CROSSWINDS HOLDINGS INC.

Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2021 and 2020
(Unaudited)

CROSSWINDS HOLDINGS INC.

Crosswinds Holdings Inc.

Condensed Interim Consolidated Statements of Financial Position

(expressed in Canadian Dollars)

		March 31, 2021 (Unaudited)		December 31, 2020 (Audited)
Assets				
Current assets				
Cash	**$**	**4,864**	$	104,512
Prepaid expenses		**62,630**		7,211
	$	**67,494**	$	111,723
Liabilities				
Accounts payable and accrued liabilities (note 6)		**97,955**		78,777
	$	**97,955**	$	78,777
Shareholders' equity (deficit)				
Share capital (note 5)		**1,447,473**		1,447,473
Contributed surplus		**13,656,502**		13,656,502
Deficit		**(15,042,567)**		(14,979,160)
Accumulated other comprehensive loss		**(91,869)**		(91,869)
		(30,461)		32,946
	$	**67,494**	$	111,723

See note 1 – Going concern

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS

Daniel Nauth
……………………..…… Director

Jessica Whitton
……………………..…… Director

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

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Crosswinds Holdings Inc.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

For the three months ended March 31,

(Unaudited - expressed in Canadian Dollars)		**2021**		2020
Revenue				
Interest income	**$**	**11**	$	1,431
		11		1,431
Net results of investments				
Net foreign exchange gain (loss)		**(7)**		19,220
		(7)		19,220
Expenses				
Consulting fees		**35,085**		8,814
General and administration		**14,436**		18,636
Audit and tax fees		**12,728**		11,750
Legal fees		**1,162**		11,957
Directors' fees		**-**		37,657
		63,411		88,814
Net loss and comprehensive loss for the period	**$**	**(63,407)**	$	(68,163)
Net loss per share				
Basic and diluted	**$**	**(0.01)**	$	(0.01)
Weighted average number of common shares outstanding				
Basic and diluted (note 5(c))		**9,597,161**		9,597,161

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

Crosswinds Holdings Inc.

Condensed Interim Consolidated Statements of Changes in Equity (Deficit)

For the three months ended March 31, 2021 and 2020

(Unaudited -expressed in Canadian Dollars)

	Share capital		Contributed surplus	Deficit	Accumulated other comprehensive income	Equity attributable to shareholders of Crosswinds	Total equity (deficit)
	Number of shares	Amount					
Balance - January 1, 2020	9,597,161	$ 1,585,452	$ 13,656,502	$(14,737,049)	$ (91,869)	$ 413,036	$ 413,036
Net loss for the period	-	-	-	(68,163)	-	(68,163)	(68,163)
Balance - March 31, 2020	9,597,161	$ 1,585,452	$ 13,656,502	$(14,805,212)	$ (91,869)	$ 344,873	$ 344,873
Balance - January 1, 2021	**9,597,161**	**$ 1,447,473**	**$ 13,656,502**	**$(14,979,160)**	**$ (91,869)**	**$ 32,946**	**$ 32,946**
Net loss for the period	**-**	**-**	**-**	**(63,407)**	**-**	**(63,407)**	**(63,407)**
Balance - March 31, 2021	**9,597,161**	**$ 1,447,473**	**$ 13,656,502**	**$(15,042,567)**	**$ (91,869)**	**$ (30,461)**	**$ (30,461)**

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

Crosswinds Holdings Inc.

Condensed Interim Consolidated Statements of Cash Flows

For the three months ended March 31,

(Uanudited - expressed in Canadian dollars)		**2021**		2020
Operating activities				
Net loss for the period	**$**	**(63,407)**	$	(68,163)
Add (deduct)				
Net decrease (increase) in due from private counterparty		**-**		(2,405)
Net decrease in interest receivable and prepaid expenses		**(55,420)**		(15,196)
Net increase (decrease) in accounts payable and accrued liabilities		**19,179**		100,739
Cash used by continuing operations		**(99,688)**		12,489
Net cash used by operating activities		**(99,648)**		14,975
Decrease in cash		**(99,648)**		14,975
Cash - beginning of period		**104,512**		433,752
Cash - end of period	**$**	**4,864**	$	448,727

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

1. Corporate information and going concerns

Crosswinds Holdings Inc. ("Crosswinds" or the "Company") was a private equity firm and asset manager that targeted strategic and opportunistic investments in the financial services sector with a particular focus on the insurance industry. The Company is incorporated under the *Business Corporations Act* (Alberta), with its head office at 217 Queen St West, Suite 401, Toronto, Ontario M5V 0R2. The registered office of the Company is located at 3700 Canterra Tower, 400 Third Avenue SW, Calgary, Alberta T2P 4H2.

Following the sale of the company's primary investment the Board unanimously resolved that it was in the best interest of the company to distribute all of its available capital (less a reasonable reserve for the liabilities and contingencies) to shareholders and dissolve the Company (the "Monetization Event"), which was subsequently approved by shareholders. The Monetization Event was affected by way of a plan of arrangement (the "Plan of Arrangement") which was approved by the Court of Queens Board of Alberta pursuant to a final order on September 17, 2018.

The Company's common shares were previously listed and traded on the Toronto Stock Exchange ("TSX") under the symbol "CWI". However, the Company received notification from the Continued Listings Committee (the "Committee") of the TSX that the Committee intended to delist the Company's securities effective at the close of market on March 28, 2019. This action was taken by the TSX due to the Company not meeting the continued listing requirements of the TSX. The TSX notification does not affect the Company's applicable Canadian reporting requirements.

These consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") on a going concern basis which presumes the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future. The Company incurred a net loss of $63,407 during the three month period ended March 31, 2021 (2020– $68,163) and, as of that date, the Company had working capital deficit of $30,461 (December 31, 2019 – working capital of $32,946) and a cumulative deficit of $15,042,567 (December 31, 2019 – $14,979,160). There is uncertainty of the Company's ability to find business opportunities, raise capital or restructure the Company's finances which casts significant doubt as to the Company's ability to continue as a going concern. These consolidated financial statements do not reflect any adjustments to the carrying value and presentation of the assets and liabilities which may be required should the Company be unable to continue as a going concern. Such adjustments could be material.

These unaudited condensed interim consolidated financial statements of the Company for the three months ended March 31, 2021 and 2020 were approved and authorized for issue by the Board of Directors of the Company on May 26, 2021.

2. Basis of presentation

These unaudited condensed interim consolidated financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting. These condensed interim consolidated financial statements do not include all notes of the type normally included within the annual financial report and should be read in conjunction with the audited financial statements of the Company for the year ended December 31, 2020 and 2019, which has been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

3. Summary of significant accounting policies

These unaudited condensed interim consolidated financial statements, including comparatives, have been prepared following the same accounting policies and methods of computation as the audited annual consolidated financial statements for the year ended December 31, 2020.

(Expressed in Canadian dollars unless otherwise stated)

4. Significant accounting judgments and estimates

The preparation of these condensed interim consolidated financial statements in conformity with IFRS requires management to make judgments and estimates that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ significantly from those estimates. In preparing these condensed interim consolidated financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Company's annual consolidated financial statements for the year ended December 31, 2020.

5. Share capital

a) Authorized

The authorized share capital of the Company consists of an unlimited number of common shares and an unlimited number of Class A, Class B and Class C preference shares, issuable in series without nominal or par value.

b) Issued and outstanding

Common shares	**Number**	**Amount**
Balance – December 31, 2020 and March 31, 2021	**9,597,161**	**$ 1,447,473**

(i) Shareholder Distribution - On November 17, 2020, the Company paid a distribution to shareholders in the amount of $0.015 per common share for a total amount of $137,979.

c) Weighted average basic and diluted number of common shares outstanding:

	For three months ended March 31,	
	2021	2020
Basic and diluted weighted average number of common shares	**9,597,161**	9,597,161
Diluted weighted average number of common shares	**9,597,161**	9,597,161

(Expressed in Canadian dollars unless otherwise stated)

6. Related party transactions

Compensation of key management personnel

Key management personnel are composed of the Chief Executive Officer, Chief Operating Officer and Chief Financial Officer. The following is a summary of key management personnel compensation:

	For three months ended March 31, 2021	2020
Management fees	**$ 30,000**	$ 8,814

Management fees payable in the amount of $30,000 are included in accounts payable and accrued liabilities at March 31, 2021.

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

7. Financial risk management

The Company is exposed to a number of risks due to the nature of its activities. These risks include market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk.

The Company's risk management policies are approved by the Board of Directors and seek to minimize the potential adverse effects of these risks on the Company's financial performance. The risk management process is an ongoing process of identification, measurement, monitoring and controlling risk.

a) Risk management structure

The Board of Directors is ultimately responsible for the overall risk management within the Company but has delegated the responsibility for identifying and controlling risks to management.

The Company uses different methods to measure and manage the various types of risk to which it is exposed; these methods are explained below.

b) Risk mitigation

The Company has not used derivatives or other instruments for trading or risk management purposes.

c) Liquidity Risk

Liquidity risk is the risk that the Company may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

All of the Company's accounts payable and accrued liabilities are due within one year.

d) Interest Rate Sensitivity

As at and during the year ended December 31, 2020, the Company did not have any significant exposure to interest rate risk.

7. Financial risk management (cont'd)

e) Credit Risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The carrying amounts of the Company's financial assets represent the maximum credit risk exposure.

The Company is not exposed to any significant credit risk on its financial assets. Cash has been deposited with strong or high-credit quality Canadian and U.S. chartered banks.

f) Foreign Exchange Risk

The Company has exposure to foreign exchange risk relating to transactions and assets denominated in a foreign currency. Presently the Company does not use derivative instruments to hedge its foreign currency exposure. As at March 31, 2021, approximately $3,620 of the Company's net assets (March 31, 2020 - $136,996) were denominated in U.S. dollars.

Based on U.S. dollar balances as at March 31, 2021, a strengthening or weakening of $0.05 of the Canadian dollar to the U.S. dollar with all other variables held constant could have an unfavorable or favorable impact of approximately $181 (March 31, 2020 - $9,650), respectively, on net assets.

Based on U.S. dollar balances as at March 31, 2021, a strengthening or weakening of $0.05 of the Canadian dollar to the U.S. dollar with all other variables held constant could have an unfavorable or favorable impact of approximately $25 (March 31, 2020 - $1,441), respectively, on net loss.

Based on U.S. dollar balances as at December 31, 2020, a strengthening or weakening of $0.05 of the Canadian dollar to the U.S. dollar with all other variables held constant could have an unfavorable or favorable impact of approximately $896 (December 31, 2019 - $6,428), respectively, on other comprehensive loss.

8. Capital disclosures

The Company's objectives when managing capital are: (a) to safeguard the Company's ability to continue to execute its strategy, so that it can provide returns for shareholders and benefits to other stakeholders; and (b) to provide an adequate return to shareholders by seeking returns on investments that are commensurate with the level of risk on the investments.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure the Company may buy back shares or sell assets.

The Company views all shareholders' equity as capital. The Company is not directly subjected to any material externally imposed capital requirement.

9. COVID-19

On January 30, 2020, the World Health Organization declared the coronavirus outbreak (COVID-19) a “Public Health Emergency of International Concern” and on March 11, 2020, declared COVID-19 a pandemic. The current COVID-19 pandemic is significantly impacting the global economy and commodity and financial markets. The full extent and impact of the COVID-19 pandemic is unknown and to date has included extreme volatility in financial markets, a slowdown in economic activity, extreme volatility in commodity prices and has raised the prospect of an extended global recession. As well, as efforts are undertaken to slow the spread of the COVID-19 pandemic, the operation and development of projects may be impacted as governments have declared a state of emergency or taken other actions. If the operation or development of one or more of the operations or projects of the Company is suspended, it may have a material adverse impact on the Company’s profitability, results of operations, and financial condition. The broader impact of the COVID-19 pandemic on investors, businesses, the global economy or financial and commodity markets may also have a material adverse impact on the Company’s profitability, results of operations and financial conditions. The extent to which the coronavirus impacts the Company’s results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and actions taken to contain the coronavirus or its impact, among others.

10. Proposed Transaction

On February 22, 2021, Crosswind Holdings Inc. (“Crosswinds”) and Biomind Research Corp. (“Biomind”) executed an arm’s length binding definitive agreement between Biomind, Crosswinds and Crosswinds’ majority shareholder, pursuant to which Crosswinds acquired all of the issued and outstanding securities of Biomind (the “Proposed Transaction”). Following the completion of the Proposed Transaction, Crosswinds (the “Resulting Issuer”) will continue the business of Biomind, being the research, development and commercialization of innovative psychotropic pharmaceutical products for the treatment of psychiatric and neurological conditions. The resulting issuer intends to apply to have its common shares listed and posted for trading on the NEO Exchange (the “Exchange”) under the name Biomind Labs Inc”. Biomind has retained Canaccord Genuity to raise up to $20 million in a concurrent financing for the newly merged entities.