Contact Telephone No.  949-505-2653 |
| Contact Email Address  [info@lobebiosciences.com](mailto:info@lobebiosciences.com) | Web Site Address  [www.lobesciences.com](http://www.lobesciences.com) | |

1. 1. Daak, A. et al. (2020). Biochemical and therapeutic effects of Omega-3 fatty acids in sickle cell disease. Complementary Therapies in Medicine, 52, 183-188.

   [↑](#footnote-ref-2)
2. 1. Wandersee, N. et al. (2015). Dietary supplementation with docosahexanoic acid (DHA) increases red blood cell membrane flexibility in mice with sickle cell disease. Blood Cells, Molecules, and Diseases, 54(2), 183-188.

   [↑](#footnote-ref-3)