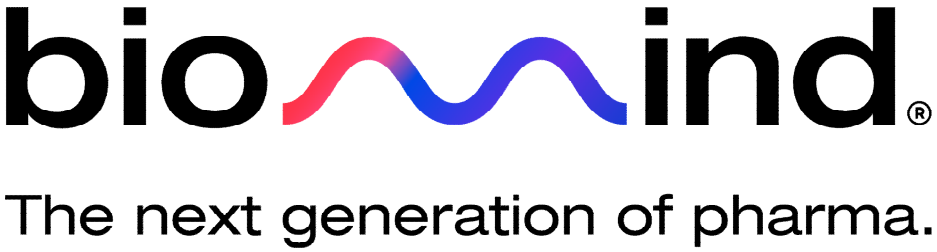


BIOMIND LABS INC.

(FORMERLY CROSSWINDS HOLDINGS INC.)

Management's Discussion and Analysis

For the year ended December 31, 2021

Date: March 31, 2022

Management's Discussion and Analysis

This Management's Discussion and Analysis ("**MD&A**") has been prepared by management of Biomind Labs Inc. (formerly Crosswinds Holdings Inc.) ("**Biomind**" or the "**Company**") and should be read in conjunction with Biomind's unaudited condensed interim consolidated financial statements and notes thereto for the year ended December 31, 2021 (the "**Statements**"), which may be viewed under the SEDAR profile of Biomind at www.sedar.com. The Statements have been prepared using International Financial Reporting Standards.

The Statements and this MD&A have been approved by the Board of Directors of the Company. This MD&A contains disclosure of material changes related to Biomind occurring up to and including March 31, 2022.

All dollar amounts referred to in this MD&A are expressed in U.S. dollars, which is the presentation currency, except where indicated otherwise.

Cautionary Note Regarding Forward-Looking Statements

*Certain statements contained in this MD&A constitute "forward-looking information" and "forward-looking statements" (collectively, "**forward-looking statements**") within the meaning of applicable Canadian securities legislation. All statements other than statements of historical fact contained in this MD&A are forward-looking statements. Such statements can, in some cases, be identified by the use of forward-looking terminology such as "expect," "likely", "may," "will," "should," "intend," or "anticipate," "potential," "proposed," "estimate" and other similar words, including negative and grammatical variations thereof, or statements that certain events or conditions "may" or "will" happen, or by discussions of strategy. The forward-looking statements included in this MD&A are made only as of the date of this MD&A and the Company assumes no obligation to update or revise them to reflect subsequent information, events or circumstances or otherwise, except as required by applicable securities laws.*

Forward-looking statements in this MD&A are not guarantees of future performance and involve assumptions, risks and uncertainties that are difficult to predict. Therefore, actual results may differ materially from what is expressed, implied or forecasted in such forward-looking statements. Management provides forward-looking statements because it believes they provide useful information to readers when considering their investment.

This MD&A contains information that is forward-looking and is subject to risks and uncertainties. Forward-looking information includes information concerning the Company's possible or assumed future operations, financial performance, achievements, results, business strategy, plans, goals, and objectives. Often, but not always, forward-looking statements can be identified by the use of forward-looking words such as "will", "expect", "intend", "plan", "estimate", "anticipate", "believe", "potential" or "continue", similar words or words with similar connotation or the negative thereof. These statements are subject to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from anticipated future results, performance or achievements expressed or implied by such forward-looking statements. Forward-looking statements are not guarantees and there can be no assurance that the plans, intentions or expectations upon which these forward-looking statements are based will occur.

Forward-Looking Statement	Underlying Material Factors and Assumptions
The Investigational New Drug Clinical Trials on BMND01 are expected to commence in Q1 2022.	Factors: • The Company has budgeted sufficient funds to complete the Investigational New Drug Clinical Trials (as defined herein). • The Company has submitted all the necessary documentation to the different entities. Assumptions: • There are no significant delays in completing certain preclinical studies including, but not limited to, (i) preclinical toxicity testing on various biological systems, including studying in vivo exposure on experimental animals, (ii) development of stable formulations utilizing N, N-dimethyltryptamine ("**DMT**"), and (iii) the development and validation of analytical methods for such formulations. • The scale up of DMT production processes beyond laboratory scale will be suitable for entry into animal and human studies. • Studies of the stability of such formulations will be suitable for human studies. • The Company will be able to enter into agreements with certain third-party vendors to complete a range of additional preclinical programs before the final selection of drug candidates for entry into human trials.
The Company expects to start its Pre-Clinical Trials between late Q1 2022 – early Q2 2022 with completion anticipated by the end of Q2 2022 and is estimated to cost under $100,000.	Factors: • The Company has budgeted sufficient funds to complete the Pre-Clinical trials (as defined herein). • The Company has engaged regulatory consultants to monitor regulations that could impact scheduled clinical trials. • The Company has contacted different institutions with the capacity to carry out these tests according to U.S. Food and Drug Administration (the "**FDA**")/the European Medicines Agency ("**EMA**") requirements. Assumptions: • There are no significant delays in completing certain

	preclinical studies including, but not limited to, (i) preclinical toxicity testing on various biological systems, including studying in vivo exposure on experimental animals, (ii) development of stable formulations utilizing DMT, and (iii) the development and validation of analytical methods for such formulations. • The scale up of DMT production processes beyond laboratory scale will be suitable for entry into animal and human studies. • Studies of the stability of such formulations will be suitable for human studies. • The Company will be able to enter into agreements with certain third-party vendors to complete a range of additional preclinical programs before the final selection of drug candidates for entry into human trials.
The previous forward-looking statement (as contained in the Company's annual information form dated December 1, 2021 (the "**2020 AIF**"): *"In Q2 2022, the Company expects to start Phase I clinical trials under the DMT Program, which are estimated to be completed by year end 2022."* Is updated by the forward-looking statement below: *"Following completion of the Pre-Clinical Trials, the Company expects to initiate a Phase I trial of BMND01 in healthy subjects in Q3 2022, updated from the prior estimate of Q2 2022, and estimates that the Phase I clinical trials will be completed by year end 2022, but there is no assurance that these timelines will be met or that these preclinical drug candidates will advance to clinical trials at all. The Company estimates that the Phase I trial will cost approximately $500,000."* Events and circumstances that led to this updated forward-looking statement included slightly longer timelines than were expected to prepare all the documentation and analyses to support FDA final decision, and a backlog of projects at the laboratory where additional preclinical tests are planned to be conducted, if necessary.	<u>Factors:</u> • Preparation of materials and internal discussions with consultants have been ongoing, productive and in-line with timing expectations. • The Company has engaged regulatory consultants to monitor regulations that could impact scheduled clinical trials. • Timelines for completion of the first preclinical study developed by the Company have been met and the Company has obtained the expected results from the study. <u>Assumptions:</u> • The Company's pre-clinical studies (animal pharmacology and toxicology testing) generate data and analyses to support a FDA decision that it is safe to proceed with human trials of the Company's formulation. • The Company can maintain a current good manufacturing practice ("**cGMP**") compliant supply source necessary to conduct in-human clinical trials.
The Company is preparing all required documentation for	<u>Factors:</u> • The Company has engaged regulatory consultants to

submitting three pre-IND applications in the U.S. in Q2 2022 supported by the data generated in Brazil and certain minimum safety testing that the FDA (as defined below) may require.	monitor regulations that could impact scheduled clinical trials. • The Company has retained an industry leading expert/consultant to assist in every matter related to pre-investigational new drug ("**IND**") meetings and IND applications. • The Company is preparing all the necessary documentation (Chemistry, Manufacturing and Controls and related documents) to submit to the FDA. <u>Assumptions:</u> • The Company has assumed that the FDA will grant such a pre-IND meeting and that it will be able to complete the IND approval process. • The Company's preclinical studies (animal pharmacology and toxicology testing) generate data and analyses to support an FDA decision that it is safe to proceed with human trials of the Company's candidates. • Third parties assisting the Company with the pre-IND submissions will continue to meet deadlines on deliverables within anticipated timeframes.
The prototype formulations of synthetic 5-MeO-DMT are expected to be ready in Q1 2022.	<u>Factors:</u> • To date the Company has not identified any significant issues regarding the development and validation of analytical methods for the prototype formulations. • The Company is characterizing the synthetic form of 5-MeO-DMT and does not foresee delays in the development of an oral stable prototype formulation of synthetic 5-MeO-DMT to serve patients needs. • The Company's scientific team has experience in the development of customized dosage forms for specific routes of administration, including oral and parenteral. • The Company is using in its formulation prototype excipients that are 'generally recognized as safe' ("**GRAS**") as designated by the FDA. <u>Assumptions:</u> • The Company has been successful in characterizing the synthetic form of 5-MeO-DMT and does not foresee delays in the development of an oral stable prototype

	formulation of synthetic 5-MeO-DMT to serve patients needs. The Company will be able to develop and validate analytical methods for the formulation.
The previous forward-looking statement (as contained in the 2020 AIF): *"In Q2 2022, the Company expects to start Phase I clinical trials under the 5-MeO-DMT Program, which are estimated to be completed by year end 2022."* Is updated by the forward-looking statement below: *"Following completion of the final formulations, the Company excepts to start Pre-Clinical Trials of BMND08 in Q2 2022, which is estimated to cost under $100,000. Thereafter, in Q3 2022, updated from the prior estimate of Q2 2022, the Company expects to start its Phase I clinical trial under the 5-MeO-DMT Program, which is estimated to be completed by year end 2022 and cost approximately $500,000.".* Events and circumstances that led to this updated forward-looking statement included slightly longer timelines than were expected related to delays in the study due to supply issues for animal subjects as most of the available experimental animals available for such studies have been allocated for studies related to COVID-19, and, as a result of COVID-19, related suppliers have closed their facilities due to lockdowns.	<u>Factors:</u> • The Company has budgeted sufficient funds to complete the preclinical trials. • The Company has engaged regulatory consultants to monitor regulations that could impact scheduled clinical trials. <u>Assumptions:</u> • There are no significant delays in completing certain preclinical studies including, but not limited to, (i) development of stable formulations of synthetic 5-MeO-DMT and complete characterization of the Active Pharmaceutical Ingredients (each, an "**API**"), and (ii) the development and validation of analytical methods for such formulations. • The scale up of production processes beyond laboratory scale will be suitable for entry into animal and human studies. • Studies of the stability of such formulations will be suitable for human studies. • The Company will be able to enter into agreements with certain third-party vendors to complete a range of additional preclinical programs before the final selection of drug candidates for entry into human trials. • The Company will not experience any delays in obtaining an IND and/or a Clinical Trial Application ("**CTA**") to enter into clinical trials for registry purposes.
The Company expects to complete the biological synthesis of mescaline in Q2 2022.	<u>Factors:</u> • To date the Company has not identified any significant issues regarding biological synthesis of mescaline. • The Company has allocated sufficient funds and resources to complete the biological synthesis of mescaline. • The Company's scientific team is developing all the

	required protocols for the purification of mescaline. Assumptions: • There are no significant delays in completing the biological synthesis of mescaline. • The Company will be able to purify the mescaline product in high yields after undergoing the fermentation process. • The Company's scientific team can efficiently, and in a timely manner, address any additional analytical methods required for the purification and characterization of mescaline.
The previous forward-looking statement (as contained in the 2020 AIF): *"The Company is also in process of developing a prototype formulation of synthetic mescaline, which it expects to have ready in Q1 2022."* Is updated by the forward-looking statement below: *"The Company is continuing to work towards developing a prototype formulation of synthetic mescaline, which it expects to have ready in Q2 2022."* Events and circumstances that led to this updated forward-looking statement included delays in the completion of the development of the prototype formulation of synthetic mescaline, as certain results from the Investigational Clinical Trials are required. Due to the COVID-19 pandemic, the Company has experienced certain delays in its Investigational Clinical Trials, mainly due to supply issues for animal subjects as most of the available experimental animals available for the Company's Investigational Clinical Trials have been allocated for studies related to COVID-19, and, as a result of COVID-19, related suppliers have closed their facilities due to lockdowns.	Factors: • To date the Company has not identified any significant issues regarding development and validation of analytical methods for the prototype formulation. • The Company is characterizing the synthetic form of mescaline and does not foresee delays in the development of an oral stable prototype formulation of synthetic mescaline to serve patients needs. • The Company's scientific team has experience in the development of customized dosage forms for specific routes of administration, including oral and parenteral. • The Company is using in its formulation prototype excipients that are GRAS. Assumptions: • The Company is successful in characterizing the synthetic mescaline and there are no significant delays in the development of an oral stable prototype formulation of synthetic mescaline, that serves patients needs, and complete characterization of the API. • The Company will be able to develop and validate analytical methods for the mescaline formulation. • Studies of the stability of such formulation will be suitable for human studies. • The Company is capable to enter into agreements with certain third-party vendors to perform additional

	preclinical tests if the are required by the FDA.
In Q2 2022, the Company expects to start its Phase I clinical trial under the Mescaline Program, which is estimated to be completed by year end 2022. The commencement of the Phase I clinical trial is contingent upon the Company's successful completion of the related Pre-Clinical Trials.	Factors: • The Company has budgeted sufficient funds to complete the Phase I clinical trials under the Mescaline Program. • The Company has engaged regulatory consultants to monitor regulations that could impact scheduled clinical trials. • The Company's scientific team has experience in the development of customized dosage forms for specific routes of administration, including oral and parenteral. • The Company has contacted different institutions with the capacity to carry out these tests according to FDA/EMA requirements. Assumptions: • There are no significant delays in completing certain preclinical studies including, but not limited to, studies on the stability, safety and efficacy of the formulation, being suitable for human studies. • The safety studies on mescaline show that the molecule is physiologically safe, has low acute oral toxicity and has no mutagenic effect. • The Company is successful in creating a prototype formulation that enhances the bioavailability of poorly soluble drugs, such as mescaline. • The Company will not experience any delays in obtaining an IND and/or a CTA to enter clinical trials for registry purposes.

Drug development involves long lead times, is very expensive and involves many variables of uncertainty. Anticipated timelines regarding drug development are based on reasonable assumptions informed by current knowledge and information available to the Company. Every patient treated on future studies can change those assumptions either positively (to indicate a faster timeline to new drug applications and other approvals) or negatively (to indicate a slower timeline to new drug applications and other approvals). This MD&A contains certain forward-looking statements regarding anticipated or possible drug development timelines. Such statements are informed by, among other things, regulatory guidelines for developing a drug with safety studies, proof of concept studies, and pivotal studies for new drug application submission and approval and assumes the success of implementation and results of such studies on timelines indicated as possible by such guidelines, other industry examples, and the Company's development efforts to date.

*Please refer to the Company's Annual Information Form for the year ended December 31, 2021 (the **"Annual Information Form"**), which may be viewed under the SEDAR profile of Biomind at www.sedar.com, for risks that could affect future results and could cause results to differ materially from those expressed in the forward-looking statements contained herein.*

In addition to the factors set out above and those identified in this MD&A under "Risks and Uncertainties", other factors not currently viewed as material could cause actual results to differ materially from those described in the forward-looking statements. Although Biomind has attempted to identify important risks and factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors and risks that cause actions, events or results not to be anticipated, estimated or intended. Accordingly, readers should not place any undue reliance on forward-looking statements.

Overview of Biomind's Business

Biomind is a biotech research and development company aimed at transforming biomedical sciences knowledge into novel pharmaceutical drugs and innovative nanotech delivery systems for a variety of psychiatric and neurological conditions. Through its acceleration platform, Biomind is developing novel pharmaceutical formulations of the main natural psychedelic molecules, DMT, 5-MeO-DMT and mescaline (collectively, the "**Molecules**") for treating a wide range of therapeutic indications. Biomind's focus is to guarantee patients access to affordable and modern-day treatments and use cases.

Refer to the heading "*General Development of the Business*" in the Annual Information Form for additional information on the background and operational highlights of Biomind.

Company Description

Biomind was incorporated under the *Business Corporations Act* (Alberta) on March 29, 2005. On July 14, 2021, the Company changed its name to "Biomind Labs Inc." in connection with the completion of the Reverse Takeover (defined below). The Company's head office is located at Building Ceibo Of. 002, Camino Saravia s/n, 91.000, Pando, Canelones, Uruguay.

The common shares in the capital of the Company (the "**Shares**") are traded on the Neo Exchange Inc. and under the ticker symbol "BMND".

Reverse Takeover Transaction & Subscription Receipt Financing

On February 22, 2021, the Company, BioMind Research Corp ("**Biomind Research**") and the Company's principal shareholder entered into an arm's length binding definitive agreement, as amended and extended, pursuant to which the Company acquired all of the issued and outstanding securities of Biomind Research (the "**Reverse Takeover**").

On July 9, 2021, Biomind Research completed a brokered private placement (the "**Brokered Offering**") led by Canaccord Genuity Corp. (the "**Agent**") of 4,420,647 subscription receipts (the "**Subscription Receipts**") at a price of CAD$1.40 per Subscription Receipt (the "**Offering Price**") for aggregate gross proceeds of CAD$6,188,906. The gross proceeds of the Brokered Offering, less 50% of the cash commission payable to the Agent and certain reasonable costs and expenses of the Agent, were deposited in escrow until the satisfaction of certain release conditions, including all conditions precedent to the Reverse Takeover, were met (the "**Release Conditions**"). Upon the satisfaction of the Release Conditions on July 23, 2021, each Subscription Receipt was converted into one ordinary share in the capital of Biomind Research (each, a "**Biomind Research Share**") without payment of any additional consideration or further action on the part of the holder thereof; and at the effective time of the Reverse Takeover, each Biomind Research Share was exchanged for one Share. In connection with the closing of the Brokered Offering, the Agent received an aggregate cash fee of $353,474 (inclusive of certain advisory fees) and

180,343 compensation warrants (the "**Brokers Warrants**") with a fair value of $121,607 estimated using a Black-Scholes option pricing model. Each Broker Warrant is exercisable into one Share at the Offering Price until July 9, 2023.

On July 14, 2021, the Company filed articles of amendment to: (i) consolidate the Shares on the basis of thirty-two and a half (32.5) pre-consolidation Shares for one (1) post-consolidation Share (the "**Share Consolidation**"); and (ii) change its name to "Biomind Labs Inc.". All numbers in the MD&A have been adjusted to reflect for the Share Consolidation.

On July 15, 2021, the Company filed articles of continuance to continue out of the jurisdiction of Alberta under the *Business Corporations Act* (Alberta) and into the jurisdiction of Ontario under the *Business Corporations Act* (Ontario).

On July 23, 2021, the Reverse Takeover was completed by way of a merger pursuant to a plan of merger under the *BVI Business Companies Act* 2004 (British Virgin Islands) between Biomind Research and a wholly owned subsidiary of the Company, which resulted in the reverse takeover of the Company by the shareholders of Biomind Research. Following the completion of the Reverse Takeover, the Company continued the business of Biomind Research, being the biotech research, development and commercialization of innovative psychotropic pharmaceutical products for the treatment of psychiatric and neurological conditions. In connection with the Reverse Takeover, the Company issued a total of 74,045,647 Shares in exchange for all of the outstanding Biomind Research Shares.

Significant Programs[1]

The Company has designed the following three significant programs, which have not yet generated any revenue, focused on developing novel drug therapies for certain neuropsychiatric and neurodegenerative diseases that have distinct advantages over other drugs that are currently in the market or are in development:

a. DMT Program
b. 5-MeO-DMT Program
c. Mescaline Program

For the time being, the Company maintains intellectual property generated by the research and development ("**R&D**") attributed to its programs through patent filings and as trade secrets. The Company anticipates that as these programs mature more patent applications will be filed and more details about these programs will be disclosed at such time.

The Company's plan under each program outlined below consists of both (i) investigational new drug clinical trials conducted to study the efficacy and side effects of the API of the Molecules and certain novel or combination formulations of the Molecules in order to select a suitable candidate for progression to commercial clinical trials and better inform the Company's commercial strategy (the "**Investigational New Drug Clinical Trials**"), and (ii) commercial clinical trials conducted on the Company's novel proprietary formulations of the Molecules for regulatory purposes (the "**Commercial Clinical Trials**"). All references herein to "Pre-Clinical", "Phase I" and

[1] All quarter references in this section are based on calendar year-end. There is no assurance that the timelines will be met or that the Phase II clinical trials will advance to novel drug registries.

"Phase II" clinical trials and studies relate to clinical trials and studies conducted under Commercial Clinical Trials unless the context specifies otherwise.

The Company is currently conducting Investigational New Drug Clinical Trials, using its novel prototype formulations or APIs of the Molecules, in order to evaluate the efficacy, route of administration and side effects. The results and data from Investigational New Drug Clinical Trials are crucial to support a molecule clinical development dossier for the purposes of Commercial Clinical Trials, these studies can be run in a cost-effective and time-sensitive manner to provide important insight on whether to progress a compound into commercial development. For instance, Commercial Clinical Trials for novel drug candidates usually require a variety of preclinical animal data and Phase I dosing and safety data on healthy volunteers or people with the disease/condition. Conversely, Investigational New Drug Clinical Trials can skip right to phase II (testing on human patients), as indicated in the chart below with respect to certain of the Company's drug candidates.

Toxicity testing in Investigational New Drug Clinical Trials of API is essential for the drug development process. The toxicity testing on various biological systems reveals the species, organ and dose-specific toxic effects of an investigational product. The toxicity of substances can be observed by: (a) studying the accidental exposures to a substance; (b) in vitro studies using cells/ cell lines; and (c) in-vivo exposure on experimental animals.

The business objective of the Company is to complete its Investigational New Drug Clinical Trials of the novel prototype formulations or APIs of the Molecules and, based on the results, to select one formulation candidate from each program on which to file INDs with the FDA and advance into Phase I clinical trials in the U.S. in 2022. The Company recently announced the commencement of a commercial clinical trial on its proprietary drug candidate BMND06, a novel formulation based on the psychedelic molecule mescaline.

The chart below represents the Company's drug candidates and where they are in terms of the trial phase (as of the date hereof). It should be noted that the phases of development reflected in the chart refer to either Investigational New Drug Clinical Trials or Commercial Clinical Trials, as indicated.

Drug Candidate	Status
BMND01	Phase II - Investigational New Drug Clinical Trial
BMND02	Phase II - Investigational New Drug Clinical Trial
BMND03	Phase II - Investigational New Drug Clinical Trial
BMND05	Phase II – Investigational New Drug Clinical Trial
BMND06	Pre-clinical - Commercial Clinical Trial
BMND07	Phase II - Investigational New Drug Clinical Trial
BMND08	Phase II - Investigational New Drug Clinical Trial

DMT Program

DMT is a serotonergic psychedelic that exerts its effects through serotonergic receptors in the brain including 5-HT2A, 5-HT1A, 5-HT2C and 5-HT7 receptors, among others. Because the effects of DMT do not last very long, it becomes a good candidate to treat Treatment-Resistant Depression ("**TRD**").[2] DMT effects are thought to be principally mediated through activation of 5HT2AR receptors as a target in major depressive disorder. DMT causes a rapid onset and offset of action compared to similar psychedelic substances such as psilocybin or LSD.[3]

The Company is working on four potential development candidates under its DMT Program:

- BMND01: DMT novel formulation indicated for TRD
- BMND02: DMT novel formulation indicated for Fibromyalgia
- BMND03: DMT novel formulation indicated for addictive disorders
- BMND07: combination formulation of DMT and a pharmaceutical monoamine oxidase inhibitor ("**MAOI**") (inspired by ayahuasca's mixed drink brew) indicated for major depressive disorder

The Company is currently conducting Investigational New Drug Clinical Trials on its four development candidates which involve in-vitro studies using cells/cell lines and, for BMND01, human studies specifically focused on routes of administration and understanding the pharmacokinetic profile in order to optimize dosing and administration. The Company has received authorization from the Brazilian Institutional Review Board (the "**IRB**") to commence its two Investigational New Drug Clinical Trials (both Phase II which are focused on in-vivo human studies) of BMND01 in partnership with the Federal University of Rio Grande do Norte in Brazil (the "**UFRN**"), each on 40 patients with TRD, one focused on a formulation for intramuscular administration and one focused on a formulation for inhaled administration. The Company has also contracted with the UFRN to conduct the Investigational New Drug Clinical Trials for BMND01. These Investigational New Drug Clinical Trials were developed by Biomind's Neuroscientist Dr. Draulio Barros de Araujo and will be conducted in Brazil. The Investigational New Drug Clinical Trials on BMND01 are expected to commence in Q1 2022.

The Company also completed Investigational New Drug Clinical Trials on its BMND07 candidate, the results of which showed that it is physiologically safe, has low acute oral toxicity, and has no mutagenic effect. For now, however, the Company has decided to prioritize the progression of its BMND01 as its lead candidate for progression to Commercial Clinical Trials, over BMND07.

The Company expects to start its Pre-Clinical trials between late Q1 2022 – early Q2 2022 with completion anticipated by the end of Q2 2022 and is estimated to cost under $100,000.

Following completion of the Pre-Clinical trials, the Company expects to initiate a Phase I trial of BMND01 in healthy subjects in Q3 2022, updated from the prior estimate of Q2 2022, and estimates that the Phase I clinical trials will be completed by year end 2022, but there is no assurance that these timelines will be met or that these Pre-Clinical trials will advance at all. The Company estimates that the Phase I trial will cost approximately $500,000.

Due to the COVID-19 pandemic, the Company has experienced certain delays in its Investigational New Drug Clinical Trials required in order for the Company to progress to Commercial Clinical Trials, mainly due to supply issues for animal subjects as most of the available experimental animals available for the Company's Investigational

[2] Canal, Clinton E. "Serotonergic Psychedelics: Experimental Approaches for Assessing Mechanisms of Action." Handbook of experimental pharmacology vol. 252 (2018): 227-260. doi:10.1007/164_2018_107.

[3] Carbonaro, Theresa M, and Michael B Gatch. "Neuropharmacology of N,N-dimethyltryptamine." Brain research bulletin vol. 126, Pt 1 (2016): 74-88. doi:10.1016/j.brainresbull.2016.04.016.

New Drug Clinical Trials have been allocated for studies related to COVID-19, and, as a result of COVID-19, related suppliers have closed their facilities due to lockdowns.

The Company is preparing all required documentation for submitting three INDs in the U.S. in Q2 2022, updated from the prior estimate of Q1 2022. The INDs will be made more robust as a result of the safety and toxicity data collected in its Investigational New Drug Clinical Trials and will likely include certain minimum safety testing that the FDA may require. The Company has also retained an industry leading consultant/expert to assist in matters related to the Company's pre-IND meetings and INDs with the FDA.

As of December 31, 2021, the Company has spent approximately $481,838 on its Investigational New Drug Clinical Trials and R&D of its four development candidates under the DMT Program.

The Company cannot at this time accurately estimate the cost of bringing the Company's DMT Program to market as much of the associated costs depend on various factors including the outcomes of the Company's related Investigational New Drug Clinical Trials, Commercial Clinical Trials and R&D, including chemical synthesis, extraction, purification, formulation development, in-vitro and in-vivo testing and development of a drug delivery system. Further, there is no assurance that the aforementioned timelines will be met or that such studies will advance to Commercial Clinical Trials at all.

5-MeO-DMT Program

5-MeO-DMT is a powerful psychedelic tryptamine. It is found in a wide variety of plant species and in toads that secrete substances with psychoactive properties, known as psychoactive toads and, like DMT and bufotenine (5-OH-DMT), has been used as an entheogen by southern-Americans' shamans for thousands of years.[4]

Under the 5-MeO-DMT Program, the Company is working on two drug candidates:[5]

- BMND05: 5-MeO-DMT novel formulation indicated for Chronic Pain
- BMND08: 5-MeO-DMT novel formulation indicated for Alzheimer's disease

5-MeO-DMT is orally active when taken with a MAOI. Without the aid of a MAOI, 5-MeO-DMT must be administered at doses above 30mg to be orally active.[6] This makes optimizing the formulation of 5-MeO-DMT a particularly important part of development. The Company is in the process of developing prototype formulations of synthetic 5-MeO-DMT with different excipients and has started the chemical synthesis of 5-MeO-DMT; Good Laboratory Practices compliant protocols and procedures have already been completed.

The prototype formulations of synthetic 5-MeO-DMT are expected to be ready in Q1 2022. Based on current Investigational New Drug Clinical Trials, BMND08 is the Company's lead candidate for progression to Commercial Clinical Trials.

Following completion of the final formulations, the Company excepts to start Pre-Clinical Trials of BMND08 in Q2 2022, which is estimated to cost under $100,000. Thereafter, in Q3 2022, updated from the prior estimate of Q2 2022, the Company expects to start its Phase I clinical trial under the 5-MeO-DMT Program, which is estimated to be completed by year end 2022 and cost approximately $500,000.

[4] Araújo, A.M., Carvalho, F., Bastos, M.L. et al. The hallucinogenic world of tryptamines: an updated review. Arch Toxicol 89, 1151–1173 (2015). https://doi.org/10.1007/s00204-015-1513-x.

[5] The Company previously had another drug candidate identified, BMND04 for eating disorders, however, after Investigational New Clinical Trials, the Company discovered that 5-MeO-DMT is not a successful treatment option for eating disorders and removed this potential candidate from its dossier.

[6] Shen, Hong-Wu et al. "Psychedelic 5-methoxy-N,N-dimethyltryptamine: metabolism, pharmacokinetics, drug interactions, and pharmacological actions." Current drug metabolism vol. 11,8 (2010): 659-66. doi:10.2174/138920010794233495.

As of December 31, 2021, the Company has spent approximately $223,163 on Investigational New Drug Clinical Trials and R&D related to the 5-MeO-DMT Program.

The Company cannot at this time accurately estimate the cost of bringing the Company's 5-MeO-DMT Program to market as much of the associated costs depend on various factors including the outcomes of the Company's related Investigational New Drug Clinical Trials, Commercial Clinical Trials and R&D, including chemical synthesis, extraction, purification, formulation development, in-vitro and in-vivo testing and development of a drug delivery system. Further, there is no assurance that the aforementioned timelines will be met or that such studies will advance to Commercial Clinical Trials at all.

Mescaline Program

Mescaline (3,4,5-trimethoxyphenethylamine) is a psychedelic alkaloid of the phenethylamine class. It is found mainly in the peyote cactus (Lophophora williamsii), the San Pedro cactus (Echinopsis pachanoi) and the Peruvian Torch cactus (Echinopsis peruviana) and in several other species of the Cactaceae. This substance acts in a similar way to other psychedelic agents, mainly binding and activating the serotonin 5-HT2A receptor with high affinity.[7]

Under the Mescaline Program, the Company has one formulation under development, as follows:

- BMND06: Mescaline novel formulation indicated for inflammatory disorders

Mescaline is difficult to produce via chemical synthesis. As such, the Company has entered into an exclusive agreement with a biotechnological company specialized in the optimization of microorganisms for the biological synthesis of molecules through fermentation processes. Using this method, it could potentially achieve a very low cost of mescaline synthesis and protect its novel production method. The Company expects to complete the biological synthesis of mescaline in Q2 2022.

The Company is continuing to work towards developing a prototype formulation of synthetic mescaline, which it expects to have ready in Q2 2022. In Q2 2022, the Company expects to start its Phase I clinical trial under the Mescaline Program, which is estimated to be completed by year end 2022. The commencement of the Phase I clinical trial is contingent upon the Company's successful completion of the related Pre-Clinical trials.

As of December 31, 2021, the Company has spent $94,878 on Investigational New Drug Clinical Trials and R&D under the Mescaline Program.

The Company cannot at this time accurately estimate the cost of bringing the Company's Mescaline Program to market as much of the associated costs depend on various factors including the outcomes of the Company's related clinical trials and R&D, including biological synthesis, formulation development, in-vitro testing and development of a drug delivery system. Further, there is no assurance that the aforementioned timelines will be met or that such studies will advance to clinical trials at all.

Formulation and Drug Delivery R&D

Mindcore's operations in Uruguay house all the Company's research on API mechanisms of action, extraction, purification and synthesis as well as its development of novel formulation prototypes and drug delivery systems. The Company is leveraging nanotechnology, 3D printing and novel hybrid materials to develop formulations intended to have superior therapeutic potential across multiple routes of administration (e.g., nasal, oral and parental). Potential drug features include controlled release, customized dosing, higher bioavailability, improved chemical and physical stability, rapid onset, and better patient adherence potential.

[7] Dinis-Oliveira, Ricardo Jorge et al. "Pharmacokinetic and Pharmacodynamic Aspects of Peyote and Mescaline: Clinical and Forensic Repercussions." Current molecular pharmacology vol. 12,3 (2019): 184-194. doi:10.2174/1874467211666181010154139.

In November 2021, the Company completed the development of a novel thermosensitive nasal gel delivery system for its DMT and 5-MeO-DMT product candidates. The design consists of viscous liquid, which turns into a mucoadhesive gel almost immediately after insertion into the nasal cavity upon contact with the mucosa at body temperature. Compared to systemic administration, management believes this delivery system has the potential to allow for a faster onset through easy administration, a decrease in side effects and a decrease in doses required to achieve the same effects.

The Company has also completed the design of an oromucosal solid formulation of certain drug candidates, obtained by 3D printing using selective laser sintering. 3D printing allows for the combination of shapes and stratification of materials in a way that management believes could potentially control the time and place of drug release, including adjusting doses in real time for the specific needs of each patient. The Company highlights that 3D printing is also a sustainable production method that could reduce the environmental burden of pharmaceuticals.

Third-Party Partners

Liverdome's operations in Brazil are conducted through its licensed partner Raras Brasil Pesquisa Clínica Ltda. ("**Raras**"), a contract research organization ("**CRO**"). Liverdome entered into a services agreement with Raras in December 2020, under which Raras will provide all research, development and regulatory work for DMT, 5-MeO-DMT and Mescaline in Brazil. Meanwhile, all manufacturing is sub-contracted to two cGMP compliant contract manufacturing organizations. The first synthesizes the API and the second produces the final formulations. API and other raw materials are sourced from a supplier in the UK and sent directly to the Company's premises and partners for R&D purposes in Brazil, Uruguay or elsewhere.

Research and Development Regulatory Framework

The Company's R&D must be conducted in strict compliance with the regulations of federal, state, local and regulatory agencies in Brazil and Uruguay, and the equivalent regulatory agencies in the other jurisdictions in which the Company operates. These regulatory authorities regulate, among other things, the research, manufacture, promotion and distribution of drugs in specific jurisdictions under applicable laws and regulations.

Uruguay

The Company's activities in Uruguay are limited to R&D. In Uruguay R&D involving controlled substances are governed by the Controlled Substances Division (the "**CSD**"), within the General Directorate of Health of the Uruguayan Ministry of Public Health.

The Company has been authorized by the CSD to perform R&D activities on controlled substances, such as DMT and mescaline. In the case of 5-MeO-DMT, the Uruguayan Ministry of Public Health does not consider it a controlled substance.

In relation to the above and in order to conduct R&D activities, the Company has applied for, and been granted, four import licenses required for the import of the API from its supplier in the United Kingdom.

Brazil

All of the Company's clinical research activities are performed in Brazil. The Company has entered into an agreement with UFRN which has a special authorization from the National Healthcare Surveillance Agency (Agência Nacional de Vigilância Sanitária) ("**ANVISA**") to perform R&D activities and conduct clinical trials with several psychedelic substances, including the ones in the Company's portfolio. The agreement foresees the conduct of clinical trials at its University Hospital, a reference hospital in the region. The hospital currently has a structure of 128 offices and 337 hospital beds, 20 of which are in the intensive care unit. It is fully equipped for diagnosis and surgery for complex procedures, such as magnetic resonance imaging and nuclear medicine, and a liver transplant

unit. The psychiatric unit has 10 beds for hospitalization and a specific outpatient clinic to care for patients with TRD. The service offers treatments at different levels, including a clinical protocol with ketamine. In this hospital, the first randomized placebo-controlled trial ("**RCT**") in TRD using a DMT-containing liquid composition was conducted. This trial was the first RCT to test a psychedelic substance in TRD.

Preclinical and Clinical Research

Preclinical studies aim at providing information about safety and efficacy of a drug candidate before testing it in humans. Insights into the compound's dosing and toxicity levels are essential to determine whether it is justified and reasonably safe to proceed with clinical studies and are provided by studies on pharmacokinetics, pharmacodynamics, and toxicology.

The process required before a prescription drug product candidate may be marketed generally involves chemical and biological research, preclinical development, clinical trials (Phase I, II and III) and finally the new drug submission.

As of December 31, 2021, the Company has entered into service contracts with industry-leading consulting companies who, together with the Company, are working on the pre-IND meeting request letter and preparing the regulatory IND briefing packages to be filed with the FDA (for the purpose of Commercial Clinical Trials). These regulatory filings will seek FDA approval and guidance to begin future in-human clinical studies. The pre-IND meetings, if and when held, will provide the Company an opportunity to meet with the FDA to discuss the Company's programs and improve the completeness of the IND application submissions. The Company intends to file IND applications with the FDA and advance into Phase I clinical trials in the U.S. in 2022.

The steps involved in completing the IND process are set out below. It is to be noted that a status update is being provided only below the first bullet point as this is the current stage the Company is in with regard to this lengthy process.

Pre-IND Meeting

- Submitting a request for a pre-IND meeting to the FDA review division that will be overseeing the eventual IND application. As part of this request, the Company has been compiling information to facilitate the FDA's understanding of the issues, such as a background of the issues underlying the agenda, summary of completed or planned clinical, nonclinical, or both types of studies, trials and data that the Company intends to discuss at the meeting, and the nature of the critical questions to be asked. The Company has retained consultants to assist the Company in preparing for the meeting with the FDA and to ensure that positions are adequately supported.

  Status and Steps: The Company has substantially completed its pre-IND meeting request package and has substantially finished drafting its proposed protocols for its pharmacological and toxicological program studies which comprises part of the meeting request package. The Company is advancing on the product chemistry, manufacturing and controls and it is also in the final steps of reviewing and finalizing strategic questions about IND enabling issues, which are not easily answered in the available FDA guidance to be included in its meeting request. The Company, through its consultants, are also continuing to finalize the draft briefing package (for the final IND submission) prior to submitting a pre-IND meeting request, as questions and Company positions that are discussed and documented prior to submitting the meeting request

are not expected to materially change, and post-meeting questions are not anticipated. The pre-IND meeting request package is planned to be submitted in Q2 2022. The Company is also presently rehearsing internally, and will continue to do so, to ensure clarity on the roles and responsibilities of various attendees at the anticipated meeting and to help ensure a smooth meeting flow.

- Once the meeting request has been submitted, the FDA will decide whether to grant or deny the request and to determine the appropriate format for an approved meeting. Within 21 days of the meeting request the FDA will contact the Company to indicate meeting format and to schedule the meeting within 60 days of the initial request.
- 30 days prior to the meeting, the Company will submit a document with finalized questions and information requests to the FDA that they wish to have answered or discuss at the meeting. The Company anticipates that 24–72 hours before the meeting, the FDA will provide preliminary responses to the Company's questions. If the FDA's preliminary responses answer all the Company's questions, the Company may choose to cancel the meeting, although this is not anticipated. The meeting will focus on those questions on which further clarification and discussion is warranted.
- Following the meeting, the Company will critically evaluate preliminary feedback from the FDA and the implications, if any, on the Company's program. The FDA will also issue meeting minutes and final comments within 30 days following the meeting. In the event that the FDA disagrees with one or more of the Company positions or plans, the Company will provide alternative solutions for approval by the FDA.

IND/FDA Submission

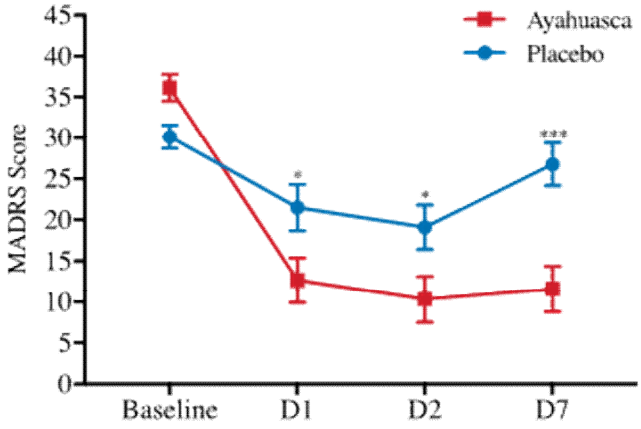
- Before testing any compound in human patients in the U.S., the Company intends to and must generate extensive Pre-Clinical data, including laboratory evaluation of product chemistry and formulation, as well as toxicological and pharmacological studies to assess the toxicity and dosing of the product.
- The next step is the submission to the FDA of an IND Submission, which must become effective before human clinical trials may begin. The IND submission typically includes the results of nonclinical testing, information about product chemistry, manufacturing and controls, and a proposed clinical trial protocol followed by a 30-day waiting period for the FDA to comment or question the IND.
- Once the IND is submitted, the regulatory project manager at the FDA receives the application and serves as the regulatory contact, obtains the review team assignments, and routes the IND to the review team.
- Upon FDA receipt of the IND submission, the Company must wait 30 calendar days before initiating any clinical trials. During this time, the FDA has an opportunity to review the IND for safety to assure that research subjects will not be subjected to unreasonable risk. The FDA may request additional information or clarification of details contained in the Company's IND application that the Company would aim to resolve in a timely fashion.
- If and when the Company receives notification from the FDA that it is safe to proceed with any planned clinical study (typically received via phone or email and subsequently followed by an official "safe to proceed" letter), the Company's IND would be considered "active".
- The Company remains initially focused on formulation development activities to support pre-clinical evaluations.

- The Company will be required to perform IND-enabling studies, including toxicology studies and safety pharmacology studies, which will help the FDA make a determination of whether to allow clinical studies to proceed.
- As soon as the Company's IND is in "active" status, the Company would be responsible for updating the IND over time to include study data, new protocols, protocol amendments, safety reports, new technical information, new efficacy data, and other relevant information.

Biomind currently conducts its clinical trials in Brazil through its licensed partner Raras, a CRO, pursuant to an exclusivity agreement dated December 23, 2020. Raras provides a comprehensive hub of drug development solutions and fast track pathways from preclinical to commercialization. Clinical research in Brazil is supervised by the ANVISA. In 2016, ANVISA became a regulatory member of the International Council for Harmonization of Technical Requirements for Pharmaceuticals for Human Use, an internationally recognized council for harmonizing the parameters of good practice in clinical research. In addition, the World Health Organization classifies and certifies regulatory agencies under the criteria of competence and efficiency, using a scoring parameter from one (minimum) to four (maximum). ANVISA has been considered a regional benchmark since 2010, after attaining the highest degree of this certification and a high level of experience in its structure and assessment.

The use of psychedelic substances in Brazil in religious ceremonies has allowed local neuroscientists and universities to gather a unique knowledge and experience, representing a key advantage for Biomind. The Company's Scientific and Clinical Advisor, Neuroscientist Dr. Draulio Barros de Araujo, has been working with psychedelic substances since 2006 and positions Biomind at the potential forefront of clinical research on the psychedelic compounds DMT and 5-MeO-DMT. Dr. Araujo completed the first randomized, placebo controlled clinical trial to test a psychedelic substance in TRD in 2016, which is the only completed clinical trial of this kind.

The randomized, placebo-controlled clinical trial, conducted by Dr. Araujo, has shown that Ayahuasca has significant antidepressant effects when compared to placebo. MADRS scores were significantly lower in the ayahuasca group compared to placebo.



MADRS scores as a function of time. Significant differences are observed between ayahuasca (squares) and placebo (circles) at D1 (p = 0.04), D2 (p = 0.04) and D7 (p < 0.0001). Between groups effect sizes are high at all time points after dosing: D1 (Cohen's d = 0.84), D2 (Cohen's d = 0.84), and D7 (Cohen's d = 1.49).

Pre-Clinical trials related to the BMND09 subprogram under the Company's DMT Program are about to commence. Due to COVID-19, the Company experienced certain delays in commencing the Pre-Clinical trials due to supply issues for animal subjects as most of the experimental animals available for the Company's Pre-Clinical trials have been allocated for studies related to COVID-19, and, because of COVID-19, related suppliers have closed their facilities due to lockdowns.

Intellectual Property Portfolio

One of the main pillars of the Company's molecule to market approach is to develop a robust intellectual property strategy, which integrates all the steps that are required to transform psychedelic molecules into novel pharmaceutical drugs. The Company's IP strategy is based on analyzing and evaluating the knowledge generated by the scientific community and the results of the Company's R&D programs and preclinical trials carried out to date, allowing the Company to innovate and generate intellectual protection.

As of the date of this MD&A, the Company has 20 provisional patent applications.

The provisional patent applications cover a wide range of novel psychedelic compounds from different classes including DMT, 5-MeO-DMT, mescaline and pharmaceutical salts or derivatives thereof. The following table set forth the status for each patent application applicable to the Company's current and anticipated business activities:

	Title	Jurisdiction of Filing	Status
1	Compositions of dimethyltryptamines labeled with 15N and a method for the personalized treatment of neurological and psychiatric disorders. **US 63/229,907**	USPTO: US	Pending Application
2	Composition based on dimethyltryptamine marked with 15N and one method for personalized treatment of neurological and psychiatric disorders. **UY 90942**	Paris Convention Treaty[8] (UY) Priority Date	Pending Application
3	Compositions of DMT and 5-MeO-DMT marked totally or partially with stable isotopes. **US 63/234,035**	USPTO: US	Pending Application
4	Compositions of DMT and 5-MeO-DMT marked totally or partially with stable isotopes for monitoring its pharmacokinetics and bioavailability. **UY 90650**	Paris Convention Treaty (UY) Priority Date	Pending Application
5	Isotopically labeled psychedelic tryptamines for use in pharmacology or clinical treatments. **US 63/234,038**	USPTO: US	Pending Application

[8] Right of Property: Regarding patents, trademarks, and industrial designs, the Convention grants the right of protection based on a first come first served basis (Paris Convention Article 4). Meaning that the first intellectual property claim filed in a member state takes precedent over future filings made in other member countries. As such, applicants can apply for intellectual property protection in any other member state using the date of the first filing. However, the provision is only applicable within a specific time period, 12 months from the first filing for patents and utility models, and 6 months for industrial designs and trademarks. This stipulation is especially helpful since intellectual property protection remains widely territorial, only having jurisdiction in a single country or within trade unions or other regional agreements. As such, applicants can use this provision to leverage time to apply for protection in multiple jurisdictions without the pressure of making multiple simultaneous applications.

6	Isotopically labeled psychedelic tryptamines for use in pharmacology or clinical treatments. **PCT/CA2021/051316**	WIPO: World Intellectual Property Office (Canada)	Pending Application
7	Isotopically labeled psychedelic tryptamines for use in pharmacology or clinical treatments. **UY 90749**	Paris Convention Treaty (UY) Priority Date	Pending Application
8	Isotopically labeled psychedelic tryptamines for use in pharmacology or clinical treatments. **EP 21801398.5**	EPO: European Patent Office (Spain)	Pending Application
9	Pharmaceutical formulation containing a psychedelic substance obtained by 3D printing by selective laser sintering (SLS). **UY 100135**	Paris Convention Treaty (UY) Priority Date	Pending Application
10	Pharmaceutical formulation containing a psychedelic substance obtained by 3D printing by selective laser sintering (SLS). **US 63/293971**	USPTO: US	Pending Application
11	Pharmaceutical formulation containing a psychedelic substance obtained by 3D printing by selective laser sintering (SLS). **EP 21218273.7**	EPO: European Patent Office (Spain)	Pending Application
12	Dimethyltryptamine-based nasal spray for the personalised treatment of neurological and psychiatric disorders. **UY 100189**	Paris Convention Treaty (UY) Priority Date	Pending Application
13	Dimethyltryptamine-based nasal spray for the personalised treatment of neurological and psychiatric disorders. **US 63/293972**	USPTO: US	Pending Application
14	Dimethyltryptamine-based nasal spray for the personalised treatment of neurological and psychiatric disorders. **EP 21218282.8**	EPO: European Patent Office (Spain)	Pending Application
15	Encapsulated microparticles and nanoparticles of dimethyltryptamines and one natural inhibitor of the enzyme monoamine oxidase. **UY 100211**	Paris Convention Treaty (UY) Priority Date	Pending Application
16	Encapsulated microparticles and nanoparticles of dimethyltryptamines. **US 63/293975**	USPTO: US	Pending Application
17	Encapsulated microparticles and nanoparticles of dimethyltryptamines. **EP 21218287.7**	EPO: European Patent Office (Spain)	Pending Application
18	Pharmaceutical compositions to promote the bioavailability of active principles. **UY 108238**	Paris Convention Treaty (UY) Priority Date	Pending Application
19	Pharmaceutical compositions of dimethyltryptamines and flavonoids. **US 63/294232**	USPTO: US	Pending Application
20	Pharmaceutical compositions to treat inflammation of different autoimmune pathologies. **UY 108663**	Paris Convention Treaty (UY) Priority Date	Pending Application

Regulatory Framework and Licensing Regime

In order to develop medicinal products, the Company's business must be conducted in strict compliance with the regulations of federal, local and regulatory agencies in Brazil, Uruguay and the equivalent regulatory agencies in the other jurisdictions in which it operates. These regulatory authorities regulate, among other things, the research, manufacture, promotion and distribution of drugs in specific jurisdictions under applicable laws and regulations.

The regulatory approval is generally lengthy and expensive, with no guarantee of a positive result. Failure to comply with applicable regulatory authorities or other requirements may result in civil or criminal penalties, recall or seizure of products, injunctive relief including partial or total suspension of production or withdrawal of a product from the market.

Jurisdiction Specific Regulatory Obligations

Brazil

Clinical trials with drugs and biological products in Brazil are regulated and supervised by ANVISA, an organization linked to the Ministry of Health, part of the Brazilian National Health System as the coordinator of the Brazilian Health Regulatory System.

The main applicable regulations for clinical trials involving drugs and biological products/controlled substances are as follows:

- Federal Law 9782, of January 26, 1999, which defines the Brazilian National Health System and creates the Brazilian National Agency for Health Surveillance;
- Federal Law 6.437, of August 20, 1977, that, among other provisions, regulates violations to the federal sanitary laws and sets forth the respective penalties;
- Resolution of the ANVISA Board of Directors 9, of February 20, 2015, which regulates the conducting of clinical trials with medicines in Brazil ("**RDC 9/2015**");
- Resolution of the ANVISA Board of Directors 16, of April 1st, 2014, which regulates the criteria for the application for AFE (as defined below) and AE (as defined below) for companies ("**RDC 16/2014**");
- Resolution of the ANVISA Board of Directors 204, of November 14, 2006 which approves the Technical Regulation on Good Distribution and Fractioning Practices for Pharmaceutical Inputs, with guidelines to be followed by entities that import, export, distribute, ship, store, fraction and pack pharmaceutical products and by inspection authorities;
- Resolution of ANVISA Board of Directors 367, April 6, 2020, which regulates the import and export of substances, plants and medicines subject to special control ("**RDC 367/2020**");
- ANVISA Normative Instruction 20, of October 2, 2017, which regulates inspection procedures for Good Clinical Practice for clinical trials with medicinal products;
- Ordinance (*Portaria*) SVS 344, of May 12, 1998, which approves the Technical Regulation on substances and medicines subject to special control ("**Ordinance 344**"); and

- Ordinance (*Portaria*) SVS 6, of January 29, 1999, which approves the Normative Instruction of the abovementioned Ordinance 344 ("**Ordinance 6**").

According to RDC 16/2014, an 'Operating Authorization' (*Autorização de Funcionamento* – "**AFE**") is required for each company or place of business that carries out any of the following activities: storage, distribution, packaging, shipping, export, extraction, manufacture, fractioning, import, production, purification, repackaging, synthesis, transformation and transport of medicines and pharmaceutical inputs for human use, cosmetics, personal care products, sanitary perfumes and filling or bottling of medical gases.

A 'Special Authorization' (*Autorização Especial* – "**AE**") is required for the activities described above or any other, for any purpose, with substances subject to special control or with medicines containing them, according to the provisions of Ordinance 344 and Ordinance 6.[9]

The AE is also mandatory for planting, cultivating, and harvesting of plants from which substances subject to special control can be extracted, and is only granted to public or private legal entities whose objective is the study, research, extraction, or use of active ingredients obtained from those plants. For the granting and renewal of such authorization, the plan of the activity to be developed, the indication of the plants, the location, the extension of the cultivation, the estimated production and the extraction site must be evaluated during the inspection by the local competent sanitary authority and be included in the respective inspection report.

The prohibited substances and the plants from which they originate, as well as the prohibited plants, according to Annex I of Ordinance 344, may only be used in study and research activities when duly authorized by ANVISA through Special Simplified Authorization for educational and research establishments, according to specific legislation.

The clinical trials to be sponsored in Brazil by the Company will involve the following substances:

- DMT, 5-MeO-DMT, mescaline and psilocybin, all psychotropic substances listed in List F2 of Ordinance 344; and

- Ibogaine, which is not in the official list. [10]

As a rule, the production, manufacturing, import, export, trade, and use of prohibited substances and drugs are forbidden, except for entities authorized by ANVISA for medical and scientific research. Further, the import and export of the above substances are subject to RDC 367/2020.

In August 2020, the Brazilian Federal Government stated that:[11] "There is no scientific evidence to guarantee the safety of the therapeutic use of ibogaine, as it is a substance with reported serious risks, including sudden death. There is no ANVISA regulation for the commercialization of ibogaine as a medicine, being its offer and commercialization prohibited and subject to complaints. Clinical trials with medicines in Brazil are regulated by RDC 9/2015."

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[9] Ordinance 344 (Article 2) determines that *"to extract, produce, manufacture, benefit, distribute, transport, prepare, handle, fractionate, import, export, transform, pack, repack, for any purpose, the substances listed in this Technical Regulation (ANNEX I) and its updates, or the drugs that contain them, it is mandatory to obtain a Special Authorization granted by the Sanitary Surveillance Secretariat of the Ministry of Health".*

[10] https://www.gov.br/anvisa/pt-br/assuntos/noticias-anvisa/2018/tratamentos-com-ibogaina-nao-estao-regulamentados

[11] http://mds.gov.br/obid/artigos/governo-federal-desaprova-a-utilizacao-de-ibogaina-no-tratamento-da-dependencia-quimica

The Company has incorporated a subsidiary in Brazil through which to sponsor research and clinical trials. According to RDC 9/2015, a 'Sponsor' is a "person, company, institution or organization responsible for initiating, conducting, controlling and/or financing a clinical trial" (a "**Sponsor**").

The Company's initial entry into the Brazilian market is determined by way of the engagement of a CRO, known in Brazil as ORPC (*Organização Representativa de Pesquisa Clínica*[12]) and defined by RDC 9/2015 as any company regularly installed in the Brazilian territory retained by the Sponsor (or by the investigator-sponsor), which partially or totally assumes, before ANVISA, the Sponsor's attributions. Under Brazilian regulations, a Sponsor retains ultimate responsibility for the quality and integrity of the clinical trial data, notwithstanding its performance by a CRO. The CRO must have all the licenses applicable to the attributions assumed under the CRO engagement agreement, such as the AFE and the AE. In the event that the Company decides to carry out directly any of the activities currently contracted to the CRO,[13] it must obtain all necessary approvals before doing so.

Uruguay

In Uruguay, research and development activities involving controlled substances are governed under the authority of the CSD, within the General Directorate of Health of the Uruguayan Ministry of Public Health.

The relevant regulations applicable to controlled substances in Uruguay are as follows:

- Decree-Law 14.294 from October 31, 1974 regarding the controlled substances and narcotics, while establishing the applicability of the New York Single Convention of 1961.

- Decree-Law 14.369 from May 8, 1975 adhering Uruguay to the Psychotropic Substances Convention of 1971.

- Law 17.016 from March 7, 2002 which modifies some of the articles of Decree-Law 14.249.

- Decree 391/002 from October 29, 2002 regarding the precursors and chemical substances related to narcotics and psychotropic drugs.

- Law 19.149 from October 23, 2017, that creates the CSD, specifically establishing that said division shall be in charge of the control and inspection of controlled chemical substances and the prevention of them going to illicit markets.

Article 3, literal "A" of Decree-Law 14.294 expressly establishes that the commercialization of plants or other substances with psychoactive components is permitted provided that they are made exclusively for scientific research and for the development of therapeutic products for medical use.

Any company looking to carry out activities linked to psychotropic drugs, narcotics, precursors or chemical products shall be registered with and approved by the CSD. In order to register with the CSD, the company shall have to fill out online information regarding, among other things, its activity, representatives, types of substances to be handled,

[12] Representative Organization of Clinical Research.
[13] Such as: storage, distribution, packaging, shipping, export, extraction, manufacture, fractioning, import, production, purification, repackaging, synthesis, transformation and transport of medicines and pharmaceutical inputs.

information about the location where the activity shall be developed. The CSD shall respond to the registration either approving it, requesting further information, or rejecting it.

Relevant activities according to Decree-Law 14.294 are plantation, harvest, commercialization, production, fabrication, preparation, import, export, distribution, use, deposit, stocking, offer for sale or negotiation established in schedules I and II of said Decree-Law.

Article 5 of Decree-Law 14.294 establishes that psychotropic drugs from lists II, III and IV of the Convention for Psychotropic Substances from Vienna 1971 may only be used for therapeutic treatments and scientific research.

United States

The FDA is the regulatory authority that regulates clinical investigations of medical products in the U.S. Within this capacity, the FDA plays a role in reviewing and authorizing INDs to conduct clinical trials using investigational drug products. Prior to initiating dosing of a clinical study in the U.S., a company must submit and receive approval of its IND application as well as receive approval by an institutional review board at each clinical trial site. Following completion of sufficient clinical trials in accordance with IND regulations and Good Clinical Practice requirements, with sufficient proof of the safety and efficacy of the investigational product for its proposed indication, a New Drug Application ("**NDA**"), can be submitted to the FDA. Following payment of user fees for the FDA review and receipt of the NDA, the FDA will determine within 60 days to accept the filing for review. Once accepted for filing, the FDA begins an in-depth review of the NDA. Under the goals and policies agreed to by the FDA under the Prescription Drug User Fee Act, the FDA targets 10 months, from the filing date, in which to complete its initial review of a new molecular entity NDA and respond to the applicant, and six months from the filing date of a new molecular entity NDA for priority review. The FDA does not always meet its Prescription Drug User Fee Act goal dates for standard or priority NDAs, and the review process is often extended by FDA requests for additional information or clarification.

The FDA review and approval process includes satisfactorily completing one or more pre-approval inspections of the manufacturing facilities to ensure cGMP compliance that ensure methods and controls are sufficient to preserve the identity, strength, quality and purity of the drug product. The process may also require the satisfactory completion of an FDA audit of the trial sites that generated the data included in the NDA.

In addition, the FDA may require submission of a Risk Evaluation and Mitigation Strategy, which includes strategies such as physician communication plans, medication guides, patient registries, assessment plans as well as other tools that can serve to mitigate risks and optimise risk benefit ratio.

An application may also be referred to an advisory committee who serve as an independent panel of experts (clinical and scientific) that review, evaluate and recommend whether the application should be approved and under what conditions. While the FDA is not bound by such recommendation, it will consider the recommendations carefully.

Following evaluation of all related information, the FDA may issue an approval letter. An approval letter authorizes the commercial marketing of the drug for specific indications under specific prescribing instruction. In certain cases, a complete response letter may be issued which refers to a statement that sets out specific conditions that must be met prior to final approval. If and when these conditions are met to the satisfaction of the FDA, the FDA will typically issue an approval. Drugs approved by an NDA are regulated under the Section 505 of the *Food, Drug & Cosmetics Act*.

The Molecules are strictly controlled under the *Controlled Substances Act* (21 U.S.C. § 811) (the "**CSA**"). The Molecules are a Schedule 1 drug under the CSA, which means that they currently have no accepted medical use in the U.S., reflects a lack of accepted safety for use under medical supervision, and has a high potential for abuse. Anyone wishing to conduct research on substances listed in Schedule 1 under the CSA must register with the U.S. Drug Enforcement Administration (the "**DEA**") and obtain DEA approval for the use of the Schedule 1 substance for research purposes. The process for obtaining DEA approval for use of the Schedule 1 substance involves a complex regulatory pathway, including satisfactorily meeting the DEA's requirements for the security of manufacturing, distribution, and research sites. A failure to meet one or more of the DEA's requirements would likely result in significant delays in proceeding with clinical trials.

Conferences

Biomind was invited by H.C. Wainwright to present at the 2nd Annual Psychedelics Conference celebrated on December 6, 2021. The conference was titled "Back to the Future: Positioning for the Psychedelic Comeback in Mental Healthcare and Beyond".

Selected Quarterly Information

The following table sets out selected quarterly information for all completed fiscal quarters of the Company up to December 31, 2021:

	December 31, 2021	September 30, 2021	June 30, 2021	March 31, 2021
Three months ended,	$	$	$	$
Total revenue	-	-	-	-
Net loss and comprehensive loss	(1,949,027)	(1,747,349)	(304,518)	(297,041)
Basic and diluted net loss per share	(0.059)	(0.033)	(0.009)	(0.007)

Historically, the Company's operating results have fluctuated on a quarterly basis and the Company expects that quarterly financial results will continue to fluctuate. Historical patterns of expenditures cannot be taken as an indication of future expenditures. The amount and timing of expenditures and, therefore, liquidity and capital resources vary substantially from period to period depending on the number of research and development programs being undertaken at any one time, the stage of the development programs, the timing of significant expenditures for Commercial Clinical Trials and Investigational New Drug Clinical Trials and the availability of funding from investors. Because of the historical variations in the Company's operating results, its limited operating history and the rapidly evolving nature of its business, the Company believes that period-to-period comparisons of its revenue and operating results are not necessarily meaningful and should not be relied upon as indications of its future performance.

Selected Annual Information

The following is a summary of: (a) the Statements; and (b) the Company's financial position as at December 31, 2021 compared to the year ended December 31, 2020.

	December 31, 2021	For the period from November 9th, 2020 (Date of incorporation) to December 31, 2020
Expenses		
Research and development	$ 570,950	$ 5,973,062
Share-based compensation	1,380,938	-
Professional fees	924,576	101,329
Management fees	170,663	10,000
Depreciation	28,321	-
Interest expense	3,713	-
General and administrative	352,219	29,456
Listing expense	836,515	-
Foreign exchange loss	64,465	-
Total expenses	**4,332,360**	**6,113,847**
Net loss	**(4,332,360)**	**(6,113,847)**
Other comprehensive Income		
Currency translation adjustment - will be subsequently reclassified to profit and loss	34,226	-
Net loss and comprehensive loss	**$ (4,298,134)**	**$ (6,113,847)**
Loss per common share - basic and diluted	**$ (0.060)**	**$ (0.150)**
Weighted average number of common shares - basic and diluted	**72,060,404**	**40,778,846**

Financial Position as at	December 31, 2021	December 31, 2020
Cash	$2,273,663	$-
Total assets	$2,527,965	$29,650
Total liabilities	$334,954	$218,497
Shareholders' equity	$2,193,011	$(188,847)
Number of shares outstanding	74,761,853	69,625,000

Results of Operations Analysis

The Company's operating results reflect (i) revenue recognized primarily from the income generated from the Company's investments in bank deposits; (ii) changes in the value of the Company's assets; and (iii) the expenses required to deploy and manage the Company's invested capital.

For the year ended December 31, 2021

Line Item	Variance and explanation
Research and development: consists of contract investigator and supplies for INDs.	The balance of $570,950 primarily due to the research projects started in 2021. The 2020 balance corresponds to start up cost of research and development.
Share-based compensation: consists of expenses of option grants to officers, directors and shareholders.	Increased by $1,380,938 primarily due to options issued and vested during the period.
Professional fees: consists of amounts paid for professional services.	The balance of $924,576 is primarily due to fees paid to lawyers, non-R&D consultants, auditors, and other professionals. The 2020 balance corresponds to start-up costs of professional fees.
Management fees: consists of payments made to CEO, CFO and Directors.	The 2021 balance of $170,663 is primarily due to payments to CEO, CFO and Directors. The 2020 balance corresponds to CEO fees.
Depreciation: depreciation expenses are from property and equipment, including right of use assets.	Increased by $28,321 primarily due to the depreciation of new leased assets in Uruguay.
Interest expense: consists of interest on lease liabilities.	Increased by $3,713 primarily due to new leases signed in 2021.
General and administrative: consists of expenses paid to consults and lawyers.	The balance of $352,219 primarily due to is mainly travel expenses that was incurred and other general expenses.
Listing expenses: consists of expenses incurred for public listing.	Increased by $836,515 due to the reverse takeover with Crosswinds.
Foreign exchange loss: impact of foreign exchange rate movements.	Increased by $64,465 due to the increasing USD to CAD exchange rate during the period and there is a significant amount of Canadian cash held in USD functional currency entities.

Balance Sheet Highlights and Analysis

As at December 31, 2021, the Company's assets consisted primarily of cash.

December 31, 2021	December 31, 2020
Total assets of $2,527,965	Total assets of $29,650

Line items	December 31, 2021	December 31, 2020
Liquid Net Assets (Working Capital)		
Cash	$2,273,663	$-
Prepaid expenses	165,928	29,650
Accounts payable and accrued liabilities	(289,633)	(218,497)
Lease liabilities – current	(35,056)	$-
Working Capital (Deficit)	***$2,114,902***	***$(188,847)***
Shareholders' Equity (Deficit)	***$2,193,211***	***$(188,847)***

For the year ended December 31, 2021

Line Item	Variance and explanation
Cash	Increased by $2,273,663 primarily due to the subscription receipt financing. See details in summary of cash flows section below.
Working Capital	Increased by $2,303,749 primarily due to cash received from subscription receipt financing, net of payables for services.
Total Assets	Increased by $2,498,514 primarily due to the increase in cash from subscription receipt financing.

Update of Use of Available Funds

Biomind intends to use its available funds to meet its planned growth and fund development activities and, as of the date of this MD&A, there have not been, and the Company does not anticipate, any changes to its previously made disclosure about the Company's intended use of proceeds except as described below.

The below table describes the differences between (i) the Company's anticipated use of proceeds from the Brokered Offering as disclosed in the Company's filing statement dated June 29, 2021 (the "**Filing Statement**"); and (ii) the Company's current anticipated use of proceeds and the actual use of proceeds from the Brokered Offering as at December 31, 2021:

Objective	Milestone[1][2]	Prior Estimated Cost in the Filing Statement (US$)[3]	Revised Estimated Cost as at December 31, 2021 (US$)[3][6]	Actual Use of Proceeds as at December 31, 2021 (US$)[3][6]	Prior Estimated Timeframe for Completion in the Filing Statement[4][5]	Actual / Estimated Timeframe for Completion as at December 31, 2021[4][5]	Status
DMT Program	Investigational New Drug Clinical Trials and R&D[6][7]	Nil	600,000	481,838	N/A	Q2 2021 – Q4 2022	In Process
	Pre-Clinical[7]	N/A	82,896	82,896	N/A	Q2 2022	Not Yet Commenced but in Planning Stage
	Phase I[8]	1,729,413	493,575	Nil	Q3-Q4 2022	Q4 2022	Not Yet Commenced but in Planning Stage
	Phase II[9]	1,201,345	200,449	Nil	Q4 2022	Q1 2023	Not Yet Commenced but in Planning Stage
5-MeO-DMT Program	Investigational New Drug Clinical Trials and R&D[6]	258,166	258,166	223,163	N/A	Q2 2021 – Q4 2022	In Process
	Pre-Clinical[9][10]	N/A	82,896	82,896	N/A	Q2 2022	Not Yet Commenced but in Planning Stage
	Phase I[10]	N/A	493,575	Nil	N/A	Q4 2022	Not Yet Commenced

Objective	Milestone[1][2]	Prior Estimated Cost in the Filing Statement (US$)[3]	Revised Estimated Cost as at December 31, 2021 (US$)[3][6]	Actual Use of Proceeds as at December 31, 2021 (US$)[3][6]	Prior Estimated Timeframe for Completion in the Filing Statement[4][5]	Actual / Estimated Timeframe for Completion as at December 31, 2021[4][5]	Status
	Phase II[9]	N/A	200,448	Nil	N/A	Q1 2023	Not Yet Commenced
Mescaline Program	Investigational New Drug Clinical Trials and R&D[6]	113,906	113,906	94,878	N/A	Q2 2021 – Q4 2022	In Process
	Pre-Clinical[9]	N/A	82,896	82,896	N/A	Q2 2022	Not Yet Commenced but in Planning Stage
	Phase I[9]	N/A	493,575	Nil	N/A	Q4 2022	Not Yet Commenced
	Phase II[9]	N/A	200,448	Nil	N/A	Q1 2023	Not Yet Commenced
Permits and authorizations		47,635	47,635	47,635	Q2 2021 – Q4 2022	Q2 2021 – Q4 2022	In Process
General and administrative corporate expenses		440,000	440,000	352,219			
Unallocated working capital		635,014	635,014	862,156			
Total		**4,425,479**	**4,425,479**	**2,310,577**			

Notes:

(1) There may be circumstances where for sound business reasons the Company reallocates the funds or determines to not proceed with a milestone. Covers the 18-month period beginning June 1, 2021.
(2) Subject to receipt of all necessary regulatory approvals. All references to "Pre-Clinical trials", "Phase I" and "Phase II" in the above table relate to the Commercial Clinical Trials of the Company.
(3) Based on the exchange rate of $1.2741:US$1.00.
(4) Based on a calendar year-end.
(5) The total expenditure may be incurred by the Company after the relevant quarter that is indicated as the target timeframe for completion.
(6) Proceeds spent under Investigational New Drug Clinical Trials and R&D include, but is not limited to, formulation development, chemical and biological synthesis, in-vitro testing and development of drug delivery systems. All Investigational New Clinical Trial expenditures are related identifying the most suitable development candidate for each program and develop sufficient efficacy and safety data to proceed to Commercial Clinical Trials. See "Significant Programs" above for further information.
(7) Investigational New Drug Clinical Trials related to BMND01 are currently in progress. Due to the COVID-19 pandemic, the Company experienced certain delays in this preclinical study due to supply issues for animal subjects as most of the available experimental animals available for the Company's preclinical studies have been allocated for studies related to COVID-19, and, as a result of COVID-19, related suppliers have closed their facilities due to lockdowns.

(8) The Company anticipates that its DMT program may deliver a drug candidate suitable for entry into Phase I clinical studies by the end of Q2 2022. Anticipated timelines and spending regarding drug development are based on reasonable assumptions informed by current knowledge and information available to the Company. See "Cautionary Note Regarding Forward-Looking Statements" for material factors and assumptions.

(9) Anticipated timelines and spending regarding drug development are based on reasonable assumptions informed by current knowledge and information available to the Company. Such statements are informed by, among other things, regulatory guidelines for developing a drug with safety studies, proof of concept studies, and pivotal studies for new drug application submission and approval and assumes the success of implementation and results of such studies on timelines indicated as possible by such guidelines, other industry examples, and the Company's development efforts to date. See "Cautionary Note Regarding Forward-Looking Statements" for material factors and assumptions.

(10) Due to COVID-19, the commencement of the Pre-Clinical trial was delayed, and the Company expects to start the Phase I clinical trial on its proprietary formulation based on 5-MeO-DMT in Q3 2022, updated from the prior estimate of Q2 2022. The Company experienced certain delays in this study due to supply issues for animal subjects as most of the available experimental animals available for such studies have been allocated for studies related to COVID-19, and, as a result of COVID-19, related suppliers have closed their facilities due to lockdowns. Anticipated timelines and spending regarding drug development are based on reasonable assumptions informed by current knowledge and information available to the Company. Such statements are informed by, among other things, regulatory guidelines for developing a drug with safety studies, proof of concept studies, and pivotal studies for new drug application submission and approval and assumes the success of implementation and results of such studies on timelines indicated as possible by such guidelines, other industry examples, and the Company's development efforts to date. See "Cautionary Note Regarding Forward-Looking Statements" for material factors and assumptions.

For further details about each of the Company's programs see section titled "Significant Projects" of this MD&A.

COVID-19 Pandemic

General

On March 11, 2020, the World Health Organization declared the outbreak of COVID-19 a pandemic. Since the outbreak of COVID-19, the Company has focused its efforts on safeguarding the health and well-being of its employees, consultants and community members. To help slow the spread of COVID-19, the Company's employees have been working remotely, where possible, and abiding by local and national guidance put in place in Uruguay and Brazil related to social distancing and restrictions on travel outside of the home. The Company has and will continue to abide by the protocols within Uruguay and Brazil regarding the performance of work activities.

Impact on the Company

During the year ended December 31, 2021, the Company has not experienced any material negative effect on its financial position as a result of COVID-19. Certain operating expenses of the Company, such as those relating to travel and office expenses, have been less than they would have been without the restrictions relating to COVID-19.

The duration and the eventual impact of the COVID-19 pandemic remains unknown. In particular, it is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company. To date, a number of businesses have suspended or scaled back their operations and development as cases of COVID-19 have been confirmed, for precautionary purposes or as governments have declared a state of emergency or taken other actions. In the event that the operations or development of the Company are suspended or scaled back, or if the Company's supply chains are disrupted, such events may have a material adverse effect on the Company.

As a result of COVID-19, certain institutions have implemented facility procedures and are utilizing technology in an effort to mitigate the effects of the pandemic, specifically by moving patient interactions to remote status

wherever possible. The Company has seen some delays in operation of its clinical trials due slower administrative processes and response times, delayed patient recruitment, and delayed governmental approvals of import and export requests caused by the COVID-19 pandemic and related restrictions. This has delayed some of the anticipated timing for completing certain milestones related to clinical trials.

The Company is focused on research and has not seen any major changes to its ability to complete those activities. The Company intends to assess its business and operational needs and implement cost reductions as needed. The Company is currently focused on the research stage of its projects and will not be generating significant revenues in the short term. In the long term, if increased delays in COVID-19 cases continue to impact labs, research materials, local lockdowns and other shutdowns where the Company completes its research activities, this may further delay timelines in achieving its milestones accordingly. The Company will mitigate any short-term limitations imposed by COVID-19 on materials, research or operations by working with its suppliers and consultants to determinate alternative vendors, suppliers or sources when applicable or available. The Company believes it has sufficient working capital to manage its short- and medium-term cash flow needs as it continues to invest into its intellectual property. In the event that the impact of COVID-19 worsens and negatively affects capital markets generally, there is a risk that the Company may not be able to secure funding for its long-term objectives.

Liquidity, Capital Resources and Off-Balance Sheet Arrangements

The following is an analysis of the liquidity, capital resources and off-balance sheet arrangements of the Company and should be read in conjunction with the Statements and the corresponding notes thereto.

Summary of Cash Flows

As at December 31, 2021, cash and cash equivalents increased to $2,273,663 mainly as a result of the Brokered Offering.

For the	Year ended December 31, 2021
Cash used in operating activities	$(2,122,619)
Cash used in financing activities	$4,470,862
Cash used in investing activities	$(44,341)
Net effect of foreign exchange	$(30,239)
Increase in cash	$2,273,663

Liquidity

The Company had working capital of $2,114,902 as at December 31, 2021 (December 31, 2020 – deficit of $188,847). The Company's cash consists of deposits with chartered banks in Canada and the U.S. The Company is a pre-operative stage as it researches and develops the Molecules in anticipation of manufacturing in the future. Therefore, the Company will not be able to generate sufficient amounts of cash and cash equivalents from its operations in the short term.

The Company calculates its working capital as follows:

Line items	December 31, 2021	December 31, 2020
Liquid Net Assets (Working Capital)		
Cash	$2,273,663	$-
Prepaid expenses	$165,928	$29,650
Accounts payable and accrued liabilities	$(289,633)	$(218,497)
Lease liabilities – current	$(35,056)	$-
Working Capital (Deficit)	***$2,114,902***	***$(188,847)***

Capital Resources

As of December 31, 2021, the Company had no long-term debt. The Company has a lease obligation with a lease term that ends on March 16, 2023.

Contractual Obligations	Payment due by				
	Total	Less than 1 year	1-3 years	4-5 years	After 5 years
Accounts payable and other liabilities	$289,633	$289,633	$-	$-	$-
Leases	$46,545	$38,520	$8,025	-	-
Other obligations	-	-	-	-	-
Total contractual obligations.	***$336,178***	***$328,153***	***$8,025***	***$-***	***$-***

The Company's monthly operational cash burn for the month ended December 31, 2021 was $180,000, and it is expected to decrease to average $ 145,000 per month.[14]

The Company's working capital as of December 31, 2021, will be sufficient for 11 months based on the average cash burn.

[14] The Company does not expect any further increase to its cash burn other than what is reflected in the table under the Use of Available Funds section of this MD&A.

The Company's main use for liquidity is to fund the development of its DMT Program, 5-MeO-DMT Program and Mescaline Program and working capital purposes. These activities include staffing, preclinical studies, clinical trials and administrative costs. The primary source of liquidity has been from financing activities to date. The ability to fund operations, to make planned capital expenditures and execute the growth/acquisition strategy depends on the future operating performance and cash flows, which are subject to prevailing economic conditions, regulatory and financial, business and other factors, some of which are beyond the Company's control.

The Company manages liquidity risk by reviewing, on an ongoing basis, its sources of liquidity and capital requirements. In evaluating the Company's capital requirements, including the impact of COVID-19 on the Company's business, and its ability to fund the execution of its business strategy, the Company believes that it has adequate available liquidity to enable it to meet its working capital and other operating requirements, fund current growth initiatives (please see the section entitled "Update of Use of Available Funds" in this MD&A) and other capital expenditures and settle its liabilities for at least the next 15 months. The Company's objective is to maintain sufficient cash to fund the Company's operating requirements and expansion plans identified from time to time. While the Company expects to incur losses for at minimum the next 15 months, management of the Company continues to work towards the success and eventual profitability of the business.

As a research and development company, the Company expects to spend substantial funds to continue the research, development and testing of its product candidates and to prepare to commercialize products subject to applicable regulatory approvals. The Company intends to grow rapidly and expand its operations within the next 12 to 24 months. This growth, along with the expectation of operating at a loss for at minimum the next 11 months, will diminish the Company's working capital. As such, substantial additional financing may be required if the Company is to be successful in continuing to develop its business, meet ongoing obligations,[15] and discharge its liabilities in the normal course of business. No assurances can be given that the Company will be able to raise the additional capital that it may require for its anticipated future development. Any additional equity financing may be dilutive to investors and debt financing, if available, may involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Company, if at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion.

The Company's ability to access both public and private capital is dependent upon, among other things, general market conditions and the capital markets generally, market perceptions about the Company and its business operations, and the trading prices of the Company's securities from time to time. When additional capital is required, the Company intends to raise funds through the issuance of equity or debt securities. Other possible sources include the exercise of stock options of the Company. There can be no assurance that additional funds can be raised upon terms acceptable to the Company, or at all, as funding for early-stage companies remain challenging generally. Given the nature of the Company's business as of the date of this MD&A, and in particular, the fact that its operations are undertaken exclusively within a foreign jurisdiction, the Company may face difficulty in accessing traditional sources of financing, notwithstanding that its business operations are conducted in a regulatory environment within which the Company's activities are neither illegal nor subject to conflicting laws.

[15] The Company does not currently have any significant obligations. As set out in Note 11 to the financial statements for the year ended December 31, 2021, the Company noted that it is committed to pay an additional $97,349 to Raras based on the different milestones and phases of the contract, of which $63,598 has been accrued within accounts payable and accrued liabilities on the statement of financial position. Given that the payments made to Raras to date do not exceed USD $1,000,000, the Company can terminate the agreement at any time without providing sixty (60) days prior written notice and would only be obliged to pay the costs and expenses incurred prior to termination of the agreement.

The Company constantly monitors and manages its capital resources to assess the liquidity necessary to fund operations and capacity expansion. The Company's current resources are sufficient to settle its current liabilities. The Company's current expenditure obligations include commitments for those projects described in the section entitled "*Update of Use of Available Funds*" in this MD&A. All of the capital commitments described in the section entitled "*Update of Use of Available Funds*" in this MD&A are expected to be funded with existing working capital.

Neither Uruguay or Brazil have existing exchange control regimes restricting how local currency may be moved in and out of said countries. At this time, there is nothing to suggest that any exchange control regimes will be put in place to restrict the local currency moving in and out of Uruguay or Brazil however, the Company cannot guarantee that these jurisdictions will not decide to implement exchange control regimes in the future. There are no legal or practical restrictions on the ability of the subsidiaries to transfer funds to the Company.

Outstanding share data

As at the date of this MD&A:

Authorized	Unlimited
Issued and outstanding	74,761,853
Options outstanding	4,370,000
Broker Warrants outstanding	180,343

Off-Balance Sheet Arrangements

Except as otherwise described herein, the Company currently has no off-balance sheet arrangements.

Transactions with controlling shareholder

Prior to the Company being incorporated, Union Group Ventures Ltd. ("**Union Group**"), a controlling shareholder of the Company, provided certain pre-development and R&D work, including, among other things, the development of a work package of clinical trials based on psychotropic compounds, surveys of local R&D capacities, technological intelligence on psychotropic compounds, and preliminary licencing fees (the "**Services**") relating to the advancement of the Company's business. Union Group is a direct wholly-owned entity of Union Group International Holdings Limited ("**Union International**"), of which Juan Sartori, a promoter of the Company, is the sole shareholder. Union Group incurred transactions on behalf of the Company relating to the advancement of the business. The costs incurred in 2021 were $561,460 and the costs incurred from November 9, 2020 (date of incorporation) to December 31, 2020 were $2,192,287. In 2020, $2,048,062 of the total costs incurred were included as research and development expenses on the statement of loss, $80,119 were included as professional fees on the statement of loss, $29,456 were included as general and administrative expenses on the statement of loss, $5,000 was included as management fees on the statement of loss, and $29,650 were included as prepaid expenses on the statement of financial position. The Company settled $2,000,000 of the amount owing by issuing

50,000,000 common shares. The remaining balance of $192,287 was recorded in account payables and accrued liabilities in the statement of financial position as at December 31, 2020.

As at December 31, 2021, the Company has no liabilities due to the controlling shareholder (December 31, 2020 - $192,287).

Key management and director compensation

For the period from January 1, 2021 to December 31, 2021, the Company granted $170,663 in remuneration to key management personnel and directors (for the period from November 9, 2020 to December 31, 2020 - $10,000). Key management personnel comprise of the Chief Executive Officer and Chief Financial Officer of the Company.

The Company also issued options to key management personnel, directors and the controlling shareholder of the Company during the period and the resulting share-based compensation recognized for these related parties is $1,253,484. The total share-based compensation recognized during the period including other employees is $1,380,938. For the period from November 9, 2020 to December 31, 2020, there was no share-based compensation recognized.

Changes in Accounting Policies and Critical Accounting Estimates

The Statements have been prepared in accordance with IFRS.

Critical Accounting Estimates

The Company's management makes judgments in its process of applying the Company's accounting policies in the preparation of the Statements. In addition, the preparation of financial data requires that the Company's management make assumptions and estimates of effects of uncertain future events on the carrying amounts of the Company's assets and liabilities at the end of the reporting period and the reported amounts of revenue and expenses during the reporting period. Actual results may differ from those estimates as the estimation process is inherently uncertain. Estimates are reviewed on an ongoing basis based on historical experience and other factors that are considered to be relevant under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

In preparing the Statements, management has made judgments and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income, and expense. Actual results may differ from these estimates.

In calculating share-based compensation, key estimates are used such as, the rate of forfeiture of options granted, the expected life of the option, the volatility of the Company's stock price, the vesting period of the option and the risk-free interest rate. The fair value of each option grant is estimated using the Black-Scholes option-pricing model. While assumptions used to calculate and account for share-based compensation awards represent management's best estimates, these estimates involve inherent uncertainties and the application of management's judgment. As a result, if revisions are made to the underlying assumptions and estimates, share-based compensation expense could vary significantly from period to period. The Company recognized share-based compensation expense of $1,380,938 for the year ended December 31, 2021, and nil for the period from November 9, 2020 to December 31, 2020.

Disclosure controls and procedures

Management maintains appropriate information systems, procedures and controls to provide reasonable assurance that information that is publicly disclosed is complete, reliable and timely. The Chief Executive Officer (the "**CEO**") and Chief Financial Officer (the "**CFO**") of the Company, along with the assistance of senior management under their supervision, have designed disclosure controls and procedures to provide reasonable assurance that material information relating to the Company is made known to the CEO and CFO, and have designed internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

Internal Control over Financial Reporting

Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with applicable IFRS. Internal control over financial reporting should include those policies and procedures that establish the following:

- maintenance of records in reasonable detail, that accurately and fairly reflect the transactions and dispositions of assets;
- reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with applicable IFRS;
- receipts and expenditures are only being made in accordance with authorizations of management or the Board of Directors of the Company; and
- reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial instruments.

During the year ended December 31, 2021, the Company did not make any significant changes to its internal controls over financial reporting that would have materially affected, or reasonably likely to materially affect, its internal controls over financial reporting.

Limitations of Disclosure Controls and Procedures and Internal Control over Financial Reporting

The Company's management, including the CEO and the CFO, believe that due to inherent limitations, any disclosure controls and procedures or internal control over financial reporting, no matter how well designed and operated, can provide only reasonable, not absolute, assurance of achieving the desired control objectives. These inherent limitations include, among other items: (i) that management's assumptions and judgments could ultimately prove to be incorrect under varying conditions and circumstances; (ii) the impact of any undetected errors; and (iii) that controls may be circumvented by the unauthorized acts of individuals, by collusion of two or more people, or by management override. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Accordingly, because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Subsequent Events

On February 17, 2022, the Company announced that its Common Shares had commenced trading on the OTCQB® Venture Market under the symbol "CRSWF".

On February 24, 2022, the Company announced that it received confirmation from the Depository Trust Company (the "**DTC**") that its Common Shares are now eligible for electronic clearing and settlement through the DTC in the United States.

On March 3, 2022, the Company announced positive results from investigational in-vivo studies of its BMND07 drug candidate, which revealed the candidate to be physiologically safe, showing low acute oral toxicity and no mutagenic effect in all administered dosages in animals.

On March 9, 2022, the Company announced its second Phase II clinical trial on DMT for treatment-resistant depression has been approved by the IRB.

On March 17, 2022, the Company announced the opening of its new clinical psychedelic research facility in the University Hospital Onofre Lopes.

On March 24, 2022, the Company announced the commencement of a commercial clinical trial on its proprietary drug candidate BMND06, a novel formulation based on the psychedelic molecule mescaline.

On March 30, 2022, the Company announced that its Chief Executive Officer, Alejandro Antalich, and its Scientific and Clinical Advisor, Dr. Dráulio Barros de Araújo, will be presenting at the "Benzinga Psychedelics Capital Conference" to be held in Miami on April 19, 2022.

Risk and Uncertainties

Psychedelic products are a new industry globally and, currently, the industry is at a very early stage. As a result, there is a high degree of risk associated with the Company's business. There is a significant risk that the expenditures made by the Company in relation to its biotech research, development and commercialization of innovative psychotropic pharmaceutical products for the treatment of psychiatric and neurological conditions will not result in profitable operations.

The Company has no history of profitable operations and its present business is at an early stage. As such, the Company is subject to many risks common to such enterprises, including undercapitalization, cash shortages and limitations with respect to personnel, financial and other resources and the lack of revenues.

There is no assurance that the Company will be successful in achieving a return on shareholders' investments and the likelihood of success must be considered in light of its early stage of operations.

There are a number of risk factors that could cause future results to differ materially from those described herein. Additional risks and uncertainties, including those that the Company does not know about or that it currently deems immaterial, could also adversely affect the Company's business and results of operations.

As at December 31, 2021 the Company has an accumulated deficit of $10,446,207 (December 31, 2020 - $6,113,847), cash of $2,273,663 (December 31, 2020 – nil), and a working capital of $2,114,902 (December 31, 2020 – deficit of $188,847). Additionally, the Company incurred a net loss of $4,332,360 (December 31, 2020 -

$6,113,847) during the year ended on December 31, 2021. The Company's ability to continue as a going concern is dependent upon its ability to generate future profitable operations and/or to obtain the necessary financing to conduct its planned business, meet its on-going levels of corporate overhead and discharge its liabilities as they come due. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. These material uncertainties may cast significant doubt as to the Company's ability to continue as a going concern. The Statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge liabilities in the normal course of business. Accordingly, it does not give effect to adjustments, if any that would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities in other than the normal course of business and at amounts which may differ from those shown in the Statements.

Information related to the risks and uncertainties faced by the Company can be found under the heading "*Risk Factors*" in the Annual Information Form, which is incorporated herein by reference, and which may be viewed under the SEDAR profile of Biomind at www.sedar.com.

Additional information

Additional information relating to the Company is contained in the Annual Information Form.

Approval

The Board of Directors of the Company has approved the disclosure in this MD&A.