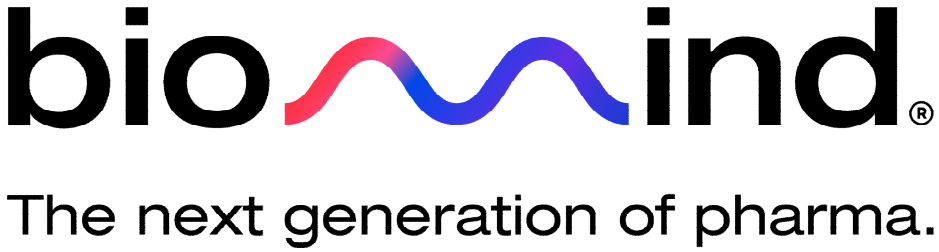

BIOMIND LABS INC.

(FORMERLY CROSSWINDS HOLDINGS INC.)

Management's Discussion and Analysis

For the three and nine months ended September 30, 2022

Date: November 14, 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 three and nine months ended September 30, 2022 (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 November 14, 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.

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[1], Biomind is developing novel pharmaceutical formulations of the main psychedelic molecules, N, N-dimethyltryptamine ("**DMT**"), 5- MeO-DMT, and mescaline (collectively, the "**Molecules**") for treating a wide range of therapeutic indications[2]. Biomind's focus is to guarantee patients access to affordable and modern-day psychedelic treatments.

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) ("**ABCA**") on March 29, 2005, under the name "Crosswinds Holdings Inc.". On July 14, 2021, the Company changed its name to "Biomind Labs Inc." in connection with the completion of the Reverse Takeover (as defined below). The Company's head office is located at Building Ceibo Of. 002, Camino Saravia s/n, 91.000, Pando, Canelones, Uruguay and its registered office is 181 Bay Street, Suite 1800, Brookfield Place, Toronto, Ontario M5J 2T9.

On completion of the Reverse Takeover, the Company continued the business of Biomind Research Corp ("**Biomind Research**") as a biotech research and development company aimed at transforming biomedical sciences knowledge from natural psychotropic plants into novel pharmaceutical drugs and innovative nanotech delivery

[1] The Company's use of the term "acceleration" in connection with its research and development efforts relates to the following: (i) certain of the Company's target diseases are classified as orphan diseases or rare diseases and, as a result, this facilitates the interactions with regulatory authorities to seek breakthrough therapy designations; (ii) the knowledge of the Company's Scientific and Clinical Advisor, Dr. Draulio de Araujo, who conducted the first controlled trial to test a psychedelic substance in Treatment-Resistant Depression ("**TRD**") in 2016; (iii) the historical use of psychedelic plants in Brazil (the jurisdiction where the Company is conducting its clinical trials) in religious ceremonies has allowed local neuroscientists and universities to gather a unique knowledge and experience, representing a key advantage for the Company; and (iv) the jurisdiction where the Company operates provides shortcuts along the different phases in the molecule-to-market lifecycle.

[2] Such "wide range of therapeutic conditions" refer to: (i) TRD; (ii) fibromyalgia; (iii) addictive disorders (such as substance abuse and dependence); (iv) eating disorders; (v) chronic pain; (vi) inflammatory disorders; and (vii) dementia of the Alzheimer type.

systems for a variety of psychiatric and neurological conditions. In connection with the Reverse Takeover, the common shares in the capital of the Company (the "**Shares**") commenced trading on the Neo Exchange Inc. (the "**NEO Exchange**") on July 28, 2021 under the symbol "BMND".

Reverse Takeover Transaction & Subscription Receipt Financing

On February 19, 2021, the Company, BioMind Research and the Company's principal shareholder entered into an arm's length binding definitive agreement, as amended and extended effective May 18, 2021, pursuant to which the Company acquired all of the issued and outstanding securities of Biomind Research (the "**Reverse Takeover**").

On July 9, 2021, the Company entered into an agency agreement with Biomind Research and Canaccord Genuity Corp. (the "**Agent**"). Pursuant to the Agency Agreement, Biomind Research completed a brokered private placement (the "**Brokered Offering**") 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 ABCA 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[3]

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 active pharmaceutical ingredient (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 "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 in both Brazil and Argentina, 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.

The steps needed to complete an Investigational New Drug Clinical Trial in Brazil are as follows: (i) authorization from the Brazilian Institutional Review Board (the "**IRB**"); (ii) individual (e.g. volunteer and patient) recruitment; (iii) individual enrollment (e.g. scheduling visits, retention and compliance with the protocol throughout the trial; and (iv) data acquisition and analysis. For the execution of an Investigational New Drug Clinical Trial in Argentina, the *Administración Nacional de Medicamentos, Alimentos y Tecnología Médica* ("**ANMAT**") Regulation No. 6677/2010 establishes that all clinical pharmacology trials that evaluate the safety and efficacy of a pharmacological intervention intended for the prevention, treatment or diagnosis of a disease require a prior authorization issued by ANMAT. Once the authorization has been obtained from ANMAT, the Company's study sponsor, researchers, research center and the Commercial Clinical Trial must be registered before the National Health Research Registry, as established on ANMAT Resolution 1480/2011. See *"Regulatory Overview – Jurisdiction Specific Regulatory Obligations – Brazil" and "- Argentina*".

[3] 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.

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 primary business objective of the Company is to complete its Investigational New Drug Clinical Trials of selected 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 pre-Investigational New Drug (**"IND"**) applications with the U.S. Food and Drug Administration ("**FDA**") and/or the European Medicines Agency ("**EMA**") and advance into Phase I clinical trials in the U.S. and/or Europe, respectively, in 2022.[4] 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.

To advance from Investigational New Drug Clinical Trials into the Phase I clinical trials, a lead formulation candidate must be selected from each of the Company's programs. The Pre-Clinical and analytical studies of the prototype formulations can be designed to identify a lead candidate by assessing several variables including but not limited to, formulation performance, route of administration, frequency and duration of exposure.

The boundary between Pre-Clinical development and commencing a clinical trial for registration purposes in the U.S. is defined by the filing of an IND application with the FDA, which is required prior to initiation of a Phase I clinical trial. See "*Regulatory Overview – Jurisdiction Specific Regulatory Obligations – United States*".

BMND01, BMND06 and BMND08 have been selected for a pre-IND with the FDA. The Company is still evaluating the jurisdiction where it shall conduct the Commercial Clinical Trials; this could be the U.S., the United Kingdom or any other country of the European Union.

Clinical research in Brazil is supervised by 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. Clinical research done in Brazil can be run in a cost-effective and time-sensitive manner in order to provide important insight on whether or not the Company should progress a compound into commercial development.

It is not a requirement to have the Investigational New Drug Clinical Trials completed in order to submit a pre-IND application. The following are the three critical aspects that any sponsor has to finalize before planning a pre-IND meeting:

[4] This statement is based on the following material factors and assumptions: (a) the Company has engaged regulatory consultants to monitor regulations that could impact scheduled clinical trials; (b) the Company has retained an industry leading expert/consultant to assist in every matter related to pre-IND meetings and IND applications; (c) the Company is preparing all the necessary documentation (Chemistry, Manufacturing and Controls and related documents) to submit to the FDA; (d) 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; (e) 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; and (f) third parties assisting the Company with the pre-IND submissions will continue to meet deadlines on deliverables within anticipated timeframes.

a) development and finalization of the formulation for animal testing and development of a cGMP manufacturing procedure for the IND applications;

b) Pre-Clinical study plan to initiate a Phase I study in humans and also confirmation on long term toxicology studies required; and

c) Completion of a study plan / Phase I study synopsis for the pre-IND submission.

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	IRB Approval Date	Status
BMND01	Intramuscular route of administration: August 19, 2021 Inhaled route of administration: March 9, 2022	Phase II - Investigational New Drug Clinical Trial
BMND02	In-vitro studies are not required to be approved by the IRB	R&D, in-vitro studies - Investigational New Drug Clinical Trial
BMND03	In-vitro studies are not required to be approved by the IRB	R&D, in-vitro studies - Investigational New Drug Clinical Trial
BMND05	In-vitro studies are not required to be approved by the IRB	R&D, in-vitro studies – Investigational New Drug Clinical Trial
BMND06	Pre-Clinical trials are not required to be approved by the IRB	Pre-clinical - Commercial Clinical Trial
BMND07	Pre-Clinical trials are not required to be approved by the IRB	Pre-Clinical trial completed, however, the Company has decided to prioritize the progression of its BMND01 as its lead candidate for progression to Commercial Clinical Trials, over BMND07
BMND08	Received Argentinian IRB approval on May 26, 2022. ANMAT approved the import of BMND08 on August 1, 2022 to be used in a Phase II Investigational New Drug Clinical Trial**.**	Phase II - Investigational New Drug Clinical Trial

Stage of Development

As of the date of this MD&A, the Company is currently pre-revenue and has not begun active business operations. Currently, the business of the Company is focused on research and development and any future revenue generated by the Company will be dependent on a number of factors, including the outcome of the Company's sponsored clinical trials and the receipt of all necessary regulatory approvals, among other things.

The Company operates under a hybrid platform, conducting its own R&D and establishing R&D agreements (subject to exclusivity) with certain universities and third parties to advance in the molecule-to-market lifecycle. While the Company advances on the drug development process, the APIs of the Company's portfolio are being produced by chemical and biological synthesis, as well as extracting and purifying from natural sources, with the aim at starting to generate revenue in the short and mid-term.[5]

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**").[6] 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.[7]

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: novel combination formulation of DMT and a pharmaceutical monoamine oxidase inhibitor ("**MAOI**") (inspired by ayahuasca's mixed drink brew) indicated for major depressive disorder ("**MDD**")

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. The Company has received authorization from the IRB and has commenced 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 the Company's neuroscientist Dr. Draulio Barros de Araujo and will be conducted in Brazil. The Investigational New Drug Clinical Trials on BMND01 commenced in March 2022 and on April 26, 2022, the Company announced that it has commenced dose administration of the first subject in a Phase I/IIa clinical trial of BMND01. On September 21, 2022, the Company announced the completion of dose administration of 30 healthy subjects in the Company's Phase II trial of its novel drug candidate BMND01 for TRD. The trial is registered at www.clinicaltrials.gov (NCT05573568).

[5] The material factors and assumptions underlying this forward-looking statement are: (a) 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. 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.

[6] 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.

[7] 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.

The Company has completed a Pre-Clinical trial on its BMND07 candidate with the results indicating that it is physiologically safe, has low acute oral toxicity, and has no mutagenic effect. The main goals of this Pre-Clinical study were to determine a starting, safe dose for first-in-human study and assess potential toxicity of the Company's BMND07 candidate. The Pre-Clinical study provided enough scientific evidence that the active pharmaceutical ingredient can go directly to Phase II New Drug Clinical Trial in humans without the need of conducting previous studies. 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.

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

On August 26, 2022, the Company submitted a pre-IND Meeting Request to the FDA, related to the Company's new chemical entity ("**NCE**") Triptax™. The NCE Triptax™ could be used as an active pharmaceutical ingredient or as a chemical precursor of Company's novel formulations to treat depression, specifically TRD. The pre-IND meeting is a critical step in the U.S. regulatory approval process that provides an opportunity for the Company and the FDA to discuss the NCE development plan and to obtain the FDA's guidance for new clinical trials the Company aims to conduct on the NCE Triptax™.

On September 19, 2022, the FDA granted a written response and opened a pre-IND file for the Company, the PIND number assigned was 163758. On September 23, 2022, the Company submitted the briefing package. The FDA goal date for providing the written responses is October 25, 2022.

In case the responses from the FDA are positive, the Company will be on a strong position to advance next steps, specifically pre-clinical and clinical trials, related to the activity and safety of DMT, aligning Company's DMT Program FDA requirements.

The Company is preparing all required documentation for submitting two pre-INDs in the U.S. in Q3 2022, updated from the prior estimate of Q2 2022. One pre-IND was submitted on August 26, 2022, as per above. The result of this revised timeline is due to advice received from the Company's advisors to initially submit only one pre-IND as opposed to three in order to receive feedback from the FDA on its initial submission. The Company will submit the remaining to pre-INDs in Q1 2023 (related to mescaline) and in Q4 2022 (related to 5-MeO-DMT).

As of September 30, 2022, the Company has spent approximately $1,126,342 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.[8]

Under the 5-MeO-DMT Program, the Company is working on two drug candidates:[9]

- 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.[10] This makes optimizing the formulation of 5-MeO-DMT a particularly important part of development. The Company has developed 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 were 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.

The Company previously disclosed that it expects to start Pre-Clinical trials of BMND08 in Q2 2022, which is estimated to cost under $100,000, the Company no longer expects to complete Pre-Clinical trials of BMND08 based on feedback received from the FDA pursuant to the Company's submission of the pre-IND for the DMT Program. The Company also previously disclosed that in Q3 2022, it 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[11], this timeframe has been updated to Q2 2023 due to the Company's delay in submitting its pre-IND in relation to the 5-MeO-DMT Program.

On May 26, 2022, the Company announced that it has received authorization from the Argentinian IRB for a Phase II clinical trial for its BMND08 candidate for treatment of depression and anxiety in patients with Alzheimer's-type cognitive impairment. The Company has entered into a contract with the Catholic University of Cuyo and the Dr. Marcial Quiroga Hospital (the "**DMQH**"), in Argentina. This Investigational New Drug Clinical Trial will be conducted by Neuroscientist Dr. Martin Bruno and a highly professional interdisciplinary medical team. The Hospital has more than a hundred patients with the targeted disease which allows the Company to shorten the time required

[8] 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.

[15] Hadasit is a wholly owned subsidiary of Hadassah Medical Organization.

[9] 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.

[10] 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.

[11] This statement is based on the following material factors and assumptions: (a) the Company has budgeted sufficient funds to complete the preclinical trials; (b) the Company has engaged regulatory consultants to monitor regulations that could impact scheduled clinical trials; (c) 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 API, and (ii) the development and validation of analytical methods for such formulations; (d) the scale up of production processes beyond laboratory scale will be suitable for entry into animal and human studies; (e) studies of the stability of such formulations will be suitable for human studies; (f) 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; and (g) the Company will not experience any delays in obtaining an IND and/or a CTA to enter into clinical trials for registry purposes.

to commence the Phase II clinical trial. The Investigational New Drug Clinical Trial on BMND08 is expected to commence in Q4 2022.[12]

As of September 30, 2022, the Company has spent approximately $635,525 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.[13]

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 has completed the biological synthesis of mescaline precursors in Q2 2022. The Company has entered into an agreement dated February 25, 2022, with one of the most prestigious and experienced clinical trial institutions, Sociedade Beneficente Israelita Brasileira Hospital Albert Einstein, which will conduct the first Pre-Clinical trial for BMND06 for the Company. The Pre-Clinical trial is expected to start in Q4 2022.[14]

[12] This statement is based on the following material factors and assumptions: (a) the Company has budgeted sufficient funds to start the Investigational New Drug Clinical trial under the 5-MeO-DMT Program; (b) the Company has engaged regulatory consultants to monitor regulations that could impact scheduled clinical trials; (c) the Company's scientific team has experience in the development of customized dosage forms for specific routes of administration, including oral and parenteral; (d) the Company has contacted different institutions with the capacity to carry out these tests according to FDA/EMA requirements; (e) 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; (f) the safety studies on 5-MeO-DMT show that the molecule is physiologically safe, has low acute oral toxicity and has no mutagenic effect; (g) the Company is successful in creating a prototype sublingual formulation that enhances the bioavailability of 5-MeO-DMT; and (h) the Company will not experience any delays in obtaining an IND and/or a CTA to enter clinical trials for registry purposes.

[13] 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.

[14] This statement is based on the following material factors and assumptions: (a) the Company has budgeted sufficient funds to complete the Pre-clinical trial under the Mescaline Program; (b) the Company has engaged regulatory consultants to monitor regulations that could impact scheduled clinical trials; (c) the Company's scientific team has experience in the development of customized dosage forms for specific routes of administration, including oral and parenteral; (d) the Company has contacted different institutions, like the Sociedade Beneficente Israelita Brasileira Hospital Albert Einstein, with the capacity to carry out these tests according to FDA/EMA requirements; and (e) the Company is successful in creating a prototype formulation that enhances the bioavailability of poorly soluble drugs, such as mescaline.

The Company has completed the development of a prototype formulation of synthetic mescaline. The commencement of the Phase I clinical trial is contingent upon the Company's successful completion of the related Pre-Clinical trial.[15]

As of September 30, 2022, the Company has spent $452,167 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 of 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.

On November 18, 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.

On November 24, 2021, the Company 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.

On May 3, 2022, the Company entered into a sponsored R&D agreement with The School of Pharmacy of Queen's University of Belfast ("**QUB**"), Ireland, for the development of novel microneedle patch-based systems for transdermal delivery of Company's psychedelic molecules: DMT, 5-MeO-DMT and mescaline. The research will be led by Professor Ryan Donnelly, a world leader in the research of microneedle delivery technologies. On

[15] This statement is based on the following material factors and assumptions: (a) the Company has budgeted sufficient funds to complete the Phase I clinical trials under the Mescaline Program; (b) the Company has engaged regulatory consultants to monitor regulations that could impact scheduled clinical trials; (c) the Company's scientific team has experience in the development of customized dosage forms for specific routes of administration, including oral and parenteral; (d) the Company has contacted different institutions with the capacity to carry out these tests according to FDA/EMA requirements; (e) 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; (f) the safety studies on mescaline show that the molecule is physiologically safe, has low acute oral toxicity and has no mutagenic effect; (g) the Company is successful in creating a prototype formulation that enhances the bioavailability of poorly soluble drugs, such as mescaline; and (h) the Company will not experience any delays in obtaining an IND and/or a CTA to enter clinical trials for registry purposes.

September 27, 2022, the Company and QUB received Controlled Substances License from the United Kingdom Regulator to commence the eight-month project.

Operations

Liverdome's operations in Brazil are conducted through contract research organizations ("**CROs**") (the UFRN and the Company's licensed partner Raras Brasil Pesquisa Clínica Ltda. ("**Raras**") pursuant to a services agreement with Raras entered into in December 2020). Raras provides all research, development and regulatory work for the Molecules in Brazil. 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 United Kingdom and sent directly to the Company's premises and partners for R&D purposes in Brazil, Uruguay or elsewhere.

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 ("**CSO**") within the General Directorate of Health of the Uruguayan Ministry of Public Health. The Company has been authorized by the Controlled Substances Division (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 foregoing 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 United Kingdom. Once the API formulations are developed, the Company requests an export license from the CSD, within the General Directorate of Health of the Uruguayan Ministry of Public Health. Concurrently, the UFRN requests an import licence from Brazilian National Agency for Health Surveillance (*Agência Nacional de Vigilância Sanitária* - ANVISA) ("**ANVISA**") to receive the Company's formulations (i.e. BMND01) in Brazil. The Company has commenced its two Investigational New Drug Clinical Trials (both phase II which are focused on *in vivo* human studies) of BMND01 pursuant to an agreement with the UFRN, one of the Company's CROs in Brazil, pursuant to which the UFRN performs R&D activities and conducts clinical trials with the Company's psychedelic substances. The agreement foresees the conduct of clinical trials at the UFRN's University Hospital, the University Hospital Onofre Lopes (the "**HUOL**"), a reference hospital in the region.

The Company opened its first clinical psychedelic research facility in the HUOL, as a result of which, the Company will be able to sponsor phase II Investigational New Drug Clinical Trials under a new model of psychiatric intervention with DMT in conjunction with traditional psychological approaches. Such phase II Investigational New Drug Clinical Trial will be conducted on behalf of the Company by the UFRN which has all necessary regulatory approvals.

The Company expects to continue to rely on a third party for the production of all clinical supply API and drug products. Additional CMOs are to be used for some of the analytical testing and to label and release the drug product for clinical trials. The Company currently relies on a single supplier for the API and drug product but has identified additional manufacturers who have the appropriate experience and expertise to act as back-up suppliers if required. The Company believes its third party maintain sufficient supply of API and drug product to avoid any material disruptions in the event of any need to replace one or more suppliers.

The Company has previously delivered development-related consulting services to third party organizations. The Company will explore future opportunities to provide development services relating to the development of psychedelic and non-psychedelic compounds to other organizations. Terms of service are negotiated on a per project basis. The Company has conducted due diligence on each such third party, including but not limited to the review of necessary licenses and the regulatory framework enacted in the jurisdiction of operation.

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 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 foregoing 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

Some of the Company's clinical research activities are performed in Brazil. The Company has entered into an agreement with the UFRN which has a special authorization from the 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 the UFRN's 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.

Argentina

Some of the Company's clinical research activities are performed in Argentina. The Company has entered into an agreement with Catholic University of Cuyo ("**UCC**") which has authorization from ANMAT to perform R&D activities and conduct clinical trials involving the application of 5-MeO-DMT. The agreement foresees the conduct of clinical trials at DMQH. The participants of this clinical trial will be selected among the patients of the Psychiatry Unit of DMQH. This is a double-blind, prospective, randomized, controlled clinical trial with pre- and post-intervention measures to evaluate the efficacy and effectiveness of a therapeutic intervention comparing the effects of a 5-MeO-DMT dose. In relation to the foregoing, the Company has applied for, and been granted an import licence from ANMAT for BMND08 to be used in the Company's clinical research activities.

Preclinical and Clinical Research

Preclinical studies aim to provide 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.

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 pre-IND applications of one of the candidates of the Molecules with the FDA and advance into Phase I clinical trials in the U.S. in 2023.

On July 20, 2022, Dr. Thomas Laughren joined the Company as Medical Advisor for Clinical Trials. As the former Director for the Division of Psychiatry Products of the FDA, Dr. Laughren oversaw the review of psychiatric drug development activities conducted under Investigational New Drugs and the review of New Drug Applications and supplements for new psychiatric drug claims. Dr. Laughren will assist in matters related to the Company's pre-IND meetings and INDs.

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

- The Company must submit 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, is 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 Q3 2022, updated from Q2 2022[16]. The Company is also presently

[16] The pre-IND submission required different aspects related to the nonclinical program, manufacturing and product quality for the investigational product, and regulatory considerations, that could affect the IND application. For the purposes of a pre-IND submission, an applicant should provide enough information to facilitate understanding of the issues, the information should

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 Company has entered into an agreement dated February 25, 2022, with one of the most prestigious and experienced clinical trial institutions, Sociedade Beneficente Israelita Brasileira Hospital Albert Einstein, which will conduct the first Pre-Clinical trial for BMND06 for the Company.[17]
- 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.

include: a summary of planned clinical and nonclinical studies, a background of the molecule and the formulation, as well as the indication and route of administration. Because the pre-IND meeting represent a critical milestone in the regulatory process, the Company together with the advice of the consultants, took more time than planned to submit a robust and successful pre-IND meeting request package, to ensure a positive feedback from the FDA to progress in the Company's development program.

[17] See footnote **Error! Bookmark not defined.**.

- 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.

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 Pre-Clinical 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 title to 21 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 Company has received intellectual property advice from expert law firms in all jurisdictions in which it has filed patents with regards to the protection of such filings and has in place intellectual property assignment agreements with all consultants, individuals, service providers and corporations with regards to any activity performed by them for the Company.

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 dimethyltryptamine 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[18] (UY) Priority Date	Pending Application

[18] 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.

	Title	Jurisdiction of Filing	Status
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
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 dimethyltryptamine 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 dimethyltryptamine. **US 63/293975**	USPTO: US	Pending Application
17	Encapsulated microparticles and nanoparticles of dimethyltryptamine. **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

	Title	Jurisdiction of Filing	Status
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
21	Pharmaceutical compositions to treat inflammation of different autoimmune pathologies. **US 63/322,765**	USPTO: US	Pending Application

The Company has filed an international patent application that brings the potential to obtain patent coverage in 153 countries. With this patent application, governed by the Patent Cooperation Treaty, the Company will have access to fast-track examination procedures, which is a major step to achieving an accelerated IP strategy aimed at increasing the Company's total addressable market. The patent application enables the Company's proprietary technology on DMT to be a potential treatment of neurological and psychiatric disorders. This innovative technology, designed by the Company's scientific team, has the potential to provide new levels of safety for both the patients and also the physicians who will be prescribing these medications.

On June 24, 2022, the Company has received the European Search Report ("**ESR**") from the European Patent Office ("**EPO**") for three of the applications (EP 21218273.7, EP 21218282.8 and EP 21218287.7) submitted by the Company. The ESR serves to provide information on the relevant prior art to the applicant, to the examining division and, by means of its publication, to the public. The search report is drawn up based on the claims, with due regard to the description and any drawings. It mentions the prior-art documents available to the EPO when it is drawn up which may be taken into consideration in assessing novelty and inventive steps. The search report is accompanied by an opinion on whether the application and the invention to which it relates meet the requirements of the EPO. One of the applications, in view of the prior art cited, appears to be novel, involves an inventive step, and has industrial application, the three requirements to grant a patent.

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. ANVISA's purpose is to supervise the production and consumption of products subject to sanitary surveillance, such as drugs, pesticides and cosmetics. Furthermore, ANVISA is responsible for the sanitary control of ports, airports and borders. It is responsible for registering medicines, authorizing the operation of pharmaceutical laboratories and other companies in the pharmaceutical chain, and prices.

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 1, 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.[19]

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 Molecules are designated as controlled substances in Brazil. In Brazil an AE is required to extract, produce, manufacture, benefit, distribute, transport, prepare, handle, fractionate, import, export, transform, pack, repack, for any purpose, substances subject to special control or with medicines containing substances subject to special control. The AE is also mandatory for planting, cultivating, and harvesting activities 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.

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 are expected to involve the following substances, albeit psilocybin and ibogaine are not yet in the Company's current pipeline of psychedelic products:

- 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. [20]

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:[21] "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

[19] 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".*

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

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

commercialization prohibited and subject to complaints. Clinical trials with medicines in Brazil are regulated by RDC 9/2015."

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*[22]) 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,[23] it must obtain all necessary approvals before doing so.

Prior to the Company commencing any clinical trials, it must make certain submissions to the IRB to review and approve the protocol for any clinical trials. The IRB is responsible for regulating and approving all research studies in humans, including clinical trials, to ensure that these studies are conducted following international standards of scientific research with human subjects. The IRB considers, among other things, whether the risks to individuals participating in the trials are minimized and are reasonable in relation to anticipated benefits. The IRB also approves the consent form signed by the trial participants and must monitor the study until completed. The IRB or the sponsor may suspend or discontinue a clinical trial at any time on various grounds, including a finding that the subjects are being exposed to an unacceptable health risk. There also are requirements governing the reporting of ongoing clinical trials and completed clinical trials to public registries.

As of the date hereof, the Company has received authorization from the IRB to commence a Phase II clinical trial on DMT (intramuscular route of administration) for treatment resistant depression in partnership with the UFRN and a second Phase II clinical trial on DMT (inhaled route of administration).

All of the Company's clinical research activities are performed in Brazil. The Company has entered into an agreement with the UFRN which has a special authorization from the 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 the UFRN's 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.

The Company itself does not at this time have any licenses. The Company sponsors clinical trials in Brazil, involving the Company's intellectual property, that are conducted by the UFRN and Raras, that have all the necessary licenses to operate the active clinical trials.

[22] Representative Organization of Clinical Research.

[23] Such as: storage, distribution, packaging, shipping, export, extraction, manufacture, fractioning, import, production, purification, repackaging, synthesis, transformation and transport of medicines and pharmaceutical inputs.

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, 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.

The Company's activities in Uruguay are limited to R&D. In Uruguay R&D involving controlled substances are governed by 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 foregoing 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 United Kingdom.

The Molecules are designated as controlled substances in Uruguay. In Uruguay, the importation and exportation of the substances contained in Schedules I and II of the Single New York Convention of 1961, shall be a monopoly of the State, as well as substances in Schedule I of the Convention on Psychotropic Substances, done at Vienna, Austria, in February 1971, and those that, according to the opinions of the national health authority or recommendations of International Organizations, the Executive Authority (*Poder Ejecutivo*) decides to include, exclude or transfer in them.

This monopoly is executed through the health authority, that is the Ministry of Health. For its part, within its organizational structure, these tasks are carried out by the CSD operating in the orbit of the General Directorate of Health, pursuant to Decree 195/014 of July 11, 2014. The CSD is in charge of registering all requests from third parties for activities related to controlled substances (cultivation, research, operation, marketing, warehousing, export, import), as well as communicating with the International Narcotics Control Board for the purpose of applying for import and export quotas for such substances

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.

United Kingdom

In the United Kingdom, there are two main "layers" of regulation with which products containing controlled substances must comply. These are: (i) controlled drugs legislation, which applies to all products irrespective of the type of product, and (ii) the regulatory frameworks applicable to a specific category of products, in this case, pharmaceuticals and food/food supplements.

The main United Kingdom controlled drugs legislation is the amended Misuse of Drugs Act 1971 (the "**MDA**"), and the amended Misuse of Drugs Regulations 2001 (the "**MDR**"). The MDA sets out the penalties for unlawful production, possession and supply of controlled drugs based on three classes of risk (A, B and C). The MDR sets out the permitted uses of controlled drugs based on which Schedule (1 to 5) they fall within.

In the United Kingdom, "Fungus (of any kind) which contains psilocin or an ester of psilocin" is controlled as a Class A drug under the MDA and Schedule 1 drug under the MDR. As psilocybin is a phosphate ester of psilocin, even if it is isolated from psilocin, it will still be treated as a Class A drug under the MDA and as a Schedule 1 drug under the MDR.

In the United Kingdom, Class A drugs are deemed to be the most dangerous, and so carry the harshest punishments for unlawful manufacture, production, possession and supply. Schedule 1 drugs can only be lawfully manufactured, produced, possessed and supplied under a controlled drugs domestic licence issued by the United Kingdom Home Office. While exemptions do exist, none are applicable to the API.

The Company's APIs and other raw materials are expected to be sourced from a supplier in the United Kingdom. The APIs are expected to be sent directly to the Company's premises in Uruguay for research and development purposes. With the APIs at the Company's premises, the novel formulations will be produced and shipped to the countries where Investigational New Drug Clinical Trials and Commercial Clinical Trials will be conducted, commencing with Brazil.

In order to produce, possess and supply the API, the United Kingdom-based facility must also hold a domestic licence issued by the Home Office covering the manufacture, production possession and supply of a controlled substance, as well as an export licence for each API shipment. The export application must include details of the importer and any import licence required by the local authorities. Moreover, as set out below in more detail, depending on how the API is developed, certain authorizations and licences from the United Kingdom MHRA may be required to authorize some of the activities carried on at the United Kingdom-based facilities in relation to the API.

All premises that are licensed in connection with the possession, supply, manufacture and/or production of controlled drugs are required to adhere to detailed security standards.[24]

Typically, when controlled drugs are being transported between licensees, responsibility for their security remains with the owner and does not transfer to either the courier or the customer until the drugs arrive at their destination and are signed for. However, where a third party is involved in the transit and/or storage of controlled drugs, even if they are not the legal owners, this party also carries responsibility for their security by virtue of being 'in possession' of them. Under the Home Office guidance, each organization involved in the movement of controlled drugs should have a standard operating procedure covering their responsibilities, record keeping, reconciliation and reporting of thefts/ losses.[25]

Products are regulated as "medicinal products" under United Kingdom legislation (the Human Medicines Regulations 2012) if (i) they are presented as a substance or combination of substances having properties for treating or preventing disease in human beings having a medicinal effect (e.g., in marketing claims) or (ii) have a medicinal effect (i.e., even if no claims are made about the product).

A product has a "medicinal effect" if it has a pharmacological, immunological or metabolic effect on the body that restores, corrects or modifies a physiological function. Whether this is the case for a specific product will depend on factors such as the concentration of the Molecules and the mechanism of action of any of the Molecules absorbed in the body.

If a product is a medicinal product, a marketing authorization for the product is required before the product can be placed on the market in the United Kingdom. The process for obtaining a marketing authorization involves submitting pre-clinical and clinical data as well as quality and manufacturing information in the form of a common technical document. In addition to a marketing authorization for the product itself, companies carrying out activities involving medicinal products, such as manufacturing, distribution and wholesaling, need to meet defined standards (GMP and/or Good Distribution Practice ("**GDP**")) and to hold a related licence from the MHRA.

As mentioned above, once the API has been made in the United Kingdom, it is expected to be sent directly to the Company's premises and partners for research and development purposes in the United Kingdom, United States, Brazil or Uruguay. How the API is subsequently processed will determine the licences that the United Kingdom-based facility must hold. In particular:

- if the API is just one 'ingredient' of the investigational medicinal product (the "**IMP**") which is used in the clinical trial then the United Kingdom-based facility must register with the MHRA and provide the MHRA with 60 days' notice of the intended start of manufacture/distribution of the API, and comply with cGMP and GDP for active substances; and

- conversely, if the API will itself constitute the IMP, the manufacturer must hold a Manufacturer's Authorizations for IMPs licence ("**MIA(IMP)**"). In this scenario, an MIA(IMP) would be required regardless of whether the IMP is for use in the United Kingdom, another EEA Member State or a third country (such as the United States, Brazil or Uruguay).

[24] Home Office guidance; Security guidance for all existing or prospective Home Office Controlled Drug Licensees and/or Precursor Chemical Licensees or Registrants; 2020. https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/857591/Security_Guidance_for_all_Businesses_and_Other_Organisations_v1.4_Jan_2020.pdf.

[25] Home Office guidance; Guidelines for Standard Operating Procedures (SOPs); https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/480572/StandardOpProcedure.pdf.

Some products fall on the borderline between medicines and another category such as medical devices, cosmetics or food supplements. The regulatory status of the product will be determined by i) the actual effect of the product on the body; and ii) any claims made about the effect of the product. Where a product is potentially both a medicinal product and another category of product, the legal position in the United Kingdom and EU is that it will be regulated as a medicinal product.

British Virgin Islands

The Molecules are strictly controlled substances under the laws of the British Virgin Islands ("**BVI**"), specifically under the *Drugs (Prevention of Misuse) Act 1988* (the "**DPMA**") and *Drug Trafficking Offences Act 1992* (British Virgin Islands) (the "**DTOA**"). The DPMA creates a number of drug-related offences related to "controlled substances". All of these offences apply solely in relation to conduct that occurs within the BVI jurisdiction. The Company does not currently carry on business in the BVI and, therefore, it is not likely that they would be subject to any offences under the DPMA. The DTOA criminalizes various drug-related money laundering offences as follows: (i) assisting another to retain the benefit of 'drug trafficking' (the assisting offence); (ii) acquiring, possessing or using property representing proceeds of drug trafficking (the acquisition offence); (iii) concealing or transferring property representing proceeds of drug trafficking (the concealing offence); (iv) failing to disclose knowledge or suspicion of 'drug money laundering', a term similar to drug trafficking (the non-reporting offence); and (v) tipping-off in relation to drug money laundering (the tipping-off offence). Similar to the DPMA, the offences under the DTOA are not applicable to the current business of the Company. See "*Risk Factors - BVI Regulatory, Criminal and Civil Proceedings*" herein.

Argentina

At the Federal Government level, clinical pharmacology trials in Argentina are regulated and supervised by ANMAT. The clinical trials to be sponsored in Argentina (the "**Argentinian Clinical Trial**") by Biomind and conducted by the UCC will involve only the application of 5-MeO-DMT.

The Argentine regulatory framework applicable to the Argentinian Clinical Trial and the handling of 5-MeO-DMT is the following:

a. Law 17,818, establishing which substances are considered narcotics and regulates how and when they may be produced, manufactured, exported, imported, commercialized and used;

b. Law 19,303 regulating the manufacturing, commercialization, circulation and use of certain controlled substances;

c. Decree 1490/92, which declares of national interest all actions aimed at the prevention, protection and care of the population's health and creates the ANMAT;

d. Decree 560/2019, which updates the list of substances considered narcotics set forth in Law 17,818, as amended from time to time;

e. ANMAT Resolution 6677/2010, which approves the Good Clinical Practice Guidelines for Clinical Pharmacology Studies;

f. ANMAT Resolution 1480/2011, which approves Guidelines for Human Health Research and creates the National Health Research Registry;

g. ANMAT Resolution 5260/2008, which sets forth the requirements to be met by establishments that manufacture or fractionate drugs and medicines;

h. ANMAT Resolution 4643/1996 including 5-MeO-DMT within the restrictions and regulations applicable to substances regulated by Law 19,303;

i. Law 25.613, which establishes the Import Regime for Scientific and Technological Research Inputs; and

j. ANMAT Resolution 4643/2019, which regulates technical aspects of the application for the export certificate for psychotropic and narcotic drugs.

Required Authorizations in Argentina

a) Pursuant to ANMAT Resolution 5260/2008, a prior authorization issued by ANMAT is required for any person carrying out any of the following activities in Argentina: manufacturing, processing, fractioning, import, export, commercialization or deposit of any active pharmaceutical ingredients of chemical synthesis, understood as any substance or mixture of substances intended to be used in the manufacture of a medicine or medicinal specialty that in such a way constitutes an active ingredient of such product.

   A special authorization is required for the activities described above or any other activities, for any purpose, with certain chemical substances subject to special control, but 5-MeO-DMT is not included amongst them.

b) According with Law 17,818, narcotics can only be imported and exported through ports or airports under the jurisdiction of the Customs of the City of Buenos Aires. Two authorizations, both granted by ANMAT, are required in order to import or export of any substances considered as narcotics: (i) an express clearance for the person responsible of the import or export of the narcotics; and (ii) a special certificate each time a narcotic is imported or exported.

   Law 17,818 further specifies that, subject to authorization of the ANMAT, narcotics can only be acquired by: a) Laboratories authorized and licensed to manufacture drugs containing narcotic drugs; b) Drugstores and licensed pharmacies; c) Hospitals or medical assistance establishments with an authorized pharmacy; d) Hospitals or medical assistance establishments without an authorized pharmacy; or e) Scientific institutions previously authorized for that purpose by the health authorities. Thus, UCC is required to obtain such authorization from ANMAT in order to acquire 5-MeO-DMT.

c) Pursuant to Law 25.613, the agencies and entities of the National State, the provinces and the City of Buenos Aires with specific competence in the execution of scientific or technological research, such as UCC, are exempt from paying import duties and all other taxes for the import of live animals and animal and plant products, raw materials, semi-finished and finished products, machinery, apparatus and equipment and their spare parts and accessories. Although ANMAT Regulation No. 8279/2019 exempts of requesting authorization for most of these imports, it specifically excludes the import of narcotics, which would have to request authorization every time.

d) For the execution of the Argentinian Clinical Trial, ANMAT Regulation No 6677/2010 establishes that all clinical pharmacology trials that evaluate the safety and efficacy of a pharmacological intervention intended for the prevention, treatment or diagnosis of a disease require a prior authorization issued by ANMAT. The main considerations of the authorization's process are:

   i. the study's sponsor is responsible for submitting all the documentation;

   ii. the documentation necessary for the import of the materials must also be submitted at this point;

   iii. an authorization request must be submitted for every main researcher and research center; and

   iv. the authorization request must also include a research product monography; a protocol for the clinical trials; the information document to obtain the consent of a potential participant or his/her representative; and a summary of all serious and unexpected adverse drug reactions.

e) Once the authorization has been obtained, the study's sponsor, researchers, research center, and the Clinical Trial must be registered before the National Health Research Registry, as established on ANMAT Resolution 1480/2011.

Selected Quarterly Information

The following table sets out selected quarterly information for all completed fiscal quarters of the Company up to September 30, 2022:

	September 30, 2022	June 30, 2022	March 31, 2022	December 31, 2021	September 30, 2021	June 30, 2021	March 31, 2021	Date of Incorporation (November 9, 2020) to December 31, 2020
Three months ended,	$	$	$	$	$	$	$	$
Total revenue		-	-	-	-	-	-	-
Net loss and comprehensive loss	(924,86)	(797,362)	(711,498)	(1,949,027)	(1,747,349)	(304,518)	(297,041)	(6,113,847)
Basic and diluted net loss per share	(0.012)	(0.011)	(0.01)	(0.059)	(0.033)	(0.009)	(0.007)	(0.15)

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.

Results of Operations

The following is a summary of: (a) the Statements; and (b) the Company's financial position as at September 30, 2022 compared to September 30, 2021:

	Note		For the three-months period ended September 30, 2022	For the three-months period ended September 30, 2021	For the nine-months period ended September 30, 2022	For the nine-months period ended September 30, 2021
Expenses						
Research and development		$	75,923	336,010	325,026	481,858
Share-based compensation	5		70,285	872,606	451,856	1,004,224
Professional fees			389,388	253,719	909,536	486,534
Management fees	6		56,902	36,000	184,874	66,000
Depreciation	4		10,912	8,881	33,876	19,242
Interest expenses	4		467	1,157	2,141	2,479
General and administrative expenses			298,216	163,715	504,467	188,310
Listing expenses			0	794,847	-	794,847
Foreign exchange loss (gain)			22,060	101,988	40,818	101,988
Total expenses			**924,153**	**2,568,923**	**2,452,594**	**3,145,482**
			-			
Net loss			**(924,153)**	**(2,568,923)**	**(2,452,594)**	**(3,145,482)**
			-			
Other comprehensive loss			-			
Currency translation adjustment - subsequently reclassified to profit or loss			(333)	(58,668)	19,248	(58,668)
			-			
Net loss and comprehensive loss		$	**(924,486)**	**(2,627,591)**	**(2,433,346)**	**(3,204,150)**
Loss per common share - basic and diluted		$	**(0.012)**	**(0.036)**	**(0.033)**	**(0.042)**
Weighted average number of common shares - basic and diluted			**74,761,853**	**71,150,025**	**74,761,853**	**74,150,347**

Financial Position as at	September 30, 2022	December 31, 2021
Cash	$405,111	$2,273,663
Total assets	$518,375	$2,527,965
Total liabilities	$306,855	$324,689
Shareholders' equity	$211,521	$2,193,011
Number of shares outstanding	74,761,853	74,761,853

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 nine-month period and three-month period ended September 30, 2022

Line Item	Variance and explanation
Research and development: consists of contract investigator and supplies for INDs.	The balance of $325,026 for the nine-month period and the balance of $75,923 for the three-month period ended September 30, 2022 are related to research projects started in 2021. The 2021 balance corresponds to the start up cost of research and development.
Share-based compensation: consists of expenses of option grants to officers, directors and shareholders.	The balance of $451,856 for the nine-month period and the balance of $70,285 for the three-month period ended September 30, 2022 are primarily due to options issued and vested during the period.
Professional fees: consists of amounts paid for professional services.	The balance of $909,536 for the nine-month period and the balance of $389,388 for the three-month period ended September 30, 2022 are primarily due to fees paid to R&D consultants, lawyers, auditors and other professionals. The 2021 balance corresponds to start-up costs of professional fees.
Management fees: consists of payments made to CEO, CFO and directors.	The 2022 balance of $184,874 for the nine-month period and the balance of $56,902 for the three-month period ended September 30, 2022 are primarily due to payments to the CEO, CFO and directors of the Company. The 2021 balance corresponds to CEO fees.
Depreciation: depreciation expenses are from property and equipment, including right of use assets.	The balance of $33,876 for the nine-month period and the balance of $10,912 for the three-month period ended September 30, 2022 are primarily due to the depreciation of the leased assets in Uruguay and the depreciation of the equipment bought in December 2021.
Interest expense: consists of interest on lease liabilities.	The balance of $2,141 for the nine-month period and the balance of $467 for the three-month period ended September 30, 2022 are primarily due to new leases signed in 2021.
General and administrative: consists of expenses paid to consults and lawyers.	The balance of $504,467 for the nine-month period and the balance of $298,216 for the three-month period ended September 30, 2022

Line Item	Variance and explanation
	are primarily due to travel expenses that were incurred and other general expenses.
Foreign exchange loss: impact of foreign exchange rate movements.	The foreign exchange loss is $40,818 for the nine-month period ended September 30, 2022 and $22,060 for the three-month period ended September 30, 2022 result from the significant amount of Canadian cash held in USD functional currency entities.

As at September 30, 2022 and December 31, 2021, the Company's assets consisted primarily of cash.

	September 30, 2022	December 31, 2021
Total assets	$518,375	$2,527,965

Line items	September 30, 2022	December 31, 2021
Liquid Net Assets (Working Capital)		
Cash	$405,111	$2,273,663
Prepaid expenses	58,766	165,928
Accounts payable	(288,806)	(289,633)
Lease liabilities	(18,048)	(35,056)
Working Capital (Deficit)	***$157,023***	***$2,114,902***
Shareholders' Equity	***$211,521***	***$2,193,011***

For the nine-month period ended September 30, 2022

Line Item	Variance and explanation
Cash	Decrease by $1,868,552 primarily due to expenses related to Investigational New Drug Clinical Trials and related R&D.

Line Item	Variance and explanation
Working Capital	Decrease by $1,957,879 primarily due to expenses related to Investigational New Drug Clinical Trials and related R&D.
Total Assets	Decrease by $2,009,590 primarily due to expenses related to Investigational New Drug Clinical Trials and related R&D, and right of use assets and property and equipment depreciation.

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 table below covers the 18 month period beginning June 1, 2021, and describes the differences between 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**"), the revised estimated costs as at March 31, 2022 as disclosed in the Company's short form base shelf prospectus dated May 13, 2022, the actual use of proceeds as at September 30, 2022, and the remaining use of proceeds for such 18 month period. The Company notes the below variances do not have a material impact on the Company's ability to achieve its business objectives and milestones.

	A	***B***	***C***	***D***	***E=C+D***
Use of Available Funds[1]	**Previous Disclosure Regarding Estimated Use of Funds in Filing Statement[2]**	**Revised Estimated Use of Funds**	**Amount Spent**	**Future Use of Funds[2]**	**Total Use of Funds**
DMT Program					
Investigational New Drug Clinical Trials and R&D[7][8][10][12]	Nil	$843,523	$843,523	Nil	$843,523
Pre-Clinical	N/A	$82,896	$82,896	Nil	$82,896
Phase I	$1,729,413[3]	$210,000[4]	$199,923	$10,077	$210,000[4]
Phase II[9]	$1,201,345[5]	Nil[5]	Nil	Nil	Nil[5]
5-MeO-DMT Program					
Investigational New Drug Clinical Trials and R&D[7][10][12]	$258,166	$356,875	$356,875	Nil	$356,875

	A	*B*	*C*	*D*	*E=C+D*
Use of Available Funds[1]	**Previous Disclosure Regarding Estimated Use of Funds in Filing Statement[2]**	**Revised Estimated Use of Funds**	**Amount Spent**	**Future Use of Funds[2]**	**Total Use of Funds**
Pre-Clinical	N/A	$82,896	$82,896	Nil	$82,896
Phase I	N/A	$210,303[4]	$195,754	$14,549	$210,303[4]
Phase II[9]	N/A	Nil[5]	Nil	Nil	Nil[5]
Mescaline Program					
Investigational New Drug Clinical Trials and R&D[7][10][12]	$113,906	$113,906	$113,906	Nil	$113,906
Pre-Clinical	N/A	$82,896	$82,896	Nil	$82,896
Phase I	N/A	$262,303[4]	$255,365	$6,938	$262,303[4]
Phase II[9]	N/A	Nil[5]	Nil	Nil	Nil[5]
Other					
Permits and authorizations	$47,635	$47,635	$47,635	Nil	$47,635
General and administrative[11][13]	$440,000	$1,155,947	$856,686	$143,507	$1,000,193
Total use of funds	**$3,790,465**	**$3,449,180**	**$3,118,355**	**$175,071**	**$3,293,426**
Unallocated working capital[6]	**$635,015**	**$976,300**	**$1,132,054**	**$0**	**$1,132,054**
TOTAL:	**$4,425,480**	**$4,425,480**	**$4,250,409**	**$175,071**	**$4,425,480**

Notes:

(1) Based on the exchange rate of CAD$1.2886:US$1.00.

(2) The previous disclosure regarding use of proceeds can be found on page 57 of the Filing Statement under the heading "*Part III – Information Concerning the Resulting Issuer – Estimated Available Funds and Principal Purposes – Principal Purpose of Funds*". The Future Use of Funds is for the 18 month period ending December 1, 2022.

(3) This milestone was previously disclosed in the Filing Statement under the heading "*Part III – Information Concerning the Resulting Issuer – Description of the Business*" as separate milestones, being (i) "2 molecules Phase I" at an estimated cost of $1,352,942, and (ii) "1 combined formula Phase I" at an estimated cost of $376,471. The Company has merged these milestones into one milestone, as indicated above.

(4) The adjustment in the cost estimate of this milestone is due to the fact that the Company had reflected aggregated Phase I cost estimates in the Filing Statement, whereas, the Company is now disclosing the Phase I cost estimate of each Program.

(5) This milestone was previously disclosed in the Filing Statement under the heading "*Part III – Information Concerning the Resulting Issuer – Description of the Business*" as "2 sole molecule Phase II" at an estimated cost of $1,201,345.
(6) The dollar amount attributed to unallocated working capital in the Filing Statement was $0, since at the time of completing the Filing Statement the Company had not yet closed the Brokered Offering. The funds raised under the Brokered Offering were greater than the amount that the Company had disclosed in the Filing statement. As such, the Company has updated the Estimated Use of Proceeds disclosure from the Filing Statement by allocating such additional funds to unallocated working capital.
(7) Proceeds spent under Investigational New Drug Clinical Trials is related to R&D which includes, but is not limited to, formulation development, chemical and biological synthesis, in-vitro testing and development of drug delivery systems. All Investigational New Drug 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.
(8) 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.
(9) Phase II for each of the Company's programs will not commence within the 12 month period covered in this table. The Company cannot at this time accurately estimate the cost of bringing the Company's programs 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.
(10) This milestone was previously disclosed in the Filing Statement under the heading "*Part III – Information Concerning the Resulting Issuer – Estimated Available Funds and Principal Purposes - Principal Purposes of Funds*" as "R&D operating expenses" at an estimated cost of $372,072. The Company has separated this amount across its programs, as indicated above.
(11) Management fees and professional fees are in included in R&D or General and Administrative depending of the nature of the expense.
(12) As set out in the Company's business objectives in the Annual Information Form, the Company seeks to submit patent applications to protect the inventions developed by the Company. All of such costs are included in the R&D costs set out above for the applicable programs of the Company.
(13) As set out in the Company's business objectives in the Annual Information Form, the Company intends to relocate its headquarters to the Cambridge Biomedical Campus in the United Kingdom. The estimated incremental costs associated with such relocation for the 12 months ending March 31, 2023, including additional rent and increased salaries, are approximately $115,000. Such costs are including in General and Administrative set out above. The potential rebates and government grants from the United Kingdom government which may be available to the Company as a result of such relocation are not included in such amount.

For further details about each of the Company's programs see section titled "Significant Programs" 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 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 Brazil regarding the performance of work activities. The duration and the immediate and 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 operations 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. The breadth of the impact of the COVID-19 pandemic on investors, businesses, the global economy and financial and commodity markets may also have a material adverse effect on the Company.

Impact on the Company

During the nine months ended September 30, 2022, 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 September 30, 2022, cash and cash equivalents decreased to $1,892,084 mainly as a result of the cash used in operating activities.

	For the nine-month period ended September 30, 2022
Cash used in operating activities	$(1,817,568)
Cash used in investing activities	$-
Cash used in financing activities	$(30,124)
Net effect of foreign exchange	$(20,860)
Decrease in cash	$(1,847,692)

Liquidity

The Company had working capital of $157,023 as at September 30, 2022 (December 31, 2021 – $2,114,902). The Company's cash consists of deposits with chartered banks in Canada and the U.S. The Company is in 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.

On November 14, 2022, Biomind entered into a financing agreement (the "**Financing Agreement**") with Union Group Ventures Limited ("**UGV**") pursuant to which UGV has agreed to provide the Company with a credit facility of up to $3,000,000 (the **"Credit Facility**"), expiring 12 months from the date of execution of the Financing Agreement, subject to an annual interest rate of 12%. Disbursements under the Credit Facility are subject to certain conditions precedent at the time of draw. Disbursements can be repaid, at the option of Biomind, by way of the issuance of Shares at a price per Share equal to the greater of: (i) a 20% discount to the 15 day volume weighted average trading price of the Shares on the NEO Exchange, prior to the applicable repayment date; and (ii) the maximum permitted discount under the policies of the NEO Exchange.

The Company calculates its working capital as follows:

Line items	September 30, 2022	December 31, 2021	September 30, 2021
Liquid Net Assets (Working Capital)			
Cash	$405,111	$2,273,663	$3,124,061
Prepaid expenses	$58,766	$165,928	$44,746
Accounts payable and accrued liabilities	$(288,806)	$(289,633)	$(257,184)
Lease liabilities – current	$(18,048)	$(35,056)	$(35,305)
Working Capital	***$157,023***	***$2,114,902***	***$2,876,318***

Capital Resources

As of September 30, 2022, 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	$288,806	$288,806	$-	$-	$-
Leases	$18,048	$18,048	-	-	-
Other obligations	-	-	-	-	-
Total contractual obligations.	***$306,854***	***$306,854***	***$-***	***$-***	***$-***

The Company's monthly operational cash burn for the nine months ended September 30, 2022 was approximately $210,000, and it is expected to decrease to average $80,000 per month.[26]

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

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

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 12 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 12 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 12 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, 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.

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

On November 14, 2022, the Company entered into an agreement with a related party. See "*Liquidity, Capital Resources and Off-Balance Sheet Arrangements – Liquidity*".

Transaction with key management personnel and directors

For the period from January 1, 2022 to September 30, 2022, the Company granted $184,874 in remuneration to key management personnel and directors (For the period from January 1, 2021 to September 30, 2021 - $66,000). For the three-month period ended September 30, 2022, the Company granted $56,902 in remuneration to key management personnel and directors (For the three-month period ended September 30, 2021 - $36,000). 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 controlling shareholders of the Company and the resulting share-based compensation recognized expenses for the nine-month period ended in September 30, 2022 is $451,855 (for the six-month period ended on September 30, 2021 - $235,789).

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 $381,571 for the six-month period ended June 30, 2022, and $131,618 for the six-month period ended June 30, 2021.

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 nine month period ended September 30, 2022, 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 November 4, 2022, the Company announced positive initial results from part I of its Phase II trial on its BMND01 candidate, a novel liquid inhaled formulation of DMT for TRD.

On November 14, 2022, the Company announced that the FDA has given the Company Investigational New Drug clearance related to the Company's new chemical entity Triptax™.

On November 14, 2022, the Company entered into an agreement with a related party. See "*Liquidity, Capital Resources and Off-Balance Sheet Arrangements – Liquidity*".

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 September 30, 2022 the Company has an accumulated deficit of $12,898,801 (December 31, 2021 - $10,446,207), cash of $405,111 (December 31, 2021 – $2,273,663), and a working capital of $157,023 (December 31, 2021 –$2,114,902). Additionally, the Company incurred a net loss of $2,433,346 (September 30, 2021 - $3,204,150) during the nine month period ended on September 30, 2022. 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.